

2022 DEVELOPMENT EFFECTIVENESS REVIEW

APRIL 2023

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ISBN 978-92-9270-114-7 (print), 978-92-9270-115-4 (electronic), 978-92-9270-116-1 (ebook)
Publication Stock No. SGP230131-2
DOI: <http://dx.doi.org/10.22617/SGP230131-2>

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2. ADB recognizes “Russia” as the Russian Federation.
3. The Asian Development Bank’s Strategy, Policy, and Partnerships Department is the source of all information in tables, figures, boxes, and infographics in this report, unless otherwise stated.
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3. Results Framework Indicator Definition
4. Tracking Indicator Definitions
5. Technical Note on the Development Effectiveness Review Rating System

WEB-LINKED RESOURCES

Download the scorecards and related information, and linked documents from
<http://www.adb.org/Documents/LinkedDocs/?id=2022-DEFR>.

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ABBREVIATIONS

CO ₂	–	carbon dioxide
COVID-19	–	coronavirus disease
CSO	–	civil society organization
DEfR	–	development effectiveness review
DMC	–	developing member country
DMF	–	design and monitoring framework
FCAS	–	fragile and conflict-affected situations
GDP	–	gross domestic product
KPS	–	knowledge products and services
O&M	–	operation and maintenance
OP	–	operational priority
PPP	–	public–private partnership
PSM	–	public sector management
PSOD	–	Private Sector Operations Department
SDG	–	Sustainable Development Goal
SIDS	–	small island developing states
STEM	–	science, technology, engineering, and math
TVET	–	technical and vocational education and training

OVERVIEW OF ADB'S SUITE OF ANNUAL CORPORATE PERFORMANCE REPORTS

The Asian Development Bank (ADB) prepares a suite of three complementary yet distinct corporate performance reports annually. All three reports share the common goals of learning from experience and being accountable to ADB shareholders and other stakeholders. This overview summarizes the unique focus, purpose, and value addition of each report. It maps their common areas of focus to direct readers to information about common topics.

	FOCUS	PURPOSE AND VALUE ADDITION
Annual Evaluation Review	The Board-required report of the Independent Evaluation Department (IED) is produced to promote accountability and learning. It focuses on the operational performance and results of ADB and provides a synthesis of the evaluations prepared by IED in the preceding year and an in-depth analysis of performance trends of completed operations. It includes a special topic to strengthen results, and reports on Management's acceptance and implementation of IED recommendations.	The Annual Evaluation Review provides consolidated issues and lessons from independent evaluations.
COMMON FOCUS  performance of completed operations		
Development Effectiveness Review	The review is Management's flagship report on ADB's performance in achieving the priorities of its corporate strategy, using indicators in the corporate results framework as the yardstick. Focusing on operations financed by ADB, it assesses ADB's development effectiveness, highlights actions ADB has taken to improve, and identifies areas where ADB's performance needs to be strengthened.	The findings provide the Board of Directors and ADB Management with performance information to guide ADB's strategic and operational directions and resource planning.
COMMON FOCUS  performance of active portfolio		
Annual Portfolio Performance Report	The report provides a strategic overview and analysis of the performance trends, size, composition, and quality of ADB's active portfolio based on key indicators. It includes all operations and projects, including those funded by special funds and cofinancing fully administered by ADB. It identifies key issues, actions taken by departments to support improvement, and lessons for future ADB interventions, and makes recommendations for improvement to ADB Management.	The report provides ADB Management with evidence-based recommendations grounded in an in-depth analysis, including by region, of ADB's full portfolio of active committed sovereign and nonsovereign operations and projects.

A father and son spending quality time together on the sea in Tuvalu (photo by Eric Sales).



Girls playing pretend doctor-patient in Bhutan (photo by Eric Sales).



INTRODUCTION


The development effectiveness review is the primary tool by which the Asian Development Bank monitors and reports on its performance in achieving the priorities of its corporate Strategy 2030. The 2022 report uses the 60 indicators in the corporate results framework, 2019–2024, as its yardstick.

1. The 2022 Development Effectiveness Review (DEfR) is the 16th annual performance report of the Asian Development Bank (ADB). The DEfR is based on ADB's corporate results framework (CRF), a management tool used to track and monitor ADB's progress in implementing its corporate strategy. Preparing the DEfR is ADB's annual review and reflection exercise. This yearly process enables ADB to spot and analyze trends in corporate effectiveness, identify underlying issues, and develop actions to improve. The DEfR's findings inform ADB's operational directions and resource planning through the President's planning directions and the 3-year corporate work program and budget framework process.
2. The 2022 DEfR continues the practice of using signals to communicate performance. However, the report's main body is organized by themes to reflect the new directions of Strategy 2030 and the CRF, 2019–2024.
3. **Understanding performance signals.** The use of arrows; check marks; and green, amber, and red signals to illustrate the status of performance continues in the 2022 DEfR. These signals indicate the direction of change for Level 1 indicators, and performance against targets for the indicators in levels 2–4. Performance against 2024 targets is expected to show the progress necessary from the baseline values to reach these targets. Signals for indicators with annual or periodic performance targets reflect performance on meeting the minimum and/or maximum threshold values set for each year during 2019–2024. Performance on some indicators is monitored rather than scored. In these cases, arrow signs indicate any improvement or deterioration, but no color signals are assigned. Table 1 summarizes the signals for indicators in levels 2–4.
4. **Where to find performance results.** The Performance Highlights section and the scorecard (Appendix 2) of the report summarize performance on all indicators across the four levels of the CRF. The scorecard explains each performance signal.
5. **The thematic structure.** The 2022 DEfR is divided into five thematic chapters that group indicators according to the priorities and overall objectives of Strategy 2030. An infographic introduces the theme at the beginning of each chapter. Performance signals and key related data are then provided graphically alongside brief commentaries on overall thematic performance followed by deeper examination of particular areas and notable results. The thematic chapter focused on the seven Strategy 2030 operational priorities and the Sustainable Development Goals (Chapter 1) covers all Level 1 indicators and relevant indicators from levels 2 and 3 to show the regional context. The four other thematic chapters cluster and discuss results for indicators from levels 2–4 according to theme to capture ADB's progress.
6. **Reporting key ADB actions.** ADB has a system in place to identify and monitor actions for improvement and undertook important actions during 2022 to address major performance challenges identified in the 2021 DEfR. Actions to address challenges that remain relevant to Strategy 2030 priorities are summarized in the closing section.
7. **Complementing the two other ADB corporate performance reports.** The DEfR complements and refers to the two additional corporate performance reports ADB prepares each year—the Annual Portfolio Performance Report prepared by the Procurement, Portfolio, and Financial Management Department, and the Annual Evaluation Review prepared by the Independent Evaluation Department. An overview of the focus and purpose of each review is illustrated in a diagram at the beginning of this report.

Table 1: Levels 2–4 Signals Explained

Scoring Method	Signal	Annual Change ^a
At or above target —performance at or above target		
On track —performance exceeded desired progress to attain target		Improved
		Remained constant
		Deteriorated
On track but watch —performance met desired progress to attain 2024 target but requires close monitoring		Improved
		Remained constant
		Deteriorated
Off track —performance fell short of desired progress to attain target		Improved
		Remained constant
		Deteriorated
Monitor —no performance assessment		Increased
		Remained constant
		Decreased

^a An arrow indicates a significant ($\geq 3\%$) change from previous performance.



A student engaged in a practical exercise at the ADB-supported Hakmana Methodist Central College in Sri Lanka (photo by Pushpa Kumara).

PERFORMANCE HIGHLIGHTS

The Asian Development Bank (ADB) has responded to compounding crises while achieving good progress in 2022 on strategic priorities to mainstream gender in operations, increase the share of operations supporting climate change mitigation and adaptation, improve the nonsovereign cofinancing ratio, and double investment in food security over 2021. Active portfolio performance and organizational management improved, albeit unevenly. Meanwhile, compounding global crises hampered post-pandemic recovery and progress on the Sustainable Development Goals in the region. Continued strategic redirection of priorities is required to meet renewed corporate ambitions and the needs of developing member countries.

A. PROGRESS ON REGIONAL DEVELOPMENT INDICATORS

Level 1: Development Progress in Asia and the Pacific

8. **Compounding crises hampering post-pandemic recovery.** The convergence of multiple crises, notably the Russian invasion of Ukraine, the climate crisis, disasters triggered by natural hazards, and the lingering impacts of the COVID-19 pandemic, have worked against the attainment of the Sustainable Development Goals. Level 1 indicators show that, despite the loosening of COVID-19 restrictions, emerging crises affecting food, energy, and finance systems have hindered potential gains in the wake of the pandemic. Where data are not yet available, supplementary sources and projections provided a fuller picture of development progress in Asia and the Pacific.
9. **Poverty still high and economies sluggish, leaving vulnerable people exposed.** Estimates found at least 20% of developing Asia's population lived in either extreme or moderate poverty in 2021. After post-pandemic economic revival in 2021, growth in regional gross domestic product is estimated at only 4.2% in 2022 and forecast at 4.8% in 2023, slowed by global turbulence. Inflation surges, affecting in particular energy and food, pose threats to lower-income populations. Social protection and health services are still scant across developing Asia.
10. **School closures depressing human capital.** While school completion rates are slowly recovering across developing member countries (DMCs), virus-containment measures implemented during the pandemic deeply affected students' future lifetime earnings. ADB estimates lifetime earning losses in the range of 3.9%–8.8% of pre-pandemic earnings. School reopening was slow, as only half of the countries in Asia and the Pacific had fully opened their schools from pre-school to upper secondary by the first quarter of 2022.
11. **Systemic inequality disadvantaging women.** Energy and food price shocks are more likely to affect women than men. Women face greater food insecurity, with the global gender gap in food insecurity more than doubling from 1.7% in 2019 to over 4.0% in 2021. Achieving universal, high-quality education for girls remains out of reach as opportunities in technology and innovation continue to be limited. Large gaps in labor force participation for women are still evident across the region, with women continuing to shoulder most care burdens in the home.
12. **Lagging climate and environmental action.** Tackling climate change and preserving the environment continue to be pressing concerns for the region. Plastic waste, which was exacerbated during the pandemic, continues to harm marine ecosystems, food safety, and human health. The reopening of businesses and industries reversed declines in greenhouse gas emissions in 2020 and 2021, as major producers of carbon dioxide returned to pre-pandemic emissions. Despite agreements reached at the 26th United Nations Climate Change Conference in Glasgow and the Climate Pact, few DMCs have updated their approaches to combat climate change through enhanced nationally determined contributions. The number of deaths from extreme weather and geophysical hazards increased from 4,881 in 2021 to 7,240 in 2022.
13. **Worsening food insecurity.** An estimated 425 million people in the region were undernourished in 2021, and nearly 23% of children were stunted. The share of people experiencing severe food insecurity increased from 9.7% in 2020 to 10.5% in 2021. The COVID-19 pandemic and the Russian invasion of Ukraine disrupted global supply chains, sharply increased food prices, and hampered access to nutritious food. Food inflation has severely hit lower-income groups in developing economies, where up to half of household consumption expenditure is on food. This has undermined nutrition, health, and living standards.
14. **Rising cost of living in cities.** Rapid urbanization and rising food prices are making access to healthy diets more difficult for urban populations. Further, worsening home affordability is widening housing gaps in cities as population growth and rapid migration continue. Rapid, inadequately planned urban development makes

crowded cities more vulnerable to climate change and disasters triggered by natural hazards.

15. **Governance in need of further strengthening.** Strengthened institutions and improved public service delivery are persistent needs in the region. Governments continue to experience revenue pressures from the need to meet increased spending demands even as crises reduce tax collection. Several DMCs continue to suffer from civil conflict, further worsening the impact of other crises on vulnerable low-income groups.

16. **New challenges in regional cooperation.**

The Russian invasion of Ukraine has brought new challenges, particularly for Central Asian countries with close economic links to the Russian Federation through labor migration and remittances. The compounding crises of 2022 highlighted the critical role of regional and subregional cooperation in driving the region's recovery following massive economic disruption. Such cooperation in trade and investment are central to addressing challenges affecting energy and food systems, as well as to tackling climate change.

B. ADB'S ACHIEVEMENTS IN 2022

Level 2: Results from ADB's Completed Operations

Strategy 2030 Operational Priority Results

17. **Good results for Strategy 2030 operational priorities.** The corporate results framework, 2019–2024 includes outcome indicators for measuring the results of ADB's sovereign and nonsovereign operations and technical assistance in support of the seven Strategy 2030 operational priorities. In 2022, completed ADB operations overall delivered 80% or more of their expected results for all 21 indicators for which results were expected. The concessional assistance subset of operations fell short on 3 of the 18 indicators for which results were expected.

Sovereign Operations Performance

18. **Overall success rate down.** The share of completed sovereign operations rated *successful* slipped from 70% in reporting period 2019–2021 (July 2018–June 2021) to 68% in 2020–2022, or 12 percentage points short of the 2024 target. Overall performance was hurt by weak annual performance in 2022, in which success ratings dropped from 72% in 2021 to 64%. Performance sagged in infrastructure sectors. Having enjoyed *successful* rating at 96% in 2017–2019, energy operations fell in each subsequent reporting period, to 68% in 2020–2022. Turning to projects outside of infrastructure sectors, overall success ratings picked up from 73% in reporting period 2019–2021 to 77% in 2020–2022 with operations in education notably trending up but those in public sector management taking a downward trajectory.

19. **Deteriorating efficiency echoing a weakened success rate.**

The share of operations rated *efficient* slipped further by 4 percentage points to 66%, mainly because of slow procurement, poor contractor performance, weak contract administration, and complex government implementation arrangements. *Sustainability* extended its improvement to 3 consecutive reporting periods, rising from 61% in 2017–2019 to 67% in 2020–2022. Capacity enhancement in executing agencies and long-term engagement in sector reform began to yield results but remains a perennial challenge, necessitating holistic and pragmatic measures at every level: project, sector, corporate, and country. *Effectiveness* stalled and continued to underperform the overall success rate. Project readiness and supervision demand close attention, with regular risk assessment and mitigation. *Relevance* remained the strongest performer among the four criteria for assessing the overall success rate.

20. **Plunging success rates for both fragile situations and small islands.**

Only 52% of 25 sovereign operations completed in countries with fragile and conflict-affected situations were rated *successful*, sliding substantially from 62% in 2019–2021. The success rate of 29 sovereign operations in small island developing states also dropped, from 52% to 48%. While the small number of operations makes this indicator very volatile, poor results still reflect difficult operational contexts, in which tailored approaches are indispensable to address unique challenges.

21. **Projects completion on time mired far from the target.** The share of operations completed on time changed little and remained far below the 2024 target of 45%. An average delay of 3 years was caused by problematic contractor or consultant performance, changes in project scope, slow provision of counterpart funds, drawn-out liquidation, and unrealistic assessment of project complexity and consequently of the time required for implementation. Impacts from the pandemic are not yet clearly indicated in project results, as most of the projects were largely implemented or even completed ahead of the pandemic. Obvious hindrances induced by the emergency will likely offset efforts to improve ratings, causing results to deteriorate in future reporting periods.

Nonsovereign Operations Performance

22. **Nonsovereign operation performance stable but off track.** The share of completed nonsovereign operations rated *successful* remained roughly stable at 55% in reporting period 2020–2022, and a gap of 15 percentage points kept ADB *off track* to meet the 2024 target of 70%. Many better-performing infrastructure investments, mainly in energy generation, maintained their success rating. Low performance by investments in finance institutions and private equity funds stymied performance gains. About 72% of the financing ADB disbursed supported projects rated *successful*, while the remaining 28% financed projects rated *less than successful* or *unsuccessful*. ADB sustained slow but steady improvement in ratings on the criteria work quality, additionality, and development results for

a fourth consecutive reporting period. Ratings for *investment profitability* recovered slightly after 4 years of deterioration, and this remains the criterion on which nonsovereign operations performed best.

Engagement with Civil Society

23. **Meaningful engagement with civil society organizations.** ADB's engagement with civil society organizations (CSOs) relies on grassroots approaches to target poor and vulnerable people, mobilize women and young people, and support communities as they invest in their shared future. Of 106 projects whose completion reports were published in reporting year 2022 (July 2021–June 2022), those that articulated plans for meaningful engagement with CSOs numbered 54 (51%, up by 1 percentage point from 2021) and those among them that delivered on their plans numbered 46 (85%, up by 9 points). Projects in agriculture, transport, water and education had the highest rates of meaningful CSO engagement.

Client Feedback on Knowledge and Development Effectiveness

24. **Improved satisfaction.** Of the 1,264 clients who responded to a biennial survey taken in 2022 of 60 ADB members, 80% rated ADB knowledge products and services *very useful*, up from 79% in 2020. The survey also showed heightened satisfaction with ADB's *development effectiveness*. Among clients surveyed, 78% were *very satisfied* with ADB's efforts to helping their countries achieve development results, up from 75% in 2020.

Level 3: ADB's Operational Management

Design and Implementation Quality

25. **Project readiness targets reached.** Sovereign infrastructure operations did exceptionally well in project readiness in 2022. The share of design-ready projects regained the annual target of 80%. Procurement readiness came back *on track* and reached its 2024 target of 60% for the first time. The easing of pandemic restrictions was a key driver behind this strong performance, as were initiatives taken by ADB operations departments.

26. **Active portfolio performance: sovereign steady, nonsovereign improved.** The share of sovereign operations under implementation rated *satisfactory* or *on track* remained the same at 67%. Status was roughly consistent across all five rating criteria, up or down by 1 or 2 percentage points on three criteria. Ways to improve include mainstreaming newly introduced procurement guidelines, enhancing readiness for land acquisition and involuntary resettlement, and monitoring and mitigating procurement delays at start-up. The share of nonsovereign operations flagged *at risk* fell by

percentage points to 15%. The share rated *on track* to meet development results kept relatively steady at 42%, as did the share rated *for attention*, at 20%, or *too early to assess*, at 23%.

Mobilization and Transfer of Development Finance

27. **Another strong sovereign disbursement rate.** ADB disbursed \$11.0 billion, or 109% of its planned \$10.1 billion, in financing for sovereign projects and results-based lending to DMCs, exceeding the annual target of 90%.

28. **Record high nonsovereign cofinancing.** The 3-year average nonsovereign cofinancing ratio rose to a record high of 206%, surpassing the 2024 target of 200% for the first time. Long-term cofinancing for nonsovereign operations signed in 2020–2022 totaled \$6.0 billion. Every \$1.00 in financing ADB committed to nonsovereign operations was matched by \$2.10 in long-term cofinancing.

29. **Financing for education still lagging.** ADB did not manage to increase financing for education in 2022. Education commitments fell instead, from \$965 million in 2021 to \$781 million in 2022, such that performance remained *off track* to meet the target of 6%–10%.

30. **Health financing back in range.** Committed financing for health eased to \$816 million in 2022, or 4.68% of overall ADB commitments, as ADB transitioned the bulk of its health sector support away from large emergency investments to help DMCs respond to the pandemic and toward investment to strengthen health systems. As a result, finance for health was back down within the 2024 target range of 3%–5%.

Alignment with Strategy 2030 Priorities

31. **New records for gender mainstreaming in operations.** The share of ADB operation commitments classified as *gender equity theme* (GEN) or *effective gender mainstreaming* (EGM) rose by another 8 percentage points to 80% of all ADB operations in 2020–2022, exceeding the 2024 target of 50% for a fourth year in a row. Those categorized

GEN, EGM, or *some gender elements* (SGE) increased by 3 percentage points from 96% in 2019–2021 to 99% in 2020–2022, also above the 2024 target of 71%. Performance on both indicators remained above 2030 targets of 55% for GEN or EGM and 75% for GEN, EGM, or SGE. ADB's efforts to mainstream gender, especially in nonsovereign operations, contributed to this notable performance.

32. **Climate action mainstreaming back on track, but financing still lags.** The portion of ADB operations supporting climate change mitigation and/or adaptation jumped from 56% in 2019–2021 to 64% in 2020–2022, pushing the rating up to just short of the 2024 target of 65%. ADB strives to have 75% of operation commitments support climate change mitigation and/or adaptation by 2030. However, the climate financing commitment amount remained *off track* to meet the interim target of \$35 billion during 2019–2024. In the past 4 years, ADB committed a cumulative \$21.0 billion in climate finance: \$14.9 billion for mitigation and \$6.1 billion for adaptation. Strategy 2030 targets \$80 billion in climate finance cumulatively from 2019 to 2030.

33. **Share of nonsovereign operations steady.** While the absolute number of ADB nonsovereign operation commitments rose slightly from 35 in 2021 to 37 in 2022, their share in ADB committed operations was roughly steady at 28% and remained *on track but watch* to meet the 2024 target of 33%. ADB committed to 130 operations in 2022, marginally down from 131 in 2021. Planned nonsovereign portfolio growth was impeded by continued market uncertainty and price volatility, as well as lower client engagement and suppressed travel restrictions in the first half of 2022.

34. **Nonsovereign operations in frontier economies had minimal changes.** Among nonsovereign project commitments in 2022, 18 projects, or 49%, were in frontier economies and/or new sectors, a 5-year low in both share and number. Little has changed in the number in frontier economies, the number in nontraditional sectors, and in the number of projects in both frontier economies and nontraditional sectors. The share was below the 2024 target of 55% for the first time since 2018 but

stayed *on track but watch*. Remaining travel restrictions and the economic effects of the pandemic challenged businesses development efforts in 2022.

35. More social protection operations including for food security. As new crises struck in 2022, ADB's support responded to the need for DMCs to

scale-up social protection, including for food security and employment protection. The 14 social protection operations to which ADB committed in 2022 brought the share of operations contributing to social protection to 14% of all ADB operation commitments in reporting period 2020–2022, up from 12% in 2019–2021.

Level 4: ADB's Organizational Effectiveness

Organizational Systems and Processes

36. Toward a gender-balanced workforce. The female share of ADB international staff (IS) positions improved from 37.9% in 2021 to 38.7% in 2022, bringing the total female staff number to 528 out of 1,365. Growth is attributed to an increase in female appointments and higher attrition for men than for women. A challenge persists at the leadership levels IS7–10, where representation remains below 35% and where IS9–10 representation slipped from 38.6% in 2021 to 36.0% in 2022. This significant decrease reflected more males being promoted, as only two of the nine staff promoted to IS9 in this period were female.

37. ADB augmenting its in-country presence. The share of international and national staff positions in ADB operations departments assigned to field offices increased from 45% in 2021 to 46% in 2022, or from 554 to 596 positions. Narrowing the focus on fragile and conflict-affected situations and small island developing states, there was a temporary drop by one position as outposted staff returned to ADB headquarters before replacement in 2023. Decentralization under the new operating model is expected to accelerate, further enhancing ADB's field presence from 2023.

Enhancing Organizational Capacity

38. Early achievement of One ADB collaboration target. One ADB collaboration refers to projects or transactions jointly initiated or processed by regional departments, the Private Sector Operations Department, and/or the Office of Public–Private Partnership. There were 22 such projects and transactions in 2022, bringing the cumulative total to 66. ADB reached its 2024 target of 60 early, in 2022.

39. Procurement processing time on an upward trajectory with fluctuations. In 2022, this measure slipped by 4 percentage points to 74% overall but improved by 2 percentage points to 71% for concessional assistance operations. About 70% of procurement specialists have been strategically placed and outposted in operational departments and resident missions, putting overall procurement efficiency on an upward trajectory. The annual slippage for large transactions, however, indicates a need for continuous capacity development in executing and implementing agencies on how to evaluate bids and prepare high-quality bid evaluation reports.

40. Budget utilization on target. ADB's budget utilization rate in 2022 was 96%, meeting the target of 5% or less unutilized. As in 2021, the most underutilized budget was for travel. With the pandemic on the wane, staff started to return to headquarters in September 2022. Travel restrictions eased, enabling more missions to be fielded, but travel remained below pre-pandemic levels.

ADB Clients' Perception

41. Clients perceive improved ADB responsiveness and collaboration. A 2022 client survey showed satisfaction with ADB's *responsiveness* significantly improved from 63% in 2020 to 75% in 2022, and *collaboration with partners* improved from 63% to 76%. Early and rapid response to the pandemic that leveraged both financial and policy tools demonstrated ADB's agility and adaptability. Augmented partnerships, prompted by increasingly difficult development settings and scarce resources, fostered a culture of collaboration to tap respective strengths and expertise to recover from the pandemic and attain the Sustainable Development Goals.

Children out for a quick stroll at a vegetable market in Dili, Timor-Leste (photo by Luis Enrique Ascui).



CHAPTER 1

STRATEGY 2030

OPERATIONAL PRIORITIES

Through the seven operational priorities of its Strategy 2030, the Asian Development Bank (ADB) supports developing member countries' progress toward the Sustainable Development Goals (SDGs) by taking an integrated thematic approach to pressing development challenges in Asia and the Pacific. This chapter describes how recovery from the setbacks suffered under the COVID-19 pandemic has been hampered by impacts from climate change, disasters triggered by natural hazards, and new shocks, most notably the Russian invasion of Ukraine and consequent crises in food, energy, and finance systems. These compounding crises are setting back countries' efforts to protect vulnerable groups through poverty reduction, gender equality, and educational equity. Renewed efforts and financing must therefore be invested toward achieving the SDGs.

A. REGIONAL DEVELOPMENT PROGRESS

42. **Compounding global crises hamper post-pandemic recovery.** Last year saw the convergence of multiple crises, most notably the Russian invasion of Ukraine, climate change, disasters triggered by natural hazards, and lingering socioeconomic impacts of the COVID-19 pandemic. Impacts on developing member countries (DMCs) were turbulent and complex, disrupting trade and supply chains and undermining food, energy, and financial systems and their combined contributions to well-being. Higher energy and food prices have generated a cost-of-living crisis that, like the pandemic, disproportionately affects poor and vulnerable people, whose aggregate numbers are increasing. Central Asian states that depend on the Russian Federation for remittances and trade suffered the greatest impacts, while oil- and gas-exporting countries there and elsewhere benefited from higher energy prices.¹ As central banks fought inflation by

raising interest rates, the fiscal cost of managing public debt increased, reducing the resources available to DMCs to put toward achieving the SDGs.

43. **Projections to fill data gaps on regional development.** Data are incomplete on how COVID-19 and the Russian invasion of Ukraine have affected regional development progress, given reporting lags and the complexity of measuring impacts from global crises. Only five of the 10 regional development progress indicators of the corporate results framework have data for 2021 or 2022 on the economy, governance, and climate change. The other data points are from 2020, the first year of the pandemic. Where data are not yet available, supplementary sources provided a fuller picture of development progress in Asia and the Pacific.

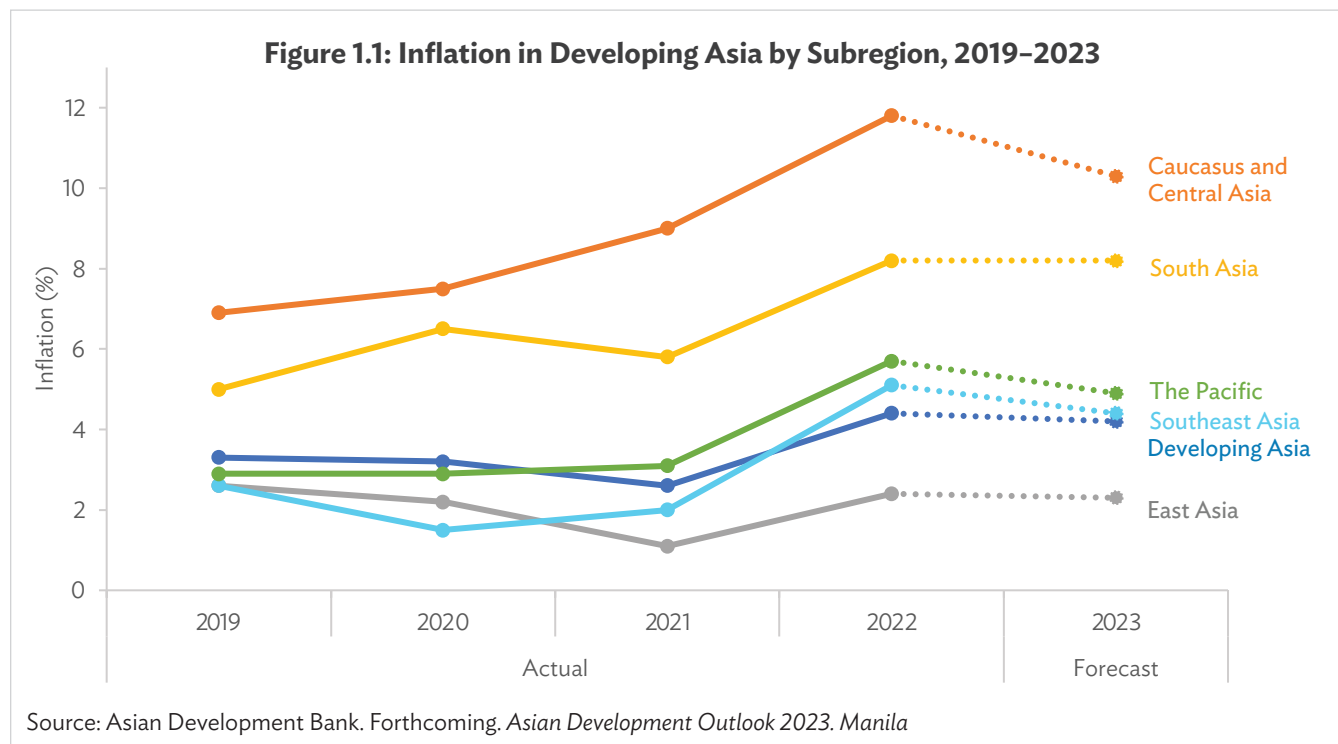


44. **Economic recovery slowed and poverty exacerbated by combined crises.** Despite the loosening of COVID-19 restrictions, emerging crises that affect food, energy, and finance systems have hindered potential socioeconomic gains in the wake of the pandemic and set back expected progress in poverty reduction. Following a 7.3% rebound in combined gross domestic product (GDP) in developing Asia in 2021, ADB now forecasts growth in the region by only 4.2% in 2022 and 4.8% in 2023 and 2024, constrained by the consequences of the Russian invasion of Ukraine, a slowing global economy,

and the now superseded zero-COVID strategy in the People's Republic of China.² The prevalence of extreme and moderate poverty in the region resumed its steady decline in 2021, and ADB forecasts that the economically secure population could rise to nearly 70% by 2030. However, such progress is now challenged by emerging crises and other risks, such that climate change in the next decade threatens to push an estimated 130 million people into poverty.³ Poverty is further worsened as inflation continues to surge with higher energy and food prices, exceeding central bank targets.

While inflation is expected to remain less severe in developing Asia than elsewhere in the world, headline inflation is expected to accelerate in all its subregions to varying degrees (Figure 1.1). Higher energy and

food prices raise the cost of living for lower-income population segments disproportionately because most poorer households allocate larger portions of their income to food.⁴



45. **Unequal employment growth.** Notwithstanding uneven access to vaccines and global constraints on supply chains, labor markets slowly recovered, though with variation between countries. Unemployment rates reached 5.04% across DMCs in 2021 but have since declined to close to pre-pandemic levels. Countries receiving concessional assistance saw unemployment rates increase from 4.51% in 2020 to 4.63% in 2021. Total employment grew by 30 million from 2021 to 2022, but the employed population ratio was, at 56.2% in 2022, still somewhat below 56.9% in 2019, before the pandemic. Steady employment recovery can be attributed partly to developments in East Asia. A restrictive policy of COVID-19 containment in the People's Republic of China had major implications for labor markets in the subregion and across Asia and the Pacific, despite the region's largest national economy managing to maintain positive economic growth throughout the pandemic. Gender gaps in labor force participation in the region persisted in 2022, with South Asia having three times more men than women in the

labor force.⁵ The hiring rate for digital jobs in Asia and the Pacific, having plunged in April 2020 by more than 30% year on year, rebounded by 120% in April 2021 and is expected to continue to rise along with demand for digital skills.⁶ How the Russian invasion of Ukraine has affected labor markets is not yet quantified, but greater unemployment and underemployment are expected.

46. **Unfavorable consequences of school closure on future earnings.** Despite relatively high rates of electricity and mobile internet connectivity in Asia and the Pacific, including in fragile situations and small island states, before the pandemic, the transition from face-to-face learning to other modalities has not been simple. From 2020 until the first quarter of 2022, 25% of DMCs, more than half of them in the Pacific, did not transition to other modalities to continue learning. By March 2022, only half of the countries in Asia and the Pacific had fully reopened their schools, from pre-school to upper secondary.⁷ While school completion rates are slowly recovering across

developing Asia, measures instituted to contain the pandemic will deeply affect the future lifetime earnings of today's students. ADB estimates that lifetime earnings losses may range from 3.9% to 8.8% of pre-pandemic earnings. Also affecting lifetime earnings are social mobility, access to remote learning tools, and family wealth.³

47. Insufficient social and health protection coverage. DMCs' uneven recovery from the pandemic illustrated how skewed health and social protection

coverage is across the region. Health coverage did improve over the years to 2019 across ADB DMCs and in countries receiving concessional assistance, albeit erratically, but social protection less so. ADB estimated that only 37% of social protection measures introduced during COVID-19 were part of existing social protection programs.⁸ The pandemic illustrated the need for social protection systems to evolve to ensure equitable and inclusive development trajectories for Asian countries. Crises in 2022 added to that urgency.



48. Systemic inequality making women more vulnerable. Crises such as the pandemic, climate change, disasters triggered by natural hazards, and conflicts further exacerbated socioeconomic inequality for women, pushing back progress on SDG 5 in the areas of employment, care in the home, and education. Low-income women and those working in the informal economy are especially affected. During the pandemic, women were disproportionately pushed out of jobs and into unpaid care and domestic work.⁹ Unemployment worsened for women in DMCs that receive concessional assistance, from 4.63% in 2019 to 5.87% in 2021. Large gaps in women's labor force participation are still evident across the region, with only half of work-ready women participating in the workforce, and women making up only a third of the labor force.¹⁰ COVID-19 vaccination patterns in Pacific island countries show that women are less likely than men to have received the first two doses. Women are also disproportionately afflicted by energy poverty. Hence the current energy crisis is similarly more likely to adversely affect them.¹¹ Meanwhile, some positive signs show women's economic empowerment, notably an increase by nearly 20 percentage points in women's access to banking or mobile finance from 2014 to 2021.

49. Unequal access to education. From 2017 to 2019, before the pandemic, the number of girls graduating from lower secondary school was on the rise, and the number of girls not in education or training was falling. However, achieving universal, high-quality education for all girls in Asia and the Pacific remains out of reach and opportunities in tech and innovation are limited. During the pandemic, 44% of regional women with science, technology, engineering, and math (STEM) occupations lacked flexible work arrangements to take care of their families—highlighting again tensions between employment and the care duties women typically shoulder.¹²

50. Women facing greater food insecurity. The global gender gap in food insecurity widened from 1.7 percentage points in 2019 to over 4.0 points in 2021. Since 2014, the prevalence of moderate or severe food insecurity in Asia has always been higher for women than men. In 2021, it was 4.4 points higher, sharply up from a 2.7-point difference in 2020.¹³ Women are the key gatherers and suppliers of sustenance across the region but have little voice in natural resource management. In developing nations, 80% of working women engage in food production.¹⁴ The challenges rural women face derive in large part from a struggle to secure ownership of farmland, diminished global fertilizer supply in 2022, and extreme weather.¹⁵



OP 3: TACKLING CLIMATE CHANGE, BUILDING CLIMATE AND DISASTER RESILIENCE, AND ENHANCING ENVIRONMENTAL SUSTAINABILITY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



51. **Lagging climate and environmental action, and worsening disaster exposure.** Significantly reduced industrial activity in 2020 and 2021 temporarily abated greenhouse gas emissions¹⁶, but revived business and industry reversed that trend in 2022. Major producers of carbon dioxide (CO₂) in Asia and the Pacific are back to their pre-pandemic emissions. Notwithstanding shocks from global crises, CO₂ emission reduction per unit of GDP is stagnant across DMCs.¹⁷ Countries in Asia and the Pacific are among those most affected by disasters triggered by natural hazards, extreme weather events and climate change-induced vulnerability. Despite decreased event frequency, deaths caused by disasters triggered by extreme weather and geophysical hazards increased from 4,881 in 2021 to 7,240 in 2022, half of them occurring in countries receiving concessional assistance. The highest death toll was from floods during the wet monsoon and ground movement in South Asia. Economic damage in 2022 to ADB DMCs from these events came to \$36.3 billion, of which \$15.6 billion was in countries that receive concessional assistance.¹⁸ ADB DMCs have ratified the Paris Agreements on climate change. However, despite agreements reached at the 26th United Nations Climate Change Conference in Glasgow and the Climate Pact, few countries have updated their approach to battling climate change through enhanced nationally determined

contributions.¹⁹ Current crises may further reduce commitment to financing and investment to support actions needed to mitigate and adapt to climate change, and thus build climate and disaster resilience.

52. **Environmental issues still on the back burner.** Yale's Environmental Performance Index suggests that DMC performance on a variety of environmental issues has weakened in recent years. Environmental degradation persists in developing Asia as the region fails to balance a highly resource-intensive path to economic growth with a clean, healthy, and sustainable environment. The unsustainable production and consumption of natural resources in the region contributes to air, water, and soil pollution. An environmentally destructive economic model means that the goal of attaining sustainable and just economies as mandated by the 2030 Agenda has made little progress since 2000.²⁰ Further, the pandemic spurred a rapid increase of single-use plastics, and the mismanagement of their disposal poses a huge threat to environmental sustainability. Mismanaged waste damages marine ecosystems, food supplies, and human health.²¹ Swift action is needed because Asia is home to 3 billion people who depend on oceans for livelihoods and food security, especially in South Asia and Southeast Asia. Yet it is also the region from which most plastic waste reaches the ocean.²²



OP 4: MAKING CITIES MORE LIVABLE

11 SUSTAINABLE CITIES AND COMMUNITIES



53. **Urbanization challenging food security, disaster resilience, and home affordability.** A forecast 55% of the population of Asia and the Pacific will reside in urban areas by 2030.²³ Rapid rates of migration into cities and

rising food prices are making access to healthy diets more difficult for urban dwellers. Coupled with inadequate planning, rapid urbanization makes densely populated urban areas more vulnerable to climate change, and

disasters triggered by natural hazards. A focus on climate adaptation is essential for cities at risk of flooding. Urban Asia needs a green energy transition, especially considering that urban areas in the region account for about 75% of regional emissions, largely from energy generation, industry, and transport.²⁴

54. Housing inequity highlighted. A housing gap is becoming more evident as population growth continues to outpace housing supply. With nearly 600 million people in the region living in slums and informal settlements, the problem can only worsen as about 127,000 people migrate into Asia's cities every day.²⁵ COVID-19 highlighted housing inequity in the region as those without safe, sanitary, affordable, and secure housing suffered the most. High mortgage payments to cover high housing prices—now exacerbated by rising interest rates—and the high cost of living, make

housing even more unaffordable than it was before the pandemic.²⁶

55. Healthier cities needed. COVID-19 has been a wake-up call on the negative impacts of air, soil, and water degradation and on the need for cities in DMCs to become more shock resilient. The Asia and Pacific region had 97 of the 100 cities with the worst air quality in 2022.²⁷ Also, 7 in every 10 cities in Asia suffer poor air quality on average.²⁸ Fast urbanization rates are expected to exacerbate air pollution, caused mostly by emissions from industry and transportation. COVID-19 lockdowns highlighted the importance of urban planning and design that includes open spaces. Besides being healthy for humans, open and green spaces are vital to biodiversity and offer nature-based systems for flood control and urban heat reduction.²⁹



OP 5: PROMOTING RURAL DEVELOPMENT AND FOOD SECURITY

2 ZERO HUNGER



56. Multiple crises heightening malnutrition. The COVID-19 pandemic and the Russian invasion of Ukraine disrupted global supply chains, sharply increasing food prices and reducing access to nutritious food, particularly for poor and vulnerable people. In 2021, an estimated 425 million undernourished people in Asia comprised more than half of the global figure.¹³ Malnutrition affects all segments of the region's population, with nearly 23% of children stunted, almost a third of women aged 15–49 years anemic, and 6.1% of adults obese.³⁰ The prevalence of stunting among children in countries receiving concessional assistance has remained higher than 30% in the decade to 2020, far behind the ADB DMCs overall.

57. Worsening food insecurity. Food insecurity, the most fundamental cause of malnutrition, remains a serious challenge in the region. Asia accounts for half of the people globally who suffer moderate or severe food insecurity, or more than 1.15 billion. The prevalence of severe food insecurity rose from 8.2% in 2019 to 9.7% in 2020 and 10.5% in 2021. This translates into 112.3 million

additional people facing severe food insecurity over the course of 2 years.¹³ Transforming agriculture, to minimize its exposure to risks brought about by climate change, natural hazards, and unsustainable farm practices, plays a critical role in response. Rising food demand includes a shift toward resource-intensive animal products, adding pressure on agricultural production.³¹

58. Food price inflation. The pandemic and the Russian invasion of Ukraine caused steep price increases, with food price inflation in developing Asia reaching 8.1% in July 2022.³² Because lower-income groups in developing economies devote up to half of household consumption expenditure on food, inflation has severely affected human health and living standards.³³ The Food and Agriculture Organization of the United Nations estimated that the cost of a healthy diet in the region increased by 4% from 2019 to 2020, rendering a healthy diet unaffordable to an estimated 1.89 billion people in the region.¹³ ADB estimates that a 10% rise in domestic food price inflation in developing Asia could push 64 million more people into poverty.³⁴



OP 6: STRENGTHENING GOVERNANCE AND INSTITUTIONAL CAPACITY

16 PEACE AND JUSTICE
STRONG INSTITUTIONS



17 PARTNERSHIPS
FOR THE GOALS



59. Stronger governance and institutions needed.

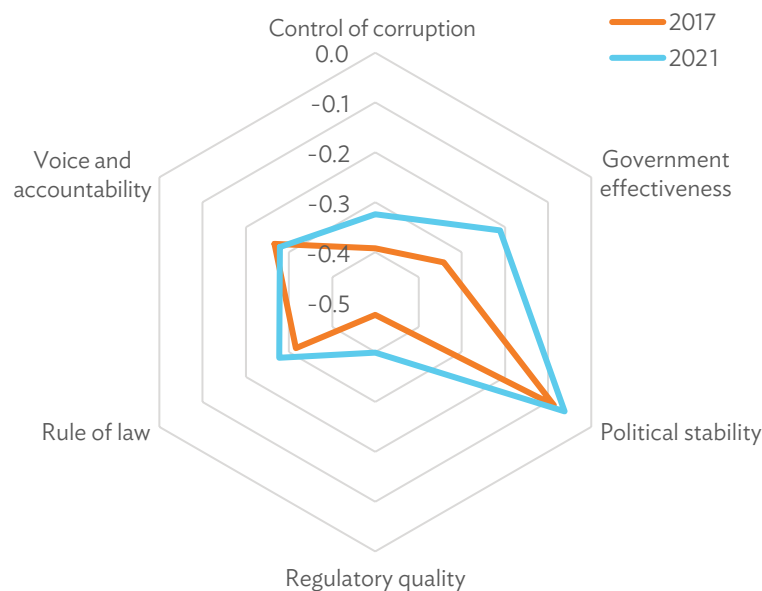
On the World Governance Index scale from -2.5 to 2.5, the regional average remains negative, at -0.26. This shows lagging regional performance in terms of governance.³⁵ Some improvements have been noted since 2017 for government effectiveness, control of corruption, rule of law, and regulatory quality (Figure 1.2). Countries receiving concessional assistance also showed progress in the same dimensions, though at a slower pace. The latest data suggest that citizen participation and freedom of expression regressed as scores for voice and accountability declined. Political stability reverted in 2021 to its 2018 level as several DMCs experienced turbulence, which intensified the impact of the multiple crises on the vulnerable.³⁶ Stronger governance and institutional capacity are

needed to advance development effectiveness and sustainability in the region.

60. Revenue pressures persisting as crises boost spending but depress tax collection.

Even before the pandemic, almost half of the economies in the region collected revenue near or below the equivalent of 15% of GDP, the generally accepted minimum required to sustain development.³⁷ Capacity to mobilize domestic resources through tax collection, which was already low, was further hindered by the pandemic, heightening the need to build revenue bases and strengthen administration capability. Further, the ratio of debt to GDP in Asian emerging markets and middle-income countries increased from 57.6% in 2019 to 75.4% in 2022 and is expected to continue to rise.³⁸

Figure 1.2: World Governance Index 2021 for ADB Developing Member Countries



ADB = Asian Development Bank.

Note: Higher values denote better governance.

Source: World Bank. 2022 World Governance Indicators. (accessed 19 December 2022)



OP 7: FOSTERING REGIONAL COOPERATION AND INTEGRATION

17 PARTNERSHIPS FOR THE GOALS

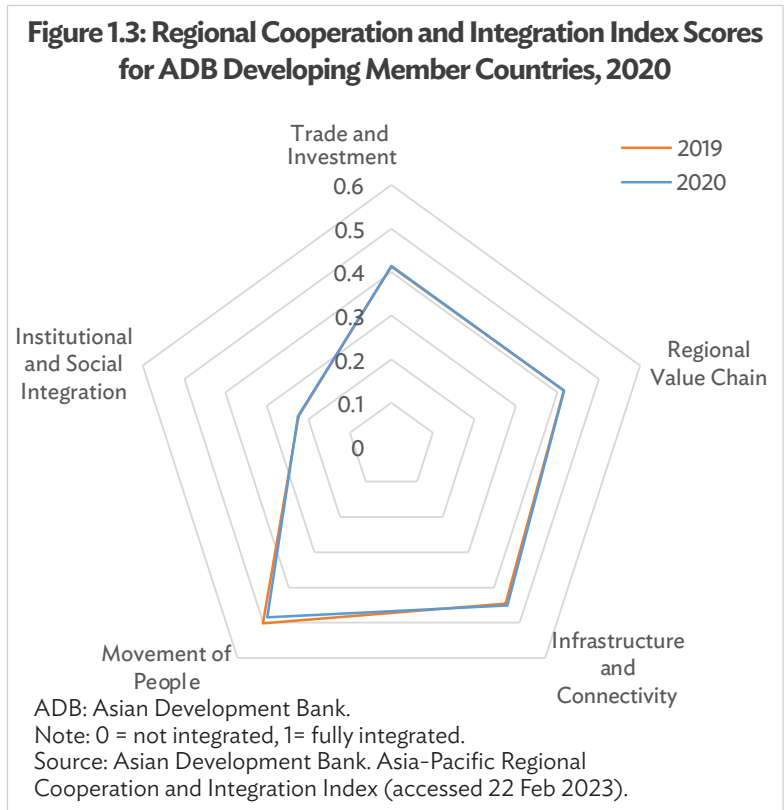


61. **Regional cooperation remained stable despite headwinds.** During the pandemic, measures of regional integration remained the same, according to the latest data available on the modified Asia-Pacific Regional Cooperation and Integration Index (Figure 1.3).³⁹ As more borders reopened, the movement of people remained the strongest dimension, while institutional and social integration lagged. Regional trade integration remains crucial to mitigate the impact of current crises. Money and finance integration continues to progress steadily, as does technology and digital integration. Among subregions, Southeast Asia has improved the most in trade and investment, money and finance, infrastructure and connectivity, institutional arrangements, and people and social dynamics.⁴⁰ Sustaining progress in Asia and the Pacific demands greater regional cooperation, particularly to address climate challenges and ensure trade and supply chain resilience in, for example, energy and food systems.

62. **New crises bringing new challenges to Central Asia.** Investment, capital flows, trade in goods, and remittances had been recovering from pandemic effects since 2020 but were again severely disrupted in 2022 by the Russian invasion of Ukraine, which led to even higher costs to supply chains. Central Asian countries continue to be deeply affected because of low interregional and intraregional trade links aside from close links with the Russian Federation, particularly in terms of labor migration and remittances, which raises the risk of further labor market destabilization.

63. **Sustainable recovery requiring further cooperation.** Regional cooperation

plays a critical role in driving regional recovery. Uneven progress on cross-border economic activities—trade, investment, and tourism—and on climate change indicates a need for more cooperation on trade and environmental and social issues. New crises in 2022 have demonstrated a strong need for regional and subregional solutions to strengthen energy and food systems. Environmental cooperation, while notably low, will be essential to sustainable recovery. Other dimensions of regional cooperation and integration that are least integrated are institutional arrangements—which require potentially protracted negotiations on trade agreements and treaties, among other components—and money and finance. However, subregional differences exist, with Southeast Asia the most integrated and Central Asia least so in these dimensions.⁴⁰



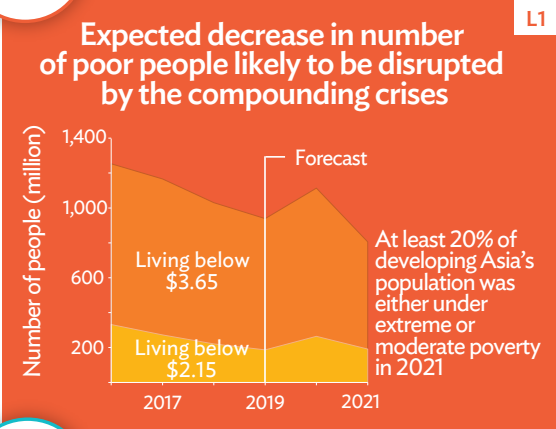
ADB helps improve program quality in higher education institutions in Mongolia (photo by Eric Sales).

B. SEVEN OPERATIONAL PRIORITIES: HIGHLIGHTS

Asia and the Pacific faces pressing development challenges related to the seven operational priorities of Strategy 2030. This section highlights ADB's efforts to respond to these challenges as it implements its operational priorities, showing results of completed operations.



OP 1 ADDRESSING REMAINING POVERTY AND REDUCING INEQUALITIES



L2

✓ **263.2M**
PEOPLE
benefiting from *improved* health services, education services, or social protection

✓ **4.4M**
PEOPLE
poor and vulnerable people with *improved* standards of living

✓ **9.9M**
JOBS
directly *generated*



OP 2 ACCELERATING PROGRESS IN GENDER EQUALITY

L1

Women disproportionately pushed out of employment into unpaid care and domestic work

48% women participating in the labor force versus 81% men

1.5 women not in education, employment, or training for each man

L2

✓ **3.5M**
WOMEN AND GIRLS
with *increased resilience* to climate change, disasters, and other external shocks

✓ **404K**
SKILLED JOBS
generated for women

✓ 81% IN 2019-2021

83% IN 2020-2022

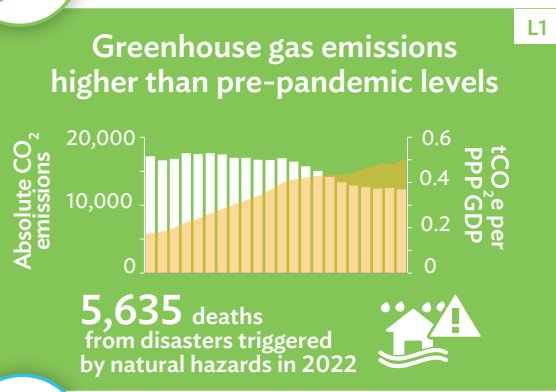
80% BY 2024

Completed operations *delivering* intended gender equality results

✓ **208K**
WOMEN AND GIRLS
with *increased* time savings



OP 3 TACKLING CLIMATE CHANGE, BUILDING CLIMATE AND DISASTER RESILIENCE, AND ENHANCING ENVIRONMENTAL SUSTAINABILITY



L2

✓ **29.6M**
tCO₂e/year
in *reduced* greenhouse gas emissions annually

✓ **270K**
PEOPLE
with *strengthened* climate and disaster resilience

✓ **4.3M**
PEOPLE
with *strengthened* environmental sustainability



OP 4 MAKING CITIES MORE LIVABLE

L1

COVID-19 exposed unequal access to affordable housing and good sanitation

URBAN COVERAGE

WATER	96%
SANITATION	88%

L2

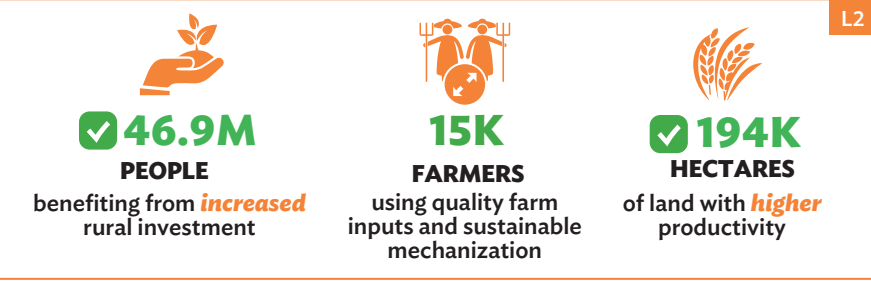
✓ **33.9M**
PEOPLE
benefiting from *improved* services in urban areas

5,000
ASSETS
Urban infrastructure assets *established* or *improved*

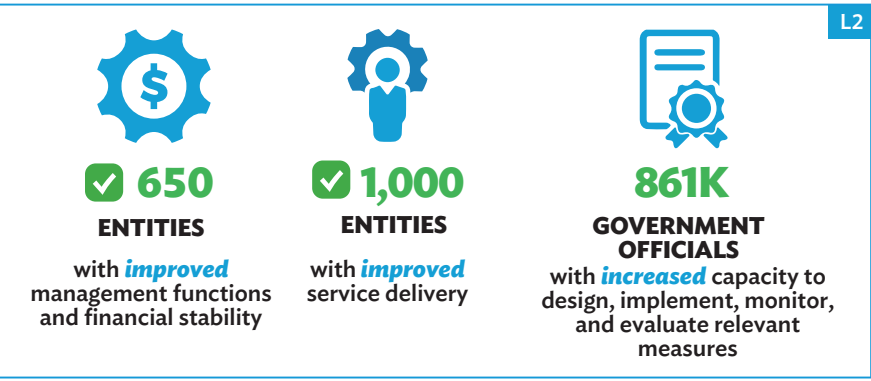
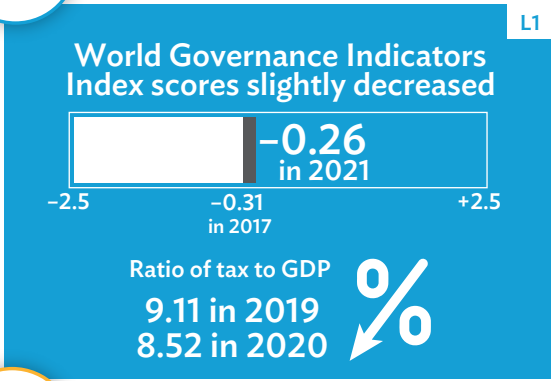
37
SERVICE PROVIDERS
with *improved* performance

CO₂ = carbon dioxide, GDP = gross domestic product, K = thousand, L1 = development progress in Asia and the Pacific, L2 = results from ADB operations completed in 2022, M = million, PPP = purchasing power parity, tCO₂e = tons of carbon dioxide equivalent.
www.parlament.gv.at

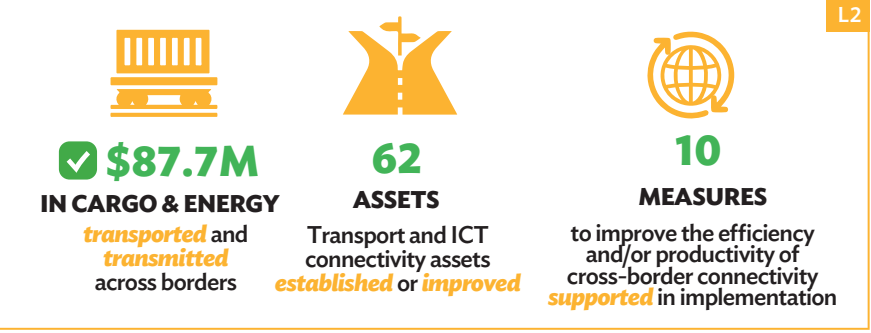
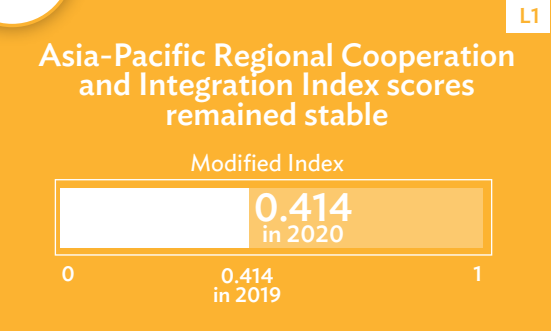
OP 5 PROMOTING RURAL DEVELOPMENT AND FOOD SECURITY



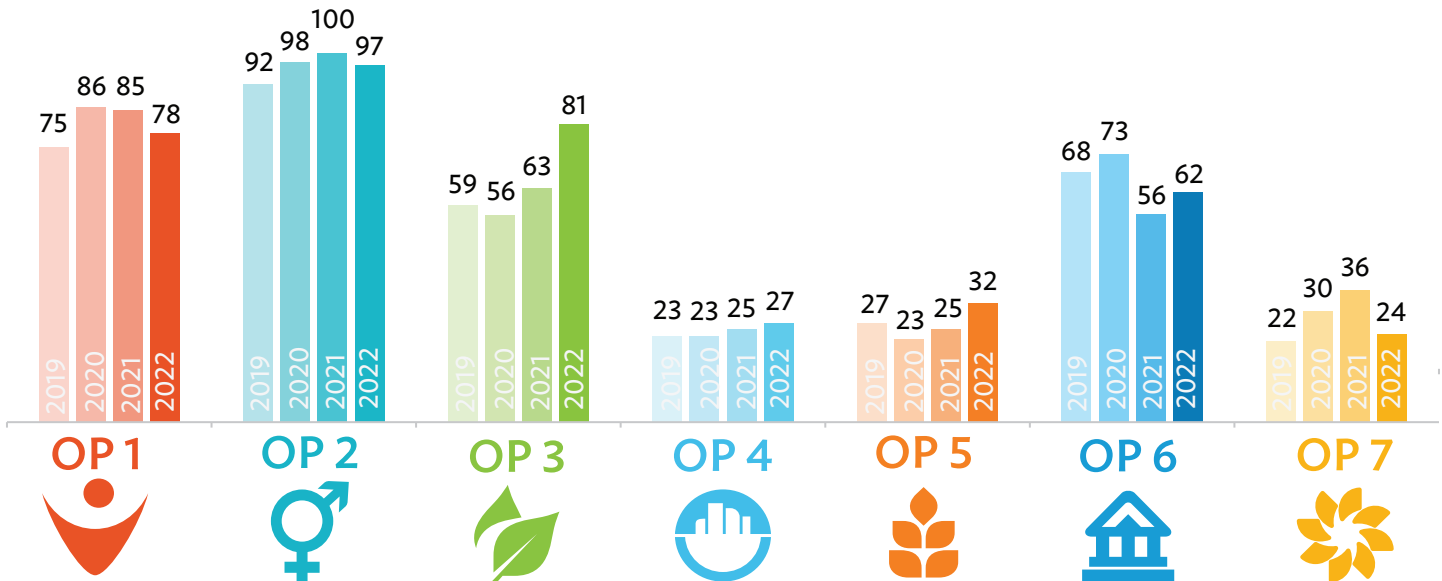
OP 6 STRENGTHENING GOVERNANCE AND INSTITUTIONAL CAPACITY



OP 7 FOSTERING REGIONAL COOPERATION AND INTEGRATION



ADB Operations Aligned with Each Strategy 2030 Operational Priority, 2019–2022 (%)



GDP = gross domestic product, ICT = information and communication technology, K = thousand, L1 = development progress in Asia and the Pacific, L2 = results from ADB operations completed in 2022, M = million.

ALIGNMENT OF ADB COMMITMENTS WITH THE SUSTAINABLE DEVELOPMENT GOALS, 2022

CROSS-CUTTING THEMATIC GOALS



SECTOR-BASED GOALS



SELECTED RESULTS OF 2022 COMPLETED OPERATIONS BY SUSTAINABLE DEVELOPMENT GOAL

	263,244,000 people benefiting from improved health services, education services, or social protection	4,394,000 poor and vulnerable people with improved standards of living	66 social protection schemes established or improved
	46,923,000 people benefiting from increased rural investment	113,000 hectares of land improved through climate-resilient irrigation infrastructure and water delivery services	330 rural infrastructure assets established or improved
	180 health services established or improved	9 health services for women and girls established or improved	
	1,434,000 people enrolled in improved education and/or training	115,000 women and girls completing secondary and tertiary education, and/or other training	198,000 women enrolled in TVET and other job training
	208,000 women and girls with increased time savings	65,000 women represented in decision-making structures and processes	3,300 women with strengthened leadership capacities
	9,885,000 jobs generated	404,000 skilled jobs for women generated	 10,000 megawatts of renewable energy capacity installed
	280 low-carbon infrastructure assets established or improved	390 new and existing infrastructure assets made climate and disaster resilient	62 transport and ICT connectivity assets established or improved
	33,893,000 people benefiting from improved services in urban areas	180 national and subnational disaster risk reduction and/or management plans supported in implementation	5,000 urban infrastructure assets established or improved
	270,000 people with strengthened climate and disaster resilience		4,255,000 people benefiting from strengthened environmental sustainability
	\$1,465,658,000 additional climate finance mobilized	5,000 people with increased capacity to implement mitigation and low-carbon development actions	29,586,000 tCO ₂ e/year in annual greenhouse gas emissions reduction
	13,000 hectares of area with reduced flood risk	18 solutions to conserve, restore, and/or enhance terrestrial, coastal, and marine areas implemented	31,000 hectares of terrestrial, coastal, and marine areas conserved, restored, and/or enhanced
	861,000 government officials with increased capacity to design, implement, monitor, and evaluate relevant measures	28 transparency and accountability measures in procurement and financial management supported in implementation	

ICT = information and communication technology, tCO₂e = tons of carbon dioxide equivalent, TVET = technical and vocational education and training.

Note: Indicators in **bold** are results framework indicators derived from or aligned with official Sustainable Development Goal (SDG) indicators. Indicators in **bold italics** are tracking indicators derived from or aligned with official SDG indicators. Indicators in *italics* are results framework or tracking indicators that relate to overall SDG objectives but do not expressly relate to an official SDG indicator formulation.

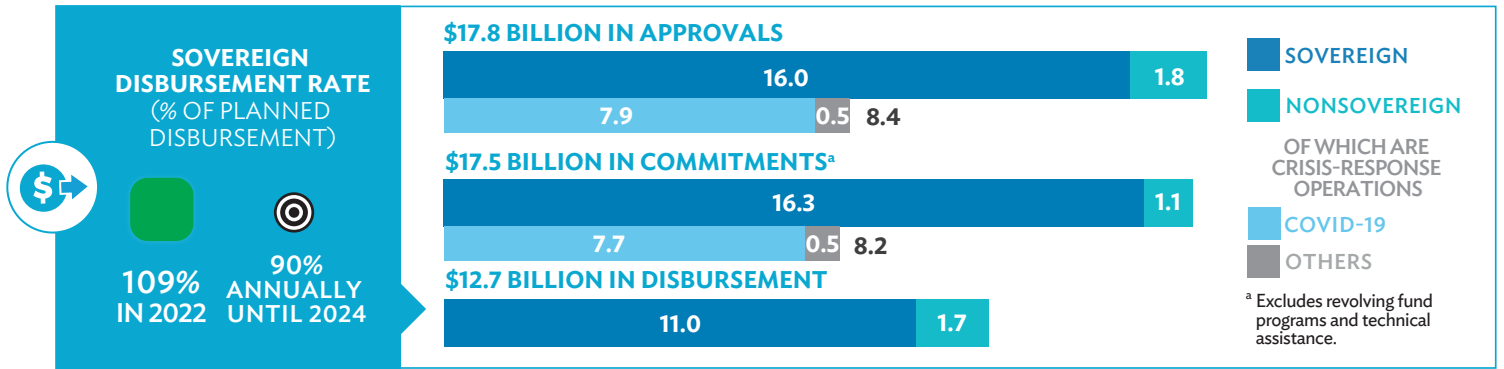
Waan Aelōñ in Majel, which translates to Canoes of the Marshall Islands, is a nonprofit program centered on educating Marshallese on the traditions of the Marshallese canoe (photo by Eric Sales).



CHAPTER 2 PROGRESS ON STRATEGY 2030 TARGETS AND PRIORITIES

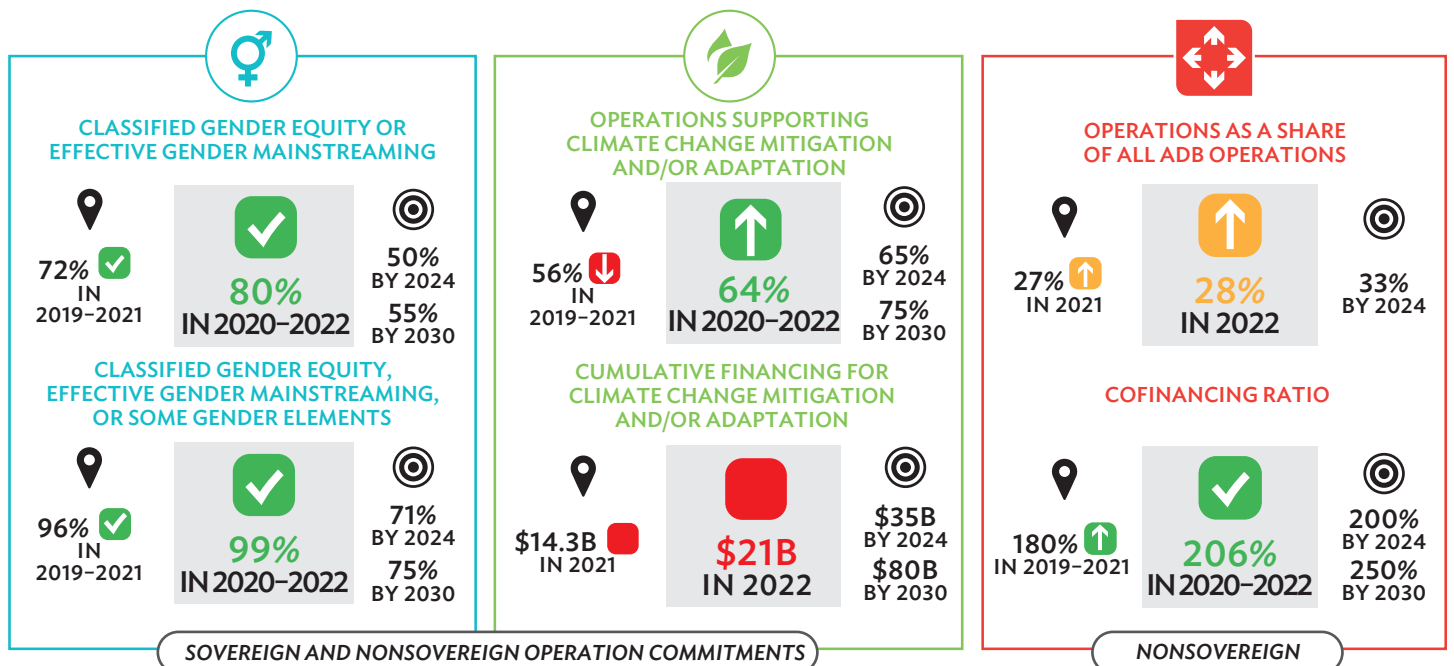
The Asian Development Bank (ADB) provides finance to its developing member countries and focuses its investments on the seven Strategy 2030 operational priorities, which align with the Sustainable Development Goals, and works to disburse financing efficiently to its developing member countries. The ADB portfolio of investment operation commitments made in 2022 kept progress *on track* to achieve most targets in the Strategy 2030 priority areas of gender equality, climate change mitigation and adaptation, scaling-up private sector operations and cofinancing, and increasing support for social sectors. ADB committed to innovative new investments in these areas, aided by strong and diverse partnerships. However, financing lagged for education and for climate change mitigation and adaptation.

DEVELOPMENT FINANCE

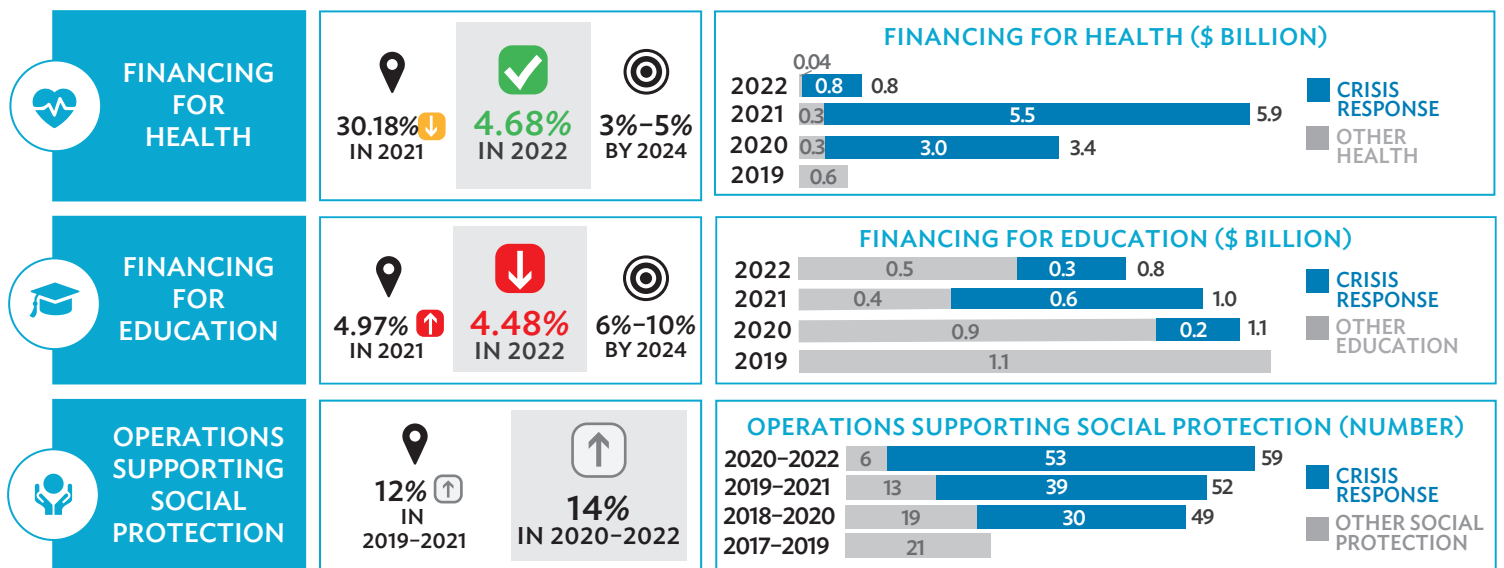


PROGRESS ON STRATEGY 2030 TARGETS AND PRIORITIES

2022 PROGRESS ON STRATEGY 2030 TARGETS



EXPANDING INTERVENTIONS IN SOCIAL SECTORS



A. DEVELOPMENT FINANCE MOBILIZED AND TRANSFERRED

64. In 2022, ADB approved \$17.8 billion and committed \$17.5 billion of its own resources for investment operations.⁴¹ That sovereign and nonsovereign commitments were lower than the \$19.5 billion committed in 2021 reflected a continuation of lower client demand for large investment projects and less ability in ADB and its clients to prepare them as the region emerged from the worst of the pandemic—as well as a shift in ADB’s response from large volumes of emergency budget support to operations supporting recovery.⁴² Nearly half of 2022 commitment, or \$8.2 billion, was crisis support to developing member countries (DMCs), with \$7.7 billion funding efforts to strengthen resilience under COVID-19 and \$0.5 billion to address other crises. This included \$2.2 billion

in countercyclical support to the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, and Uzbekistan, and \$200 million in emergency assistance to Sri Lanka to help ensure food access, protect livelihoods, and enhance social protection systems. Committed support to DMCs that receive concessional assistance increased to 47% of ADB’s total, from \$7.3 billion (37%) in 2021 to \$8.3 billion in 2022.

65. For sovereign projects and results-based lending, actual disbursements reached \$11.0 billion, of which \$1.9 billion, or 17%, were related to COVID-19. As this exceeded \$10.1 billion in planned disbursement, the disbursement rate in 2022 reached 109%, or 19 percentage points above the 90% target rate.⁴³

B. PROGRESS ON STRATEGY 2030 TARGETS AND PRIORITIES

66. ADB sustained progress toward Strategy 2030 priorities while responding to emerging DMC needs in a year of compounding crises. Continued efforts to enhance gender mainstreaming across ADB operations, and especially in nonsovereign operations, boosted gender indicators to another record beyond 2024 targets. Operations classified as *gender equity theme* go beyond mainstreaming to drive ADB’s transformative gender agenda, but their share has remained relatively stable since 2016.

67. The number of ADB nonsovereign operation commitments increased only slightly from 2021. This marginally lifted nonsovereign operations’ share in all ADB commitments, which remained *on track but watch* to meet the 2024 target of one-third. Planned portfolio growth was impeded by continued market uncertainty, price volatility, and lower client engagement under travel restrictions during the first half of 2022. ADB sustained a high share of long-term cofinancing for its nonsovereign operations relative to its own lending. The nonsovereign cofinancing ratio in 2020–2022 rose to a new high of 206%, surpassing the 2024 target of 200%.

68. ADB integrated climate action into a record share of operation commitments in 2022 and committed a record amount of climate finance. These efforts brought the share of operations supporting climate change mitigation and/or adaptation back *on track* to achieving the 2024 target of 65%. However, the amount committed to climate financing still lagged to meet the 2024 interim target of \$35 billion and so remained *off track*.

69. ADB transitioned the bulk of its health sector support away from large emergency investments to help DMCs respond to the COVID-19 pandemic and toward investment to strengthen health systems. This brought the share of ADB financing for health back down to within the 3%–5% range targeted by 2024. ADB did not manage to increase financing for education; the share of financing ADB committed to the sector fell, such that performance remained *off track* to meet the target of 6%–10%.

C. IN FOCUS

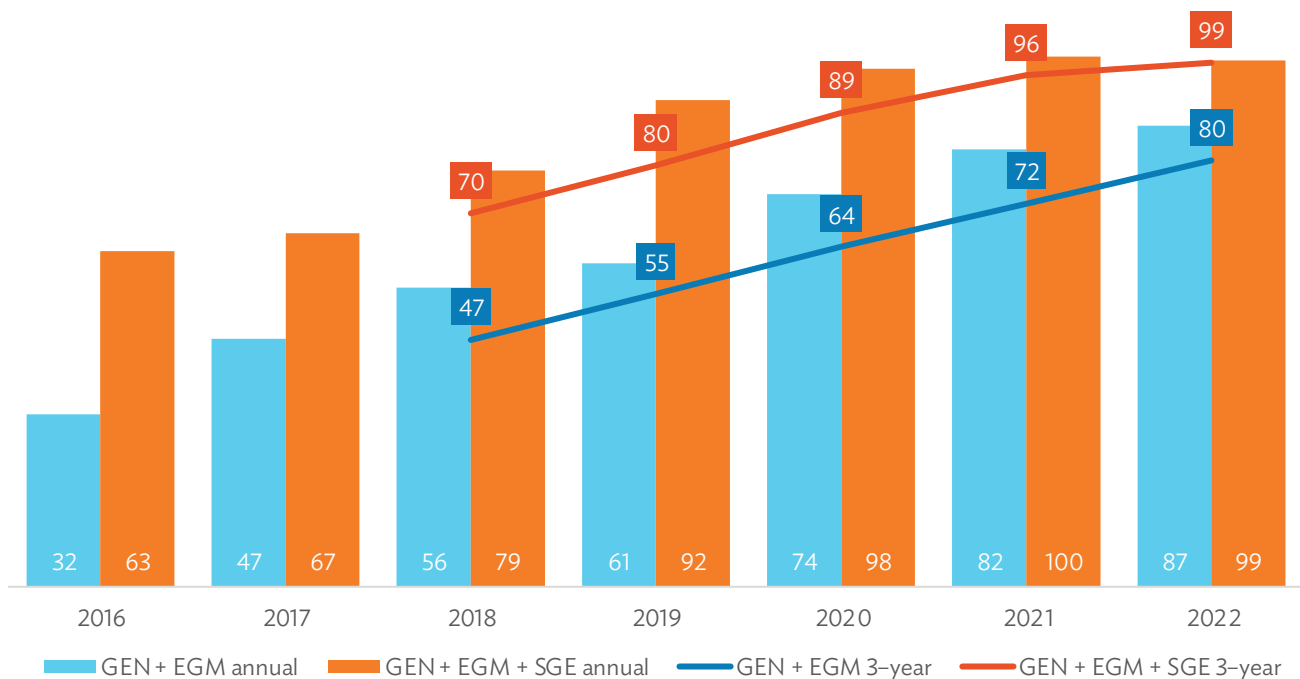
1. Accelerating Gender Equality and Tackling Climate Change

Gender Mainstreaming

70. **New records for gender equality in operations.** ADB increased gender mainstreaming in its operations to new highs for a seventh consecutive year (Figure 2.1). The share of operation commitments that were classified *gender equity theme* or *effective gender mainstreaming* in reporting period 2020–2022 grew again by 8 percentage points, as in 2019–

2021. Another measure—operation commitments classified as one of those themes or *some gender elements*—rose by 3 percentage points. Both measures continued to exceed targets for a fourth year in a row. The share of *gender equity theme* or *effective gender mainstreaming* operations in all financing also achieved a new record, increasing by 9 percentage points to 86% in 2020–2022.

Figure 2.1: Gender-Mainstreamed ADB Operations, 2016–2022
(%)

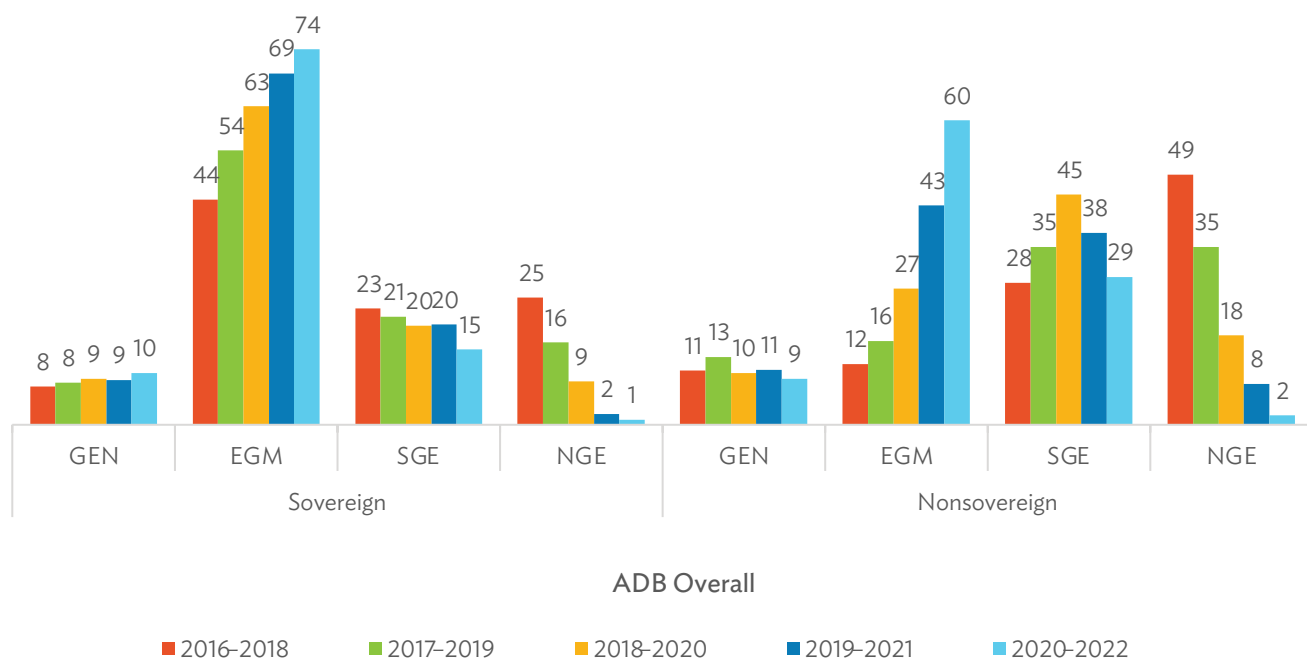


ADB = Asian Development Bank, EGM = effective gender mainstreaming, GEN = gender equity theme, SGE = some gender elements.
Source: Asian Development Bank (Sustainable Development and Climate Change Department).

71. ADB's increased focus on gender in its private sector investments was chief among the factors that set these records (Figure 2.2). The share of nonsovereign operation commitments classified as *effective gender mainstreaming* rose by 17 percentage points, from 43% in reporting period 2019–2021 to 60% in 2020–2022. Investments providing capital to help businesses owned and led by women were complemented

by gender-responsive integrated approaches. These included private sector investments in clean technology transport services such as e-buses and bus depots in India, which aim to prevent gender-based violence and sexual harassment through passenger safety and security features, and investments to promote women's economic empowerment through women's leadership and internship programs.

Figure 2.2: ADB Operations Supporting Gender Equality by Classification, 2016–2022 (%)



EGM = effective gender mainstreaming, GEN = gender equity theme, NGE = no gender elements, SGE = some gender elements.
 Source: Asian Development Bank (Sustainable Development and Climate Change Department).

72. Striving for a more strategic and transformative gender agenda. The share of operations classified as *gender equity theme* has remained relatively stable since 2016, hovering at 9%–10% on average for both sovereign and nonsovereign operations. The COVID-19 pandemic exacerbated existing gender inequality and socioeconomic difficulties for women and girls, further revealing a need to tackle deep-rooted but gender-inequitable social and institutional norms. After a strong multiyear performance on its gender mainstreaming targets, ADB is poised to invest in a transformative gender agenda, including tackling underlying gender-discriminatory social norms. To pave the way, ADB committed \$11 million in 2022 for technical assistance projects classified *gender equity theme*. In addition to directly incorporating gender design features into investment operations, these projects are designed to promote

gender-responsive judicial systems as well as facilitate access to finance for women and women-owned businesses. Importantly, they also aim to prevent and mitigate the risks of sexual exploitation, abuse, and harassment in ADB operations. ADB also delivered knowledge solutions to provide clients with evidence-based rationales and approaches for investments that advance gender equality. These included advisory support for Fiji, the Lao People’s Democratic Republic, and Mongolia on how their laws and policies could help tackle gender inequality and strengthen women’s climate change and disaster resilience, as well as a report on good practices for the use of financial instruments to enhance women’s economic resilience in the face of disasters triggered by natural hazards and extreme weather, based on evidence from Bangladesh and the Philippines.⁴⁴

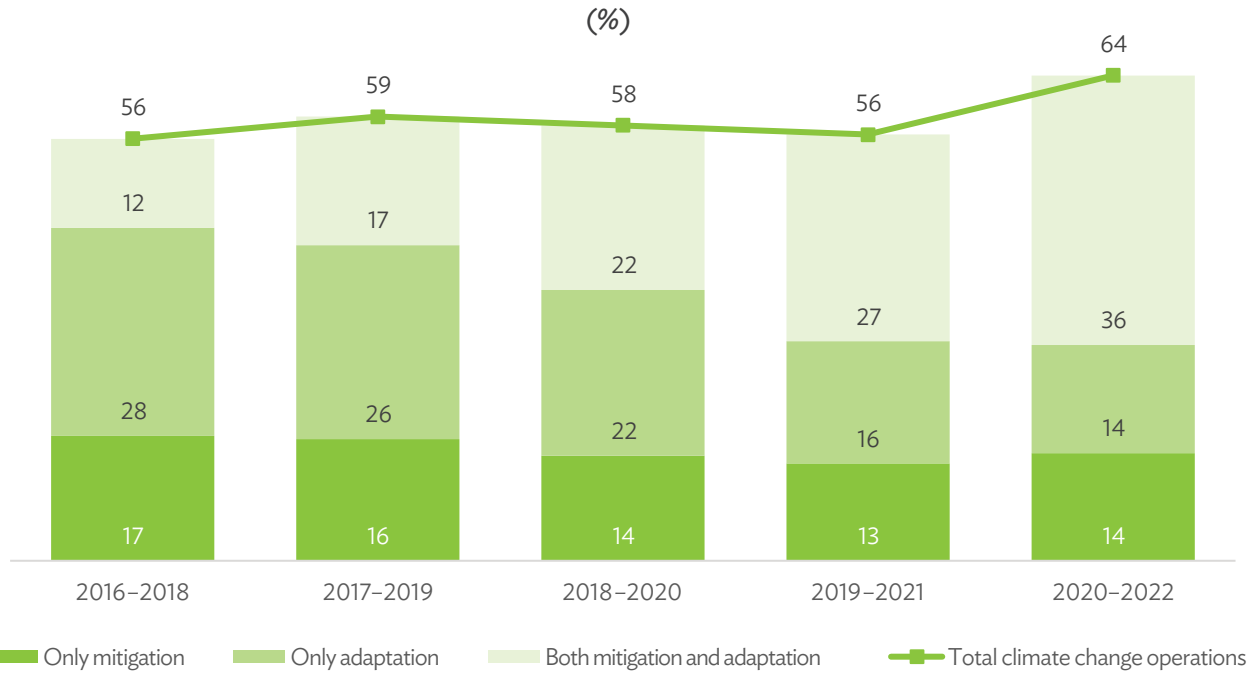
Supporting Climate Change Mitigation and/or Adaptation

73. Climate action mainstreaming back on track.

As the pandemic was brought under control in 2022, ADB and its DMCs refocused on addressing a more drawn-out but pressing global crisis: climate change. ADB-financed operations set records in 2022 in both the number that mainstreamed climate change

and their share in all operations, with 83% supporting climate change adaptation and/or mitigation, up from 60% in 2021. These efforts lifted the share of ADB operations in 2020–2022 that supported climate change adaptation and/or mitigation by 8 percentage points to 64%, close to the 2024 target of 65% and on the way to reaching the Strategy 2030 target of 75% by 2030 (Figure 2.3).

Figure 2.3: ADB Operations Supporting Climate Change Mitigation and/or Adaptation, 2016–2022



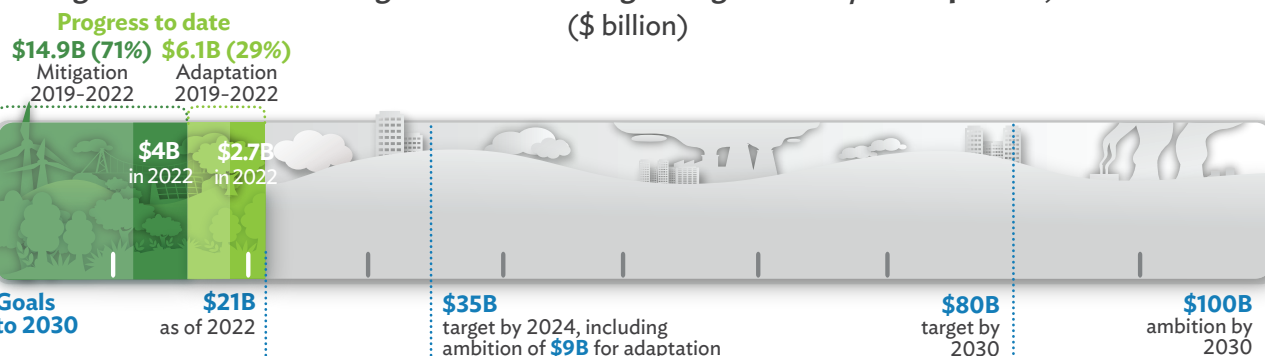
ADB = Asian Development Bank.

Source: Asian Development Bank (Sustainable Development and Climate Change Department).

74. ADB did a better job than in the previous year of helping its clients integrate both mitigation and adaptation into projects. The number of operations ADB committed to in 2022 that supported both mitigation and adaptation rose to a new annual high of 65, and the number of mitigation-only projects to 24. While operations in all nine main sectors integrated both features, almost half of the 65 were in three sectors: 11 in agriculture, natural resources, and rural development; 10 in transport; and 10 in water and other urban infrastructure. Over 60% of the 24 mitigation-only operations were in energy and finance, with eight in each sector. ADB will need to further scale up its operations in this area to meet its ambitious climate finance targets.

75. Cumulative climate financing still lagging.

Another Strategy 2030 target is \$80 billion for climate change mitigation and/or adaptation cumulatively from 2019 to 2030, with an interim 2019–2024 target of \$35 billion. ADB lifted its annual climate financing back to pre-pandemic levels and committed \$6.7 billion in 2022, bringing the cumulative total to \$21.0 billion during 2019–2022. However, this was not enough to close the gap, so progress on climate financing remains *off track* to reach the 2024 target. The post-pandemic rebound in climate action is promising, but ADB will need to boost its climate financing by more than a factor of 4 over the next 8 years to reach its heightened ambition to invest \$100 billion in climate financing during 2019–2030 (Figure 2.4).

Figure 2.4: ADB Financing for Climate Change Mitigation and/or Adaptation, 2019–2022

ADB = Asian Development Bank, B = billion.

Source: Asian Development Bank (Sustainable Development and Climate Change Department).

76. Several large-budget operations supporting both mitigation and adaptation in energy and transport drove financing in 2022, notably the \$350 million Chennai Metro Rail Investment Project in India and the \$189 million Second Power Transmission Enhancement Investment Program in Pakistan.⁴⁵ Another significant contributor was ADB's first dedicated policy-based loan for climate action, prepared jointly with Agence Française de Développement. ADB financing of \$250 million in the first subprogram helped the Government of the Philippines increase and intensify action to transform key sectors toward a climate-resilient and low-carbon economy in line with the country's national climate policies, including its nationally determined contribution to the Paris Agreement.⁴⁶

77. ADB continued to enhance private sector capacity for climate action. In 2022, it committed \$0.5 billion in private sector climate finance toward its ambition of committing \$12.0 billion in climate financing during 2019–2030. The VinFast Electric Mobility Green Loan Project, a certified green loan under the Climate Bonds Initiative,

provides an ADB loan of \$20 million in mitigation financing. This investment catalyzes \$78 million in cofinancing from bilateral and multi-donor funds, other development finance institutions, and commercial lenders to support the manufacture of fully electric buses for the first public transport e-bus fleet in Viet Nam and support the country's ambitions in e-vehicle and high-tech manufacturing.

78. In addition to doing more large-scale transformational operations, ADB needs to strengthen its strategic focus on climate action and managing the investment trade-offs that it entails, continue diversifying its products and modalities, intensify upstream and midstream support to help DMCs build a pipeline of bankable investments, and leverage greater financing and support through new and strengthened partnerships with other development partners and the private sector. Box 2.1 details how ADB increased adaptation financing in 2022. Major climate actions ADB took in 2022 are outlined in the section *Actions to Address Challenges*.

Box 2.1: Adaptation Financing Nearly Doubled from 2021 to 2022

Cumulative financing for adaptation nearly doubled from \$3.4 billion in 2021 to \$6.1 billion in 2022, putting the Asian Development Bank (ADB) within range of achieving its ambition to commit \$9 billion in financing for climate adaptation and resilience by 2024. Careful consideration of climate risks and adaptation opportunities in the early stages of project conceptualization, including in non-infrastructure projects, paved the way for financing. Operations with adaptation as their focus drove strong 2022 financing, including the Coastal Towns Climate Resilience Project in Bangladesh. In this project, \$226 million in ADB financing is dedicated to adaptation in 22 coastal towns through innovative risk-informed urban planning and nature-based solutions designed to address underlying drivers of vulnerability through changes in land-use patterns, ecosystem restoration, and the engagement in decision-making of poor and vulnerable communities and especially women.^a

^a ADB, 2022. *Bangladesh: Coastal Towns Climate Resilience Project*. Manila.

Source: Asian Development Bank.

79. **Supporting the dual priorities of climate change and gender equality.** ADB needs about 65% of its operation commitments to address both climate change and gender equality to successfully reach its Strategy 2030 targets of 75% supporting each of these two priorities. In 2020–2022, 63% of ADB operation commitments promoted gender equality

and supported climate change mitigation and/or adaptation. In 2022, 82% of operations supported both priorities, a promising sign that both targets can be met. It is imperative that sufficient concessional resources be made available to back specific targets for both gender and climate action in operations (Box 2.2).

Box 2.2: Enabling the Private Sector to Advance Climate Action and Gender Equality

The Asian Development Bank (ADB) committed climate financing worth \$27.3 million to the Smartchem Climate-Smart High-Efficiency Crop Nutrition Project in India, \$26.1 million for adaptation and \$1.2 million for mitigation. A loan to Smartchem Technologies Limited, worth \$30.0 million in total, will finance capital expenditure, research and development, and training with the goal of promoting sustainable food production and supporting climate-resilient livelihoods for smallholder farmers. The investment, categorized *effective gender mainstreaming*, promotes gender equality and women's empowerment with a \$225,000 technical assistance grant to improve farmers' climate resilience through gender-sensitive training in a range of climate-smart farm technologies. An investment focus on pollution control will support ocean health in line with ADB's Ocean Finance Framework.^a

^a ADB. 2022. *India: Smartchem Climate-Smart High-Efficiency Crop Nutrition Project*. Manila.
Source: Asian Development Bank.

80. **Advancing ocean health and sustainable marine economies.** ADB's 2019 Action Plan for Healthy Oceans and Sustainable Blue Economies aims to expand financing, cofinancing, and technical assistance for ocean health and marine economy projects to \$5 billion in 2019–2024. ADB committed a cumulative \$2.2 billion in 2019–2022 toward this objective. Progress made in 2022 included

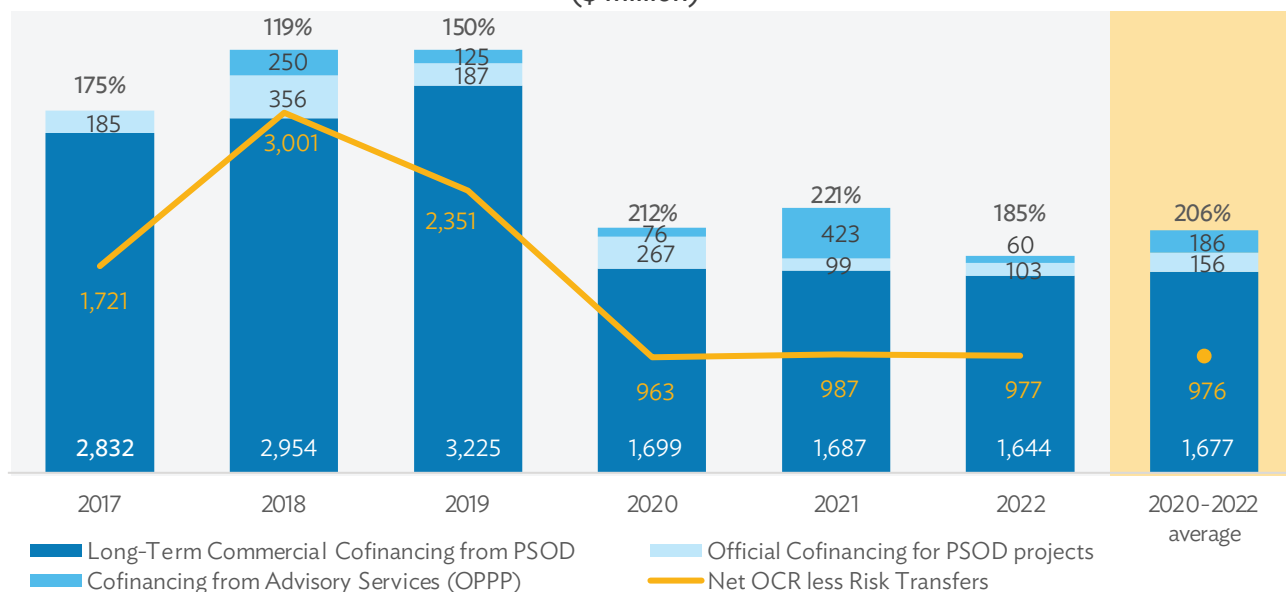
(i) launching the world's first blue bond incubator to scale up sovereign and corporate blue bond issues for critical ocean investment, (ii) reinitiating sovereign and private sector investment in sustainable fisheries and aquaculture after a 10-year hiatus, and (iii) making over 1,700 participants more knowledgeable about innovative solutions at the ADB Healthy Oceans Tech and Finance Forum.

2. Catalyzing Private Sector Resources for Development

81. **Nonsovereign cofinancing ratio on track.** Strategy 2030 aims to have every \$1.00 in ADB financing for private sector operations matched by \$2.50 in long-term cofinancing, for a cofinancing ratio of 250%. The nonsovereign cofinancing ratio rolling average increased to 206% in reporting period 2020–2022, passing the 2024 interim target of 200% (Figure 2.5). Total long-term financing mobilized during this 3-year period reached \$6.0 billion, against \$2.9 billion in net ordinary capital resources less risk transfers. Cofinancing for nonsovereign operations was

lower in 2022, at \$1.8 billion including the \$60 million mobilized by transaction advisory services. As a result, the nonsovereign cofinancing ratio slid from 221% in 2021 to 185% in 2022, which will make it more difficult to keep the 3-year rolling average in 2022–2024 above the 200% target. However, there is strong appetite from potential cofinanciers, and ADB is continuing to screen projects in their early stages for mobilization opportunities, and to actively use concessional financing and sovereign guarantee products to crowd in private financing.

Figure 2.5: Long-Term Cofinancing for Nonsovereign Operations, 2017–2022
(\$ million)



ADB = Asian Development Bank, OCR = ordinary capital resources, OP PP = Office of Public–Private Partnership, PSOD = Private Sector Operations Department.

Notes:

1. The corporate results framework excludes financing for nonsovereign revolving funds.

2. An additional \$1.6 million in long-term private cofinancing was generated through ADB’s Trade Finance and Supply Chain Program.

Source: Asian Development Bank (Private Sector Operations Department and Office of Public–Private Partnership).

82. **Mobilizing Private Climate Finance.** To help developing member countries unlock badly needed additional financing for climate action, the private sector operations to which ADB committed in 2022

mobilized \$306 million in long-term climate finance. This private capital supported innovation across green technologies and their associated supply infrastructure.

3. Investing in Human Capital for Resilient and Inclusive Recovery

83. Education, health, and social protection are important pathways toward achieving the Strategy 2030 priority of addressing remaining poverty and reducing inequality. ADB continued to provide robust financing for health and further scaled up social protection support to help DMCs recover from recent crises and prepare for crises yet to come. Financing for education still lagged. ADB approved in 2022 guides to strategically direct its support for each of these sectors.⁴⁷

the 3%–5% target range. ADB continued to provide emergency response including \$115 million, or 14% of health financing committed, to help Cambodia, Bhutan, and Maldives procure safe and affordable COVID-19 vaccines under ADB’s Asia Pacific Vaccine Access Facility and an almost equal \$112 million to provide essential services to those affected by national crises in Afghanistan and Bangladesh.⁴⁸ The bulk of financing, or 72%, was for nine operations, of which six are sovereign operations designed to strengthen DMC health systems and their ability to prevent, prepare for, and respond to pandemics. Another three are nonsovereign investments designed to strengthen private sector capacity to provide needed hygiene products, medical equipment, and medical diagnostic services.

84. **Health financing shifting from pandemic response to include system strengthening.** ADB committed \$816 million for health operations in 2022, which was 4.68% of all financing committed during the year and brought financing back down to within

85. **Financing for education still lagging.** Increased investment in education is critically needed to address a global learning crisis triggered by the pandemic and to equip DMCs with quality education systems that ensure relevant learning for all. However, ADB did not manage to scale up the share of education financing in 2022, which slipped to 4.48% and remained *off track* to meet its target range of 6%–10%. ADB committed \$781 million to 8 operations in 2022, less than the \$965 million committed to 11 operations in 2021. Both demand and supply side challenges were at play, as some DMCs remained reluctant to borrow for education without more concessional terms, and ADB staff numbers and their skill mix have not kept pace with clients' changing needs—in particular with growing demand for digital learning, public-private partnerships, interdisciplinary approaches, entrepreneurship, and innovation. Actions ADB took in 2022 to build its pipeline of education investments are outlined in the section *Actions to Address Challenges*.

86. To help DMCs achieve their target of universal secondary education and foundational learning for all, especially for women and girls, nearly half of ADB education financing commitment in 2022, or 48%, was for education sector development and secondary schools. A third was for technical and vocational education and training, and 19% for tertiary education. ADB support aimed to ensure future-relevant skills for all, including for jobs that will drive green and inclusive economic growth. A project in Cambodia is launching an innovative science, technology, engineering, and math (STEM) framework for upper secondary schools to increase the number of students, especially girls, pursuing the sciences, toward meeting the economy's

needs. It will extend beyond the traditional schooling system by piloting the Cambodia Science and Technology Center and proactively educating the public to encourage students and their families to become more engaged in STEM.⁴⁹

87. **More social protection operations, including for food security.** As new crises struck in 2022, ADB's social protection support responded to DMCs' need to scale-up social protection, including food security and employment protection. The 14 social protection operations to which ADB committed in 2022 brought the share of operations contributing to social protection to 14% of all ADB operation commitments in reporting period 2020–2022, up from 12% in 2019–2021. ADB's commitments in 2022 included \$2.1 billion for operations supporting government countercyclical development expenditure programs in the Kyrgyz Republic, Pakistan, Tajikistan, and Uzbekistan designed to protect poor and vulnerable groups and mitigate adverse socioeconomic effects from the Russian invasion of Ukraine, such as rapidly rising prices, in particular for food and fuel. ADB also responded to a national crisis in Sri Lanka by providing essential food assistance for those in need, including women and girls, in addition to support for other basic needs and to restore livelihoods.

88. ADB used the lessons it has learned during the pandemic to inform targeted knowledge solutions and investment products to build DMCs' resilience to future shocks and support emerging social protection needs (Box 2.3), including a cross-sectoral program to strengthen food security (Box 2.4).

Box 2.3: Harnessing Knowledge from the Pandemic for Future Resilience

In 2022, the Asian Development Bank (ADB) revised the design of its contingent disaster financing and countercyclical support facility to better provide developing member countries with emergency support targeting poor and vulnerable people, using lessons learned during the COVID-19 pandemic.^a As compounding crises continue to worsen inequality, it is important for ADB to build on expanded social protection engagement in close collaboration with development partners to address gaps and weaknesses in national systems revealed by the pandemic. To this end, ADB expanded its suite of knowledge solutions tailored to client needs. Products included aging and care, disability benefits, and reviews of lessons learned from social protection responses under COVID-19 and how harnessing digital technology can promote gender equality and strengthen resilience in the poor as they face new risks and stresses.^b

^a ADB. 2022. *Enhancing Contingent Disaster Financing and the Countercyclical Support Facility*. Manila.

^b ADB. 2022. *The Social Protection Indicator for Asia: Tracking Developments in Social Protection*. Manila.

Source: Asian Development Bank.

Box 2.4: Cross-Sectoral Support to Ease Food Crisis and Support Long-Term Food Security

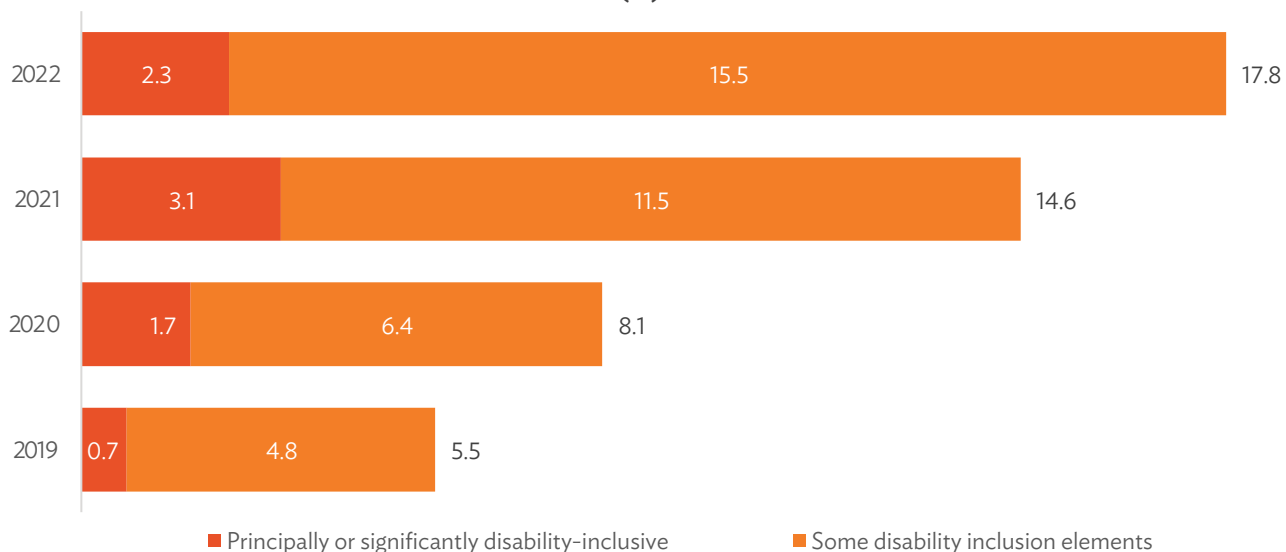
In 2022, the Asian Development Bank (ADB) announced that it would provide at least \$14 billion from its own resources during 2022–2025 for operations and knowledge support to ease a worsening food crisis in Asia and the Pacific, and to improve long-term food security by strengthening food systems against the impacts of climate change and biodiversity loss. In 2022, ADB committed nearly \$3.7 billion to support food security operations and \$17 million for technical assistance projects, including essential food assistance for those in need in Pakistan and Sri Lanka and, through United Nations agencies, in Afghanistan.

Source: Asian Development Bank.

89. **Increased disability-inclusive operations.** Of 129 operation commitments made in 2022, 23 were disability-inclusive, lifting the percentage from 15% in 2021 to 18% (Figure 2.6).⁵⁰ Three operations, or 2% of 2022 commitments, were rated *significantly disability-inclusive*, including the first ever private

sector operation to be disability inclusive. In this project, a food company in Mongolia will ensure that its restaurants are accessible, staff are trained in gender-sensitive disability inclusion, and employment targets for people with disabilities are implemented.⁵¹

Figure 2.6: ADB Operations that Are Disability Inclusive, 2019–2022 (%)



ADB = Asian Development Bank
 Source: Asian Development Bank (Sustainable Development and Climate Change Department).

An organic vegetable farmer in Boung Phao Village in the Lao People's Democratic Republic with her budding seedlings (photo by Ariel Javellana).



Solar panels produce 2.5 megawatts of clean energy, which fill almost the complete electricity requirement of a university in Punjab, Pakistan (photo by Rahim Mirza).



CHAPTER 3 SOVEREIGN OPERATIONS

Asian Development Bank sovereign operations are assessed for design quality, implementation progress, and performance at completion. In 2022, project design readiness improved significantly. Meanwhile, procurement readiness continued benefiting from specialists being strategically placed in regional departments and outposted to resident missions, and as capacity building enabled national partners to prepare better bid evaluation reports. Project implementation performance remained stable, but success rates for completed operations slipped further. While most achieved their targeted outcomes across the seven operational priorities of Strategy 2030, the aggregate success rate remained below target. The many projects with delayed closing continued to pose challenges.

PROJECTS APPROVED IN 2022



DESIGN QUALITY OPERATIONS THAT ARE IMPLEMENTATION-READY

INFRASTRUCTURE PROJECTS APPROVED ANNUALLY

DESIGN-READY

69%
IN 2021

80%
IN 2022

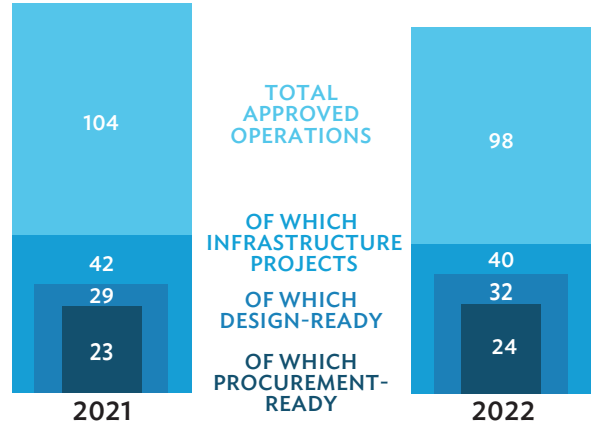
MAINTAIN 80%
ANNUALLY

PROCUREMENT-READY

55%
IN 2021

60%
IN 2022

60%
BY 2024



PROJECTS UNDER IMPLEMENTATION IN 2022



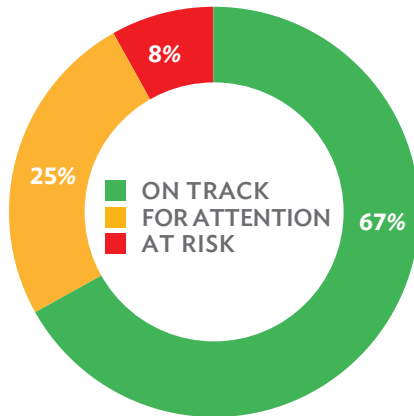
ENSURE SATISFACTORY IMPLEMENTATION OF PROJECTS

SOVEREIGN OPERATIONS AT IMPLEMENTATION RATED SATISFACTORY

67%
IN 2021

67%
IN 2022

MONITOR



RATED ON TRACK BY CRITERIA

OUTPUT PROGRESS	89%
CONTRACT AWARD	73%
DISBURSEMENT	72%
FINANCIAL MANAGEMENT	86%
SAFEGUARDS	85%

COMPLETED OPERATIONS VALIDATED 2020-2022



DEVELOPMENT RESULTS DELIVERED TO CLIENTS AND BENEFICIARIES

SOVEREIGN OPERATIONS AT COMPLETION RATED SUCCESSFUL

70%
IN 2019-2021

68%
2020-2022

80%
BY 2024

SUCCESS RATING

BY CRITERIA

SUSTAINABILITY	67%
EFFECTIVENESS	68%
EFFICIENCY	66%
RELEVANCE	85%

ON TIME

28%
IN 2019-2021

29%
2020-2022

45%
BY 2024

BY TYPE
PBOs = 73% PROJECTS = 67%

BY LOCATION
SIDS = 48% FCAS = 52%

FCAS = fragile and conflict-affected situations, PBO = policy-based operations, SIDS = small island developing states.

A. READINESS AT DESIGN STAGE

90. **Project readiness targets reached.** Sovereign infrastructure operations did exceptionally well in project readiness in 2022. Design readiness returned to its *on track* rating, once again reaching the annual target of 80%. Of the 32 projects that were design-ready at approval, 97% had completed before approval their preliminary design and specifications as well as their detailed engineering designs. ADB reached its 2024 procurement-readiness target for the first time, as project teams published bidding documents for a record 60% of infrastructure projects before project

approval. The easing of pandemic restrictions was a driver of this strong performance, as were initiatives taken by ADB operations departments: rolling out additional country-specific project readiness filters, mobilizing design consultants early, stepping-up dialogue with key project stakeholders about the importance of ensuring strong readiness, and utilizing project-readiness financing facilities. The *2022 Annual Portfolio Performance Report* provides further details on implementation readiness.

B. IMPLEMENTATION PROGRESS

91. **Performance stable across all criteria.** The share of ongoing sovereign operations showing satisfactory *on track* implementation remained at 67%, the same as the previous year. Performance in the concessional assistance subset declined nominally from 73% to 71%. The status was roughly consistent

across all five rating criteria, up or down by only 1 or 2 percentage points on three of the criteria. Room exists to strengthen the screening of contract providers, enhance readiness for land acquisition and involuntary resettlement, and more proactively monitor and mitigate procurement delays at start-up.

C. PERFORMANCE OF COMPLETED OPERATIONS

92. **Overall success rate down.** The share of completed sovereign operations rated *successful* slipped from 70% in reporting period 2019–2021 (July 2018–June 2021) to 68% in 2020–2022, or 12 percentage points short of the 2024 target. Overall performance was hurt by weak annual performance in 2022, which dropped from 77% in the 2016–2018 baseline to 64%. The decline reflected deteriorating performance in infrastructure.

decline in *effectiveness* ratings reflected shortfalls in transport, rated 62% effective and comprising 28% of all completed projects in 2022, and energy, 61% effective and comprising 17%. *Efficiency* continued to lose ground, dropping from 70% in 2019–2021 to 66%. This falloff was attributed mainly to implementation delay and, for some projects, economic benefits below expectations during the pandemic years. Meanwhile, the share of projects that closed on time, defined as within 1 year of the targeted financial closing date, was 29%, little changed from 28% in 2019–2021 and far short of the 2024 target of 45%.

93. **Mixed results on success criteria.** Of the four criteria weighted equally to determine project or program success, *relevance* continued to perform best and improved by 2 percentage points to 85% in reporting period 2020–2022. *Sustainability* maintained an upward trend as the average rating rose a further 2 points to 67%. *Effectiveness* edged down by 1 point to 68% in the 3-year reporting period but plunged last year by 16 points, from 79% in 2021 to 63% in 2022, because weak project monitoring permitted failure to achieve intended outcomes or to collect adequate data to establish their achievement. The annual

94. **Investment and policy-based operations.** The success rate for policy-based operations improved from 71% in reporting period 2019–2021 to 73% in 2020–2022 and remained above the overall average for completed sovereign operations. Success ratings for investment projects, which were more than 80% of all completed sovereign operations over the two latest reporting periods, fell from 70% in 2019–2021 to 67% in 2020–2022.

D. IN FOCUS

1. Main Factors Affecting Sovereign Operation Success Rates

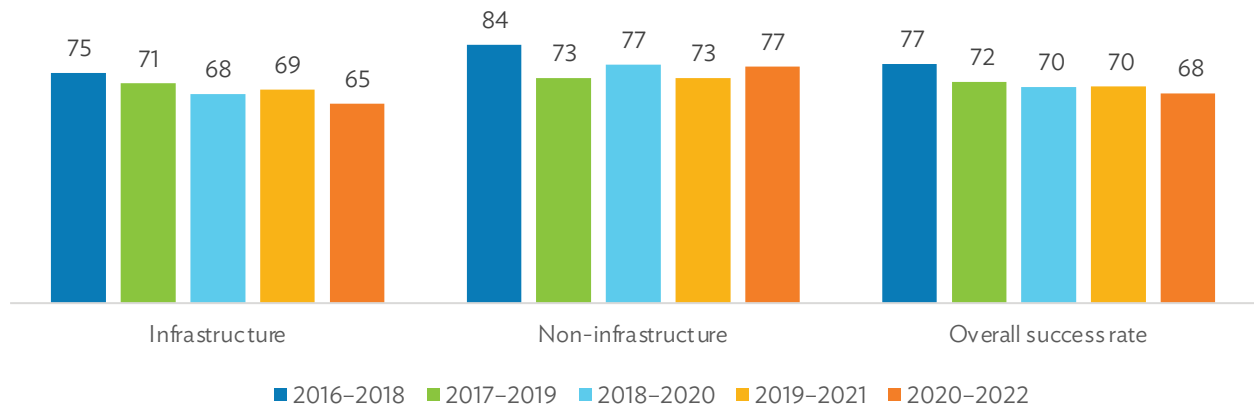
95. **Factors, internal and external, that affect performance.** To understand a recent downward trend in project success rates, it is important to take into account changes in the portfolio over time. Projects today tend to have broader scope and encompass a wider range of objectives. They must navigate more volatile markets, rapidly evolving client demands, and new operational environments. This complexity heightens the challenge of anticipating and managing risks to ensure project success. In addition, ADB's portfolio has grown over the years, such that the number of operations for evaluation doubled from reporting period 2016–2018 to 2020–2022. With more projects to manage, ADB's resources are spread thin. Even accounting for technological advances leveraged to improve productivity, a larger workload increases the risk of delays, budget overruns, and quality issues. The *2023 Annual Evaluation Review* identified and analyzed internal and external factors that explain performance ratings for ADB sovereign projects from 2016 to 2022.⁵² When considering project factors—complexity, risk, supervision, financing utilization, and procurement and design readiness—analysis found project success determined largely by the resources and attention devoted to project preparation and supervision. When considering country factors—governance, political stability, fiscal management, economic performance, and unforeseen events—analysis found influence had more modest explanatory power but affected all stages in the project cycle. These findings shed light on which factors ADB can address with its clients and other development partners at what level: upstream policy and governance, midstream program planning, and downstream individual project operation.

96. **Performance in infrastructure generally deteriorating.** Success rates for projects in infrastructure slipped further from 69% in reporting period 2019–2021 to 65% in 2020–2022 (Figure 3.1). The success rate of transport operations has fluctuated

in recent reporting periods but dropped most recently, from 72% in 2019–2021 to 64%. Inadequate due diligence allowed design deficiencies and mismatches between project ambitions and executing agency capacity, driving down transport project performance. Building rail and urban public transport systems, an emerging project area, accounted for about half of transport projects rated *less successful*. A strategic shift to sustainable transport brought new challenges to ADB staff who may lack adequate project design expertise, and to developing member countries (DMCs) that lack experience with new technologies. Often complex land acquisition and resettlement conditions in urban areas caused cost overruns and implementation delays. An uptick in water and other urban infrastructure and services brought the success rate from 52% in 2019–2021 to 53% in 2020–2022, but the sector continued to underperform most others in infrastructure (Figure 3.2). To some extent, poorer performance reflected the relative complexity of water projects technically, financially, and institutionally. Closer monitoring and supervision and more hands-on support to improve project readiness, procurement, and financial management would have helped. As projects in transport and in water and other urban infrastructure and services together account for 45% of all operations, improving their performance would significantly lift overall performance.

97. In 2020–2022, the success rate in agriculture, natural resources, and rural development slipped from 77% to 76% but still significantly improved on earlier rates of 65%–69%. Success in energy operations declined for a third consecutive reporting period but still outperformed most other infrastructure sectors. Low efficiency ratings brought down the overall performance of energy operations, mainly because of implementation delays, as detailed in para. 99. Some delays reflected unrealistic implementation time frames at appraisal.

Figure 3.1: ADB Operations Rated Successful by Broad Sector, 2016–2022
(%)

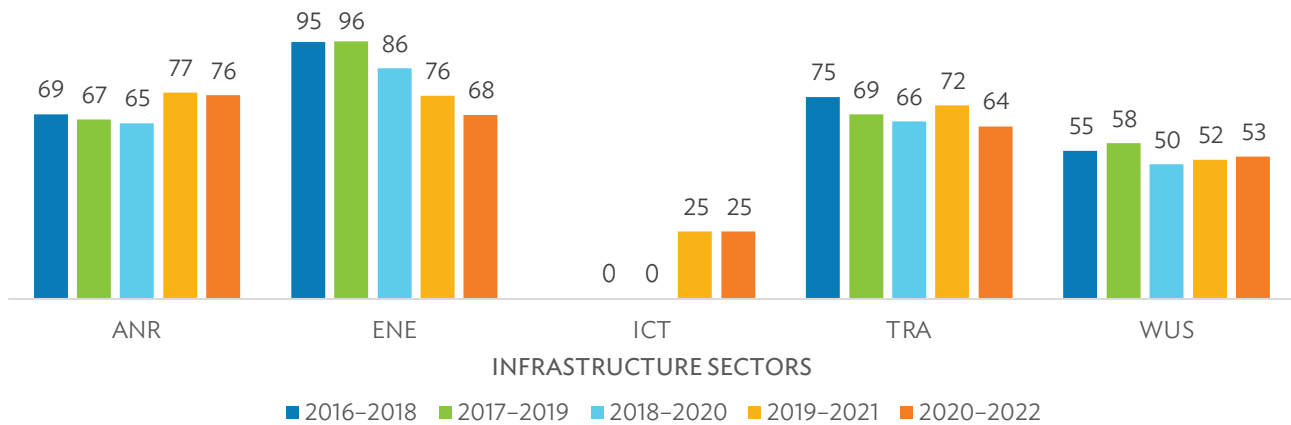


ADB = Asian Development Bank.

Note: An operation’s inclusion in a reporting year is based on its completion report circulation date. The reporting year ends on 30 June, so the 3-year reporting period 2020–2022 is 1 July 2019–30 June 2022.

Source: Asian Development Bank (Independent Evaluation Department).

Figure 3.2: ADB Operations Rated Successful by Sector, 2016–2022
(%)



ADB = Asian Development Bank, ANR = agriculture, natural resources, and rural development, EDU = education, ENE = energy, FIN = finance, HLT = health, ICT = information and communication technology, IND = industry and trade, PSM = public sector management, TRA = transport, WUS = water and other urban infrastructure and services.

Note: An operation’s inclusion in a reporting year is based on its completion report circulation date. The reporting year ends on 30 June, so the 3-year reporting period 2020–2022 is 1 July 2019–30 June 2022.

Source: Asian Development Bank (Independent Evaluation Department).

98. Performance outside of infrastructure improved overall, but not public sector management.

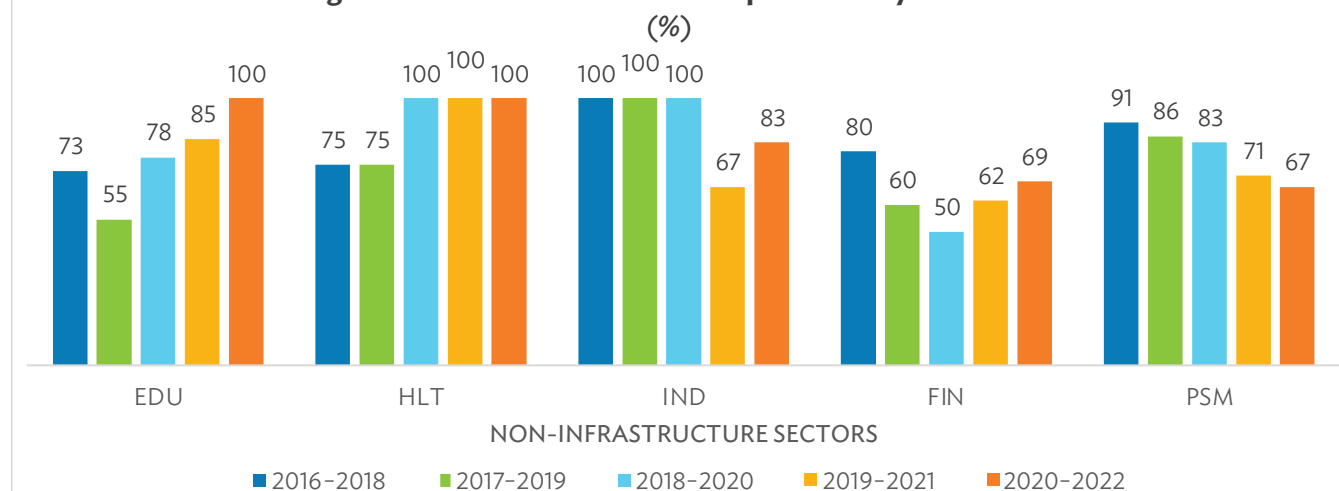
Success ratings for projects in non-infrastructure sectors rose from 73% in reporting period 2019–2021 to 77% in 2020–2022. Education had the strongest performance with a success rate of 100%. Finance also improved strongly, from 62% in the previous reporting period to 69%. Health projects remained 100% successful. The success rate for public sector management (PSM) projects declined for a fourth consecutive reporting period, from 91% in 2016–2018 to 67% in the latest period. Low ratings for *effectiveness*, *sustainability*, and *efficiency* dragged down overall PSM performance, as detailed in para. 102.

99. **Continued fall in efficiency.** *Efficiency* dropped to 66% in reporting period 2020–2022, its third consecutive decline since hitting a peak of 75% in 2017–2019 (Figure 3.3). Implementation delays explained 47% of *inefficient* operations, caused mainly by slow procurement, poor contractor performance, weak contract administration, and complex government implementation arrangements. Other factors not to be overlooked are broader considerations regarding project design, implementation, and external demand. The COVID-19 pandemic affected *efficiency* ratings for some operations by slowing procurement and consultant recruitment and by reducing estimated economic benefits. In some cases, the pandemic prevented data collection for economic

appraisal. The timing of project completion meant that even projects not directly affected by the pandemic may still be indirectly affected by its economic and social impacts. Direct impacts from the pandemic will likely start to show in upcoming reporting periods, compromising efficiency. Lesser causes of low *efficiency* ratings were issues affecting land acquisition and resettlement, cost overruns, and loan cancellations.

100. **Improving sustainability.** *Sustainability* extended its improvement to 3 consecutive reporting periods, rising from 61% in 2017–2019 to 67% in 2020–2022. Capacity building in recent years improved executing agencies' operational, financial, and institutional capacity in asset management and post-project operation and maintenance (O&M). Meanwhile, continued policy dialogue and long-term engagement in sector reform started yielding results toward ensuring project *sustainability*. The criterion nevertheless remains a perennial challenge. Operations rated *less than sustainable* or *unsustainable* included those that failed to achieve expected financial internal rates of return, provide accurate estimates of them, and/or had inadequate O&M arrangements, including overreliance on government subsidies, uncertain budget availability, and lack of institutional arrangements for O&M. *Sustainability* improvement was still hampered by inadequate institutional capacity and unmitigated political and economic risks, including the COVID-19 pandemic.

Figure 3.3: Success Rate of ADB Operations by Criterion



ADB = Asian Development Bank, EDU = education, HLT = health, IND = industry and trade, FIN = finance, PSM = public sector management.

Note: An operation's inclusion in a reporting year is based on its completion report circulation date. The reporting year ends on 30 June, so the 3-year reporting period 2020–2022 is 1 July 2019–30 June 2022.

Source: Asian Development Bank (Independent Evaluation Department).

101. **Marked improvement in education projects.**

Education improved for a third consecutive reporting period, the success rate rebounding from a low of 55% in reporting period 2017–2019 to 100% in 2020–2022. While the 14 education projects were only 5% of the ADB total in 2020–2022, this admirable result was bolstered by equally robust *efficiency* and *sustainability* ratings. Projects were concentrated in education sector development and in technical and vocational education and training (TVET). This long-term approach has started to yield benefits. TVET has increasingly been a key pathway to economic development and job creation, which has helped to forge government support and garner budget allocation to education projects. Some education projects adopted flexible, demand-driven approaches able to respond to industry needs for skilled labor, and appropriate choice of modality further bolstered their performance. It became established good practice to select vocational schools competitively, based on the quality of their proposals to improve and upgrade study programs feeding priority industries. Other important contributors were accountability assurance and the leveraging of accessible education funds during project design and implementation, which ensured that investments were used efficiently and effectively.

102. **Persistent challenges for public sector management.**

A downward trend since reporting period 2016–2018 continued in PSM operations. The 36 PSM operations completed in 2020–2022 included 27 policy-based operations. Among the 12 PSM operations rated *less than successful or unsuccessful*, nine were policy-based operations and three were investment projects. Assessing reform achievements was often difficult as the quality of policy actions was uneven and, in some cases, evidence was lacking to demonstrate intended outcomes. Zooming in on performance per criterion, 13 of the 36 PSM operations completed in 2020–2022 were rated *less than effective or ineffective* mostly because their design and monitoring frameworks were weak, and they failed to identify and mitigate risks. Another factor was low *efficiency*, as a downward trend since 2017–2019 left 12 of the 36 falling short on this criterion. Changes in government and development priorities during implementation often lay behind diminished government ownership of policy actions and

commitment to programs, the eventual consequences of which included loan cancellation, approval and start-up delay, noncompliance with covenants, and waived policy action. This can be attributed as well to project teams' inadequate understanding from the start of the commitments government actually made, leaving teams to push for deeper and more meaningful reform than was agreed. Sustainability remained a challenge as 10 of the 36 were rated *less than likely sustainable*, rendering doubtful long-term success for structural reform to some state-owned enterprises and public finance management.

103. **Energy operations on a downward trend.**

Having enjoyed *successful* rating at 96% in 2017–2019, energy operations fell in each subsequent reporting period, to 68% in 2020–2022. Projects suffered weak management by implementing agencies and overly broad project scope, beyond executing agency capacity. In some cases, failure to address implementation issues left output delivery falling short. Other factors were diminishing commitment from governments to key sustainability measures, such as providing sufficient budget for O&M, restructuring tariffs, and improving the financial health of utility providers. The energy project success rate remained highest in East Asia at 86% and South Asia at 83%, with rates languishing at 57% in the Pacific and 47% in Central and West Asia.

104. **On time project closing rate mired far below target.**

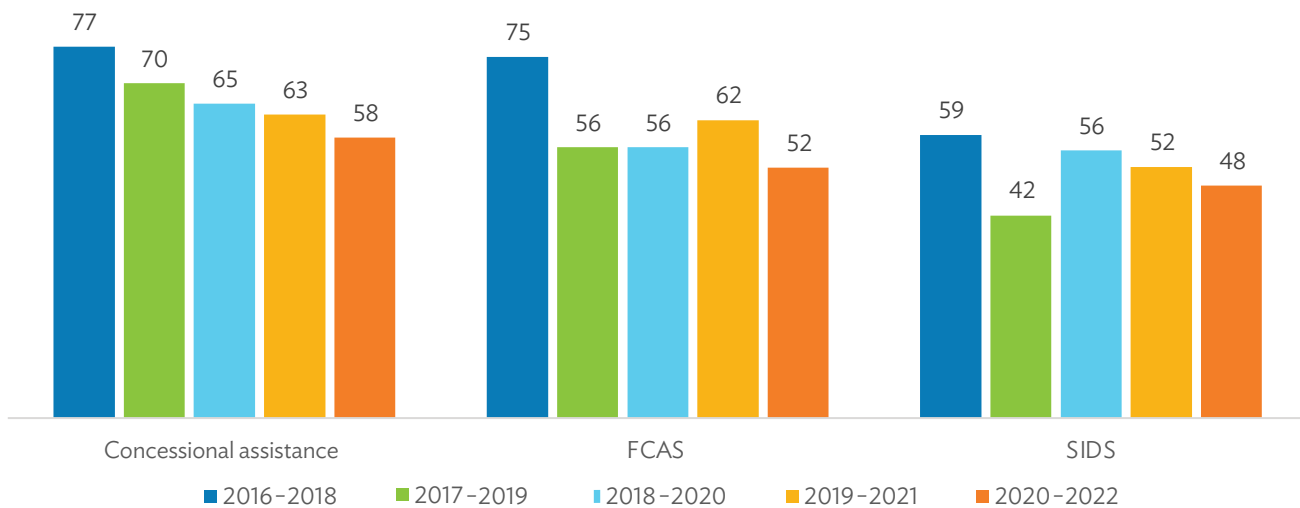
Only 29% of projects completed during calendar years 2020–2022 managed to close on time. This edged up by 1 percentage point from 2019–2021 but still fell far short of the 2024 target of 45%. Improvement was more pronounced on an annual basis, with the rate of projects closing on time rising from 28% in 2021 to 36% in 2022. An average delay of 3 years was caused by problematic contractor and consultant performance, changes in project scope, slow provision of counterpart funds, drawn-out liquidation, and poor assessment of project complexity and consequently of the time required. Little impact from COVID-19 is yet evident. Among 164 projects with delayed closing in 2020–2022, only one instance was attributed to COVID-19, as most projects had been largely implemented or even completed ahead of the pandemic. In that case, forced shutdowns caused a worker shortage and disrupted supply chains.

2. Performance of Completed Concessional Assistance Operations


105. A success rate of 59% for completed concessional assistance operations in 2020–2022 was 4 percentage points lower than in the previous reporting period. *Off track* performance in this subset was worse than in sovereign operations overall, which underscores that DMCs eligible for concessional assistance, more than other DMCs, confront severe institutional capacity constraints, challenging operational contexts, and funding shortages for O&M. The weakened success rate reflected declining *efficiency* and stagnant *effectiveness*. *Sustainability* improved but still requires concerted effort to achieve its target. Only 24% of concessional assistance operations closed on time, an *off track* result 4 percentage points worse than in the previous reporting period.

106. Similarly, the performance of operations in fragile and conflict-affected situations (FCAS) and small island developing states (SIDS) lagged, with the success rate falling from 62% in 2019–2021 to 52% in 2020–2022 in FCAS, and from 52% to 48% in SIDS. While unique economic, social, and political contexts and weak institutions continue to affect project performance, the results also demonstrate that ADB should adapt project preparation and design to country or local contexts in FCAS and SIDS, strengthen evidence-based analytics, and use more context-sensitive development approaches. This includes incorporating risk factors and building flexibility into business processes, procedures, and practices to facilitate project implementation, administration, and monitoring and evaluation. Additional information and analysis on FCAS and SIDS are provided in the 2022 FCAS and SIDS Approach (FSA) Annual Report.⁵³

Figure 3.4: Success Rate of Concessional Assistance and Operations in FCAS and SIDS (%)



FCAS = fragile and conflict-affected situation, SIDS = small island developing states.
Source: Asian Development Bank (Independent Evaluation Department).



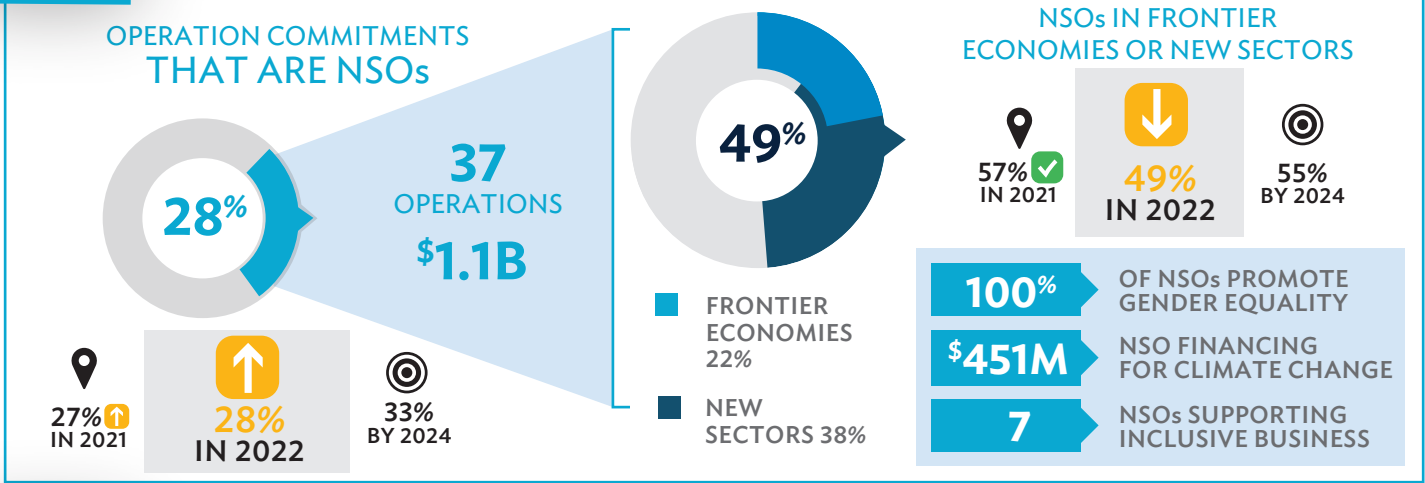
A senior unsecured amortizing US dollar loan will help De Heus TMH Company Limited in Cambodia expand its capacity to store and process animal feed and strengthen its climate resilience (photo by Eric Sales).

CHAPTER 4 NONSOVEREIGN OPERATIONS

Asian Development Bank (ADB) nonsovereign operations are assessed for strategic fit and scale, implementation progress, and success rate at completion. In 2022, ADB's nonsovereign investments helped gender mainstreaming reach an all-time high, contributed significantly to meeting climate change targets, and addressed developing member countries' food security concerns. Ongoing proactive efforts improved implementation performance, leaving fewer projects at risk of failing to achieve development results. Meanwhile, success rates for completed nonsovereign operations had minimal changes but still below target, and challenging market conditions diminished ADB's ability to mobilize long-term private sector cofinancing and continued to hamper investment in frontier economies and new sectors.

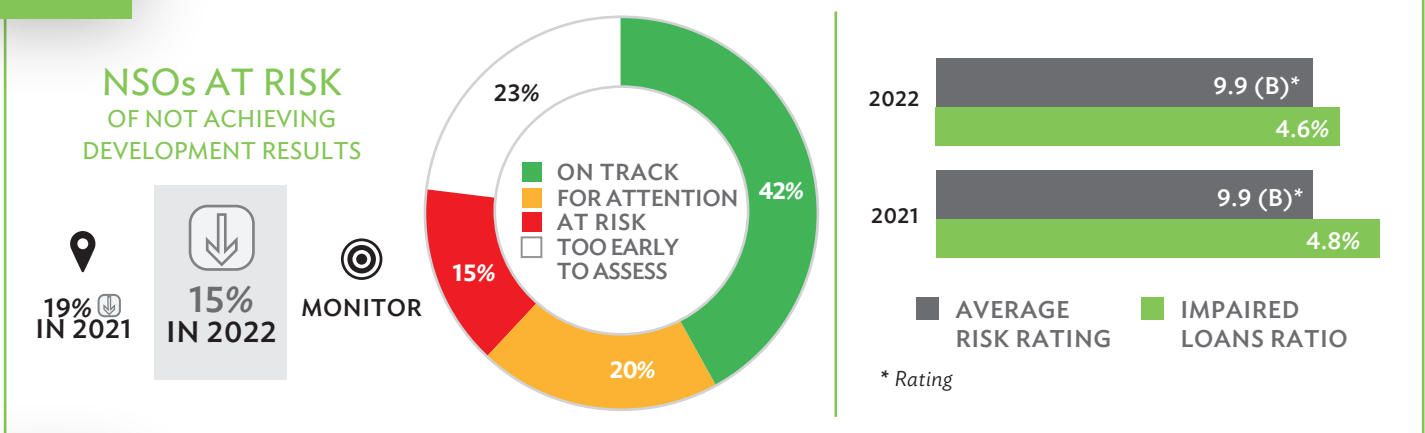
NONSOVEREIGN OPERATION COMMITMENTS IN 2022

SCALE UP NONSOVEREIGN OPERATIONS AND ENSURE THEIR STRATEGIC RELEVANCE



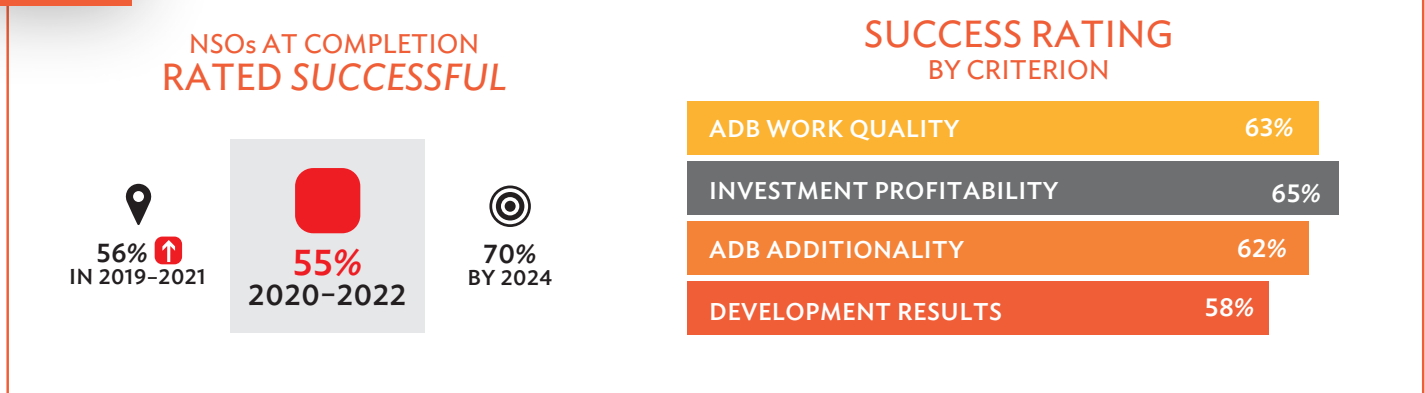
OPERATIONS UNDER IMPLEMENTATION IN 2022

ENSURE PORTFOLIO IS HEALTHY AND DELIVERING RESULTS



COMPLETED OPERATIONS VALIDATED IN 2020-2022

DEVELOPMENT RESULTS DELIVERED TO CLIENTS AND BENEFICIARIES



ADB = Asian Development Bank, B = billion, M = million, NSO = nonsovereign operation.

A. SCALING UP AND STRATEGIC FIT

107. The number of ADB nonsovereign operation commitments increased slightly from 35 in 2021 to 37 in 2022, modestly lifting their share in ADB total commitments and keeping progress *on track but watch* toward the target of accounting for one-third of all ADB operations by 2024. Greater portfolio growth was impeded by continued market uncertainty and price volatility and lower client engagement due to travel restrictions during the first half of 2022.

108. Among nonsovereign project commitments in 2022, 18 projects, or 49%, were in frontier economies and/or new sectors, a 5-year low in both share and number and, for the first time since 2018, bringing the share below the 2024 target of 55%. The share of nonsovereign operations supporting gender equality in 2022 was 100%, with all 37 operations categorized either *gender equity theme, effective gender mainstreaming, or some gender elements*. With 57% of these operations meeting new ADB gender lens investing criteria, they

promoted women's empowerment in entrepreneurship, leadership, employment, and consumption. Again in 2022, no new nonsovereign operation commitments were categorized *no gender elements*. Overall financing for climate change mitigation and/or adaptation in nonsovereign operations was \$451 million, a strong 140% increase from \$188 million in the previous year, lifted by increased climate financing in energy, finance, and untraditional sectors such as agriculture and transport.

109. The long-term cofinancing ratio for nonsovereign operations rose to a new high of 206% in 2020–2022, surpassing the 2024 target of 200%. This was despite a lower cofinancing ratio in 2022 caused mainly by the factor mobilized through transaction advisory services dropping from 2.2 in 2021 to 1.8 in 2022, meaning that every \$1.00 from ADB was matched by \$1.80 in long-term cofinancing. Of the 37 nonsovereign operations to which ADB committed in 2022, 19 benefited from cofinancing. See Chapter 2 for details.

B. PERFORMANCE AT IMPLEMENTATION

110. In 2022, the portion of the active nonsovereign portfolio at risk of not achieving development results continued to fall thanks to concerted ADB efforts to ensure the timely submission of monitoring reports, fill any data gaps, and facilitate the graduation of legacy clients out of the portfolio. The share of nonsovereign operations flagged *at risk* fell by 4 percentage points from 19% in 2021 to 15%. The share rated *on track* to meet development results held relatively steady at 42%, as did the share rated *for attention*, at 20%, or

too early to assess, at 23%. This is a promising leading indicator of the development results nonsovereign operations may achieve when completed.

111. While the nonsovereign portfolio declined by 9% in volume from \$14.2 billion 2021 to \$12.9 billion in 2022, its credit quality remained largely stable. The rate of nonperforming loans improved from 4.8% in 2021 to 4.6% in 2022, and the weighted average risk rating remained unchanged at 9.9 (B).

C. PERFORMANCE AT COMPLETION

112. The share of completed nonsovereign operations rated *successful* remained roughly stable at 55% in reporting period 2020–2022, but a gap of 15 percentage points kept ADB *off track* to meet the 2024 target of 70%. Better-performing infrastructure investments, mainly in energy generation, maintained the success rate. Low performance in finance institutions and private equity funds stymied performance gains. In sum, 72% of the financing ADB disbursed supported projects rated *successful*, while the remaining 28% financed projects rated *less than successful or unsuccessful*.

113. ADB sustained slow but steady improvement in ratings on the criteria *work quality, additionality, and development results* for a fourth consecutive reporting period. Ratings for *investment profitability* recovered slightly after 4 years of deterioration, and this remains the criterion on which nonsovereign operations performed best.

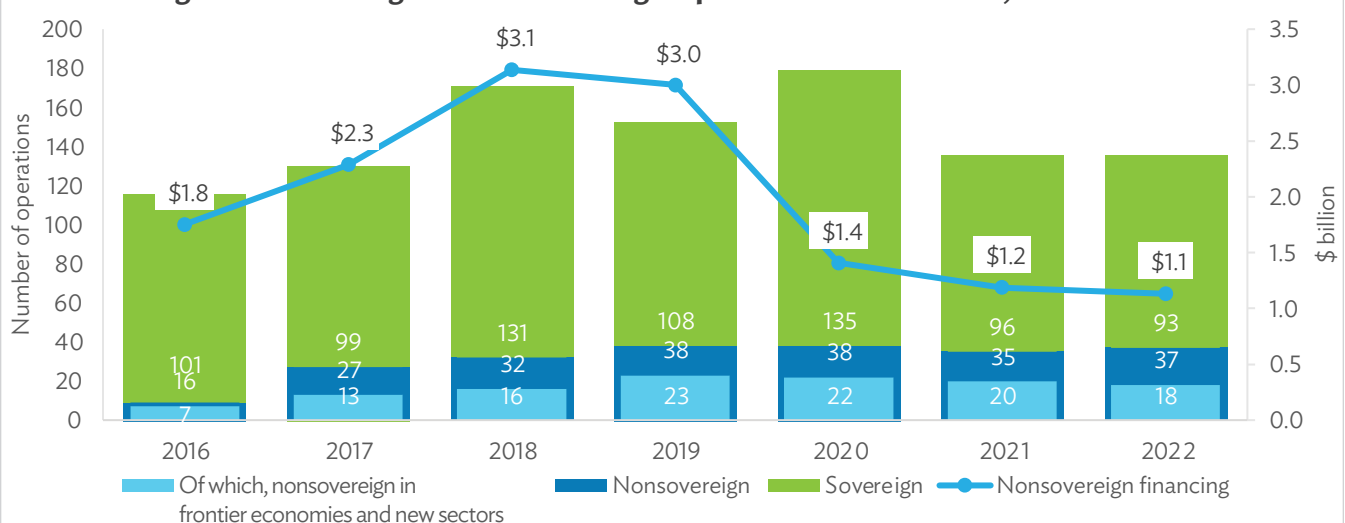
D. IN FOCUS

1. Strategic Relevance and Scalability of Nonsovereign Operations

114. **Smaller projects and financing volume, but in more countries.** With 37 nonsovereign operations in 14 countries and 6 regional operations, ADB committed in 2022 to two more operations than in 2021. Yet the volume of funding ADB committed to nonsovereign operations slipped marginally by \$54 million in 2022, to \$1.1 billion. The average value of a nonsovereign operation declined modestly for a fourth consecutive year, from \$34 million in 2021 to \$31 million. Doing more but smaller operations aligns with the Operational Plan for Private Sector Operations. However, ADB's ability to increase the number of operations has been constrained by pandemic-induced challenges including travel restrictions, continued market uncertainty and price volatility, and increased sovereign risk in some developing member countries (DMCs). Other constraints have been ADB institutional factors: a rate of response slower than market expectations and peers, and inconsistent coordination and collaboration between departments to support market-based development.⁵⁴ Increasing both financing volume and project count is important to ADB's objective of scaling up private sector development, reaching its climate financing targets, and mobilizing private capital for development. The volume of commercial cofinancing mobilized by ADB in 2022 was a 6-year low. Chapter 2 has details on nonsovereign cofinancing.

115. **Little change in the number of operations in frontier economies and new sectors.** To maximize development impact, ADB's Operational Plan for Private Sector Operations aims to redirect a larger share of nonsovereign operations into frontier economies (countries eligible to receive concessional assistance, including the fragile or conflict-affected situations and small island developing states listed in Appendix 1) and into new and nontraditional sectors, notably health care, education, agribusiness, and infrastructure outside of the traditional focus on energy. In 2022, 18 of 37 nonsovereign operation commitments, or 49%, were considered diversified in these terms (Figure 4.1). Of these 18 projects, the number in frontier economies was four in 2022, up from three in 2021, but the number in nontraditional sectors dipped slightly from 12 to 10, as did the number of projects in both frontier economies and nontraditional sectors from five to four. Remaining travel restrictions and the economic effects of the pandemic on businesses kept business development challenging in 2022. Important to scaling up are ADB's ongoing efforts to support reform in DMCs that creates an enabling environment for growth led by the private sector, and its efforts to leverage concessional finance such as from the Asian Development Fund's Private Sector Window (Box 4.1).

Figure 4.1: Sovereign and Nonsovereign Operation Commitments, 2016–2022



Note: The number of sovereign operations excludes project preparation and design. Nonsovereign operation financing excludes commitments through revolving programs, which was \$2.7 billion in 2022.

Source: Asian Development Bank (Strategy, Policy, and Partnerships Department and Private Sector Operations Department).

Box 4.1: Spurring Private Sector Participation in Development

Developing member countries (DMCs) need an enabling environment to mobilize private sector support for sustainable development. The Asian Development Bank (ADB) assists market creation by helping clients in the public and private sector structure and procure viable projects, particularly public–private partnerships. In 2022, ADB supported 12 of its DMCs through 30 ongoing transaction advisory service mandates—60% of which incorporated climate action and 69% gender equality—and through support for project preparation under its Asia Pacific Project Preparation Facility. Five transactions achieved commercial closure, and four financial closure, primarily supporting projects in green energy and in waste collection and management. As part of its new operating model, ADB plans to scale up policy advocacy and capacity building for private sector development and expand the scope of its transaction advisory services beyond public–private partnership to support the preparation of projects for nonsovereign financing.

Source: Asian Development Bank (Office of Public–Private Partnerships).

116. **Supporting food security and resilience through inclusive business.** ADB pursues approaches to inclusive business that integrate people at the bottom of the income pyramid into the market economy.⁵⁵ In 2022, it committed to seven nonsovereign operations supporting inclusive business, three fewer than in 2021. Four operations in agricultural development and natural

resources aim to build climate resilience, promote food security through increased production, and support the livelihoods of stakeholders across agricultural value chains (Box 4.2). Three finance sector operations are designed to expand access to finance for women-owned and low-income micro, small, and medium-sized enterprises.

Box 4.2: Supporting Food Security and Inclusive Business in Frontier Economies

Asian Development Bank (ADB) investment in De Heus TMH Company Limited, coupled with a partial guarantee supported by the Asian Development Fund Private Sector Window, aims to increase the supply of high-quality animal feed products made in Cambodia using locally produced materials, thereby promoting food security and the livelihoods of smallholder farmers there. The project includes measures to enhance gender equality in the poultry and maize industries, as well as \$3.35 million in financing for climate change adaptation. This investment is one of four nonsovereign operation commitments ADB made in 2022 in the agriculture and natural resources sector to improve food security and support inclusive business.^a

^a ADB. 2022. *Cambodia : De Heus Sustainable and Inclusive Feed Supply Chain Project*. Manila.

Source: Asian Development Bank (Private Sector Operations Department).

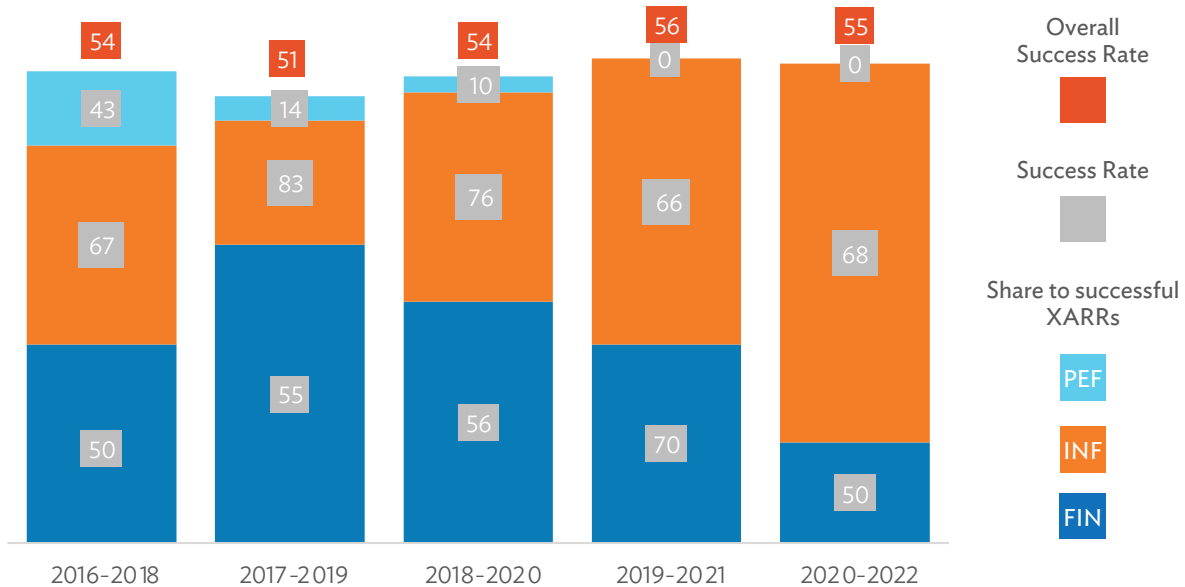
117. Supporting trade and supply chains to address crises and deepen regional integration. The pandemic and negative global economic trends exposed significant vulnerabilities in global trade and supply chains, which are important pathways to deeper regional cooperation and integration. In 2022, ADB's Trade and Supply Chain Finance Program took part in more than 10,000 transactions, delivering to clients within 48 hours loans and guarantees worth almost \$7.7 billion, including \$2.6 billion in ADB commitments. About 60% of those transactions directly benefited small and medium-

sized enterprises, while 30% supported trade between ADB DMCs and other intraregional trade. In 2022, the program established the Food Security Facility as part of \$1.5 billion in food-security transactions, and the Green Equipment Facility to support companies' acquisition of energy-efficient equipment to reduce supply chain carbon footprints. It also opened the innovative Emergency Trade Finance Facility, which financed essential imports to crisis-stricken Sri Lanka through ADB's ongoing sovereign operations in the country.

2. Main Factors Affecting Success Rates

118. Among 78 nonsovereign operations completed in reporting period 2020–2022, 43 were rated *successful*, keeping the share roughly steady at 55% but still *off track* to meet the ambitious 2024 target of 70% (Figure 4.2).

Figure 4.2: Success Rates of Nonsovereign Operations by Investment Type, 2016–2022
(%)



FIN = financial institution, INF = infrastructure, PEF = private equity fund, XARR = extended annual review report.

Note: Success rates are from XARR validation reports by the Independent Evaluation Department. The reporting year, based on the XARR circulation date, ends on 30 June, so reporting period 2020–2022 is 1 July 2019–30 June 2022. The height of the sector blocks in each stacked column reflects share of XARR validation reports rated *successful* in the reporting period.

Source: Asian Development Bank (Independent Evaluation Department).

119. Investments in renewable energy infrastructure among the best performing.

Infrastructure continued to contribute the largest number of successful operations, with 34 projects, or 68%, rated *successful*, 27 of them in electricity generation infrastructure, mostly in renewable energy, which accounted for 59% of all energy projects. This is promising in that ADB aims to scale up its support for investments that mitigate climate change.

120. Challenges faced by investments in finance and private equity.

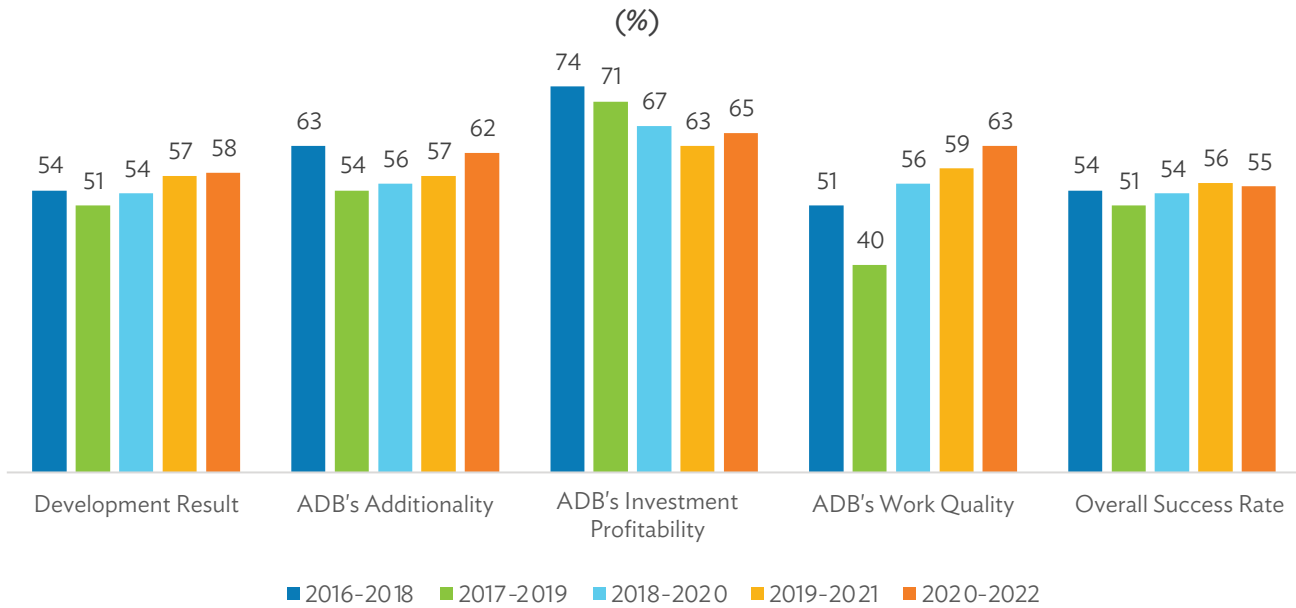
All four finance projects reported in 2022 were rated *unsuccessful*, dragging the share of finance sector operations rated *successful* in 2020–2022 down to 50%. Two projects did not achieve their intended development results because private sector clients changed ownership and business strategies;

one changed its business model from targeting loans to women’s groups to lending to individuals, which reduced the number of women-owned accounts, and the other client shifted away from lending to health-care businesses toward lending to the power sector. Two other finance operations were adversely affected by external factors: government policy changes, macroeconomic difficulties, and stiff market competition. All 10 private equity fund investments, all of which were approved over a decade ago and 2 of which were evaluated in 2022, were rated *less than successful* or *unsuccessful*. These funds made-up 13% of projects, and just 4% of the ADB-financed dollar value of the completed portfolio evaluated. Most investments were made during the global financial crisis years of 2008–2010 and suffered weak fund management.

121. **More recently approved projects performing better.** Projects approved within the past dozen years have higher success rates than those approved longer ago. When projects approved in 2010–2022 were grouped by approval year and analyzed in 3-year reporting periods starting with 2016–2018, the share of operations rated *successful* in each reporting period fluctuated between 61% and 70%. This is much stronger performance than the 3-year success rates achieved by the full portfolio of completed operations since 2010, which range from 51% to 56%. Though a positive sign, these preliminary findings must be interpreted with caution as data show that projects with shorter maturity periods tend to be more successful than those with longer maturity.

122. **Slight improvement across all four criteria, but not enough to lift overall success.** *Satisfactory* ratings increased for a fourth consecutive reporting period in three criteria used to assess nonsovereign operation performance: *additionality*, *work quality*, and *development results* (Figure 4.3). Ratings for *investment profitability* recovered a bit after 4 years of deterioration, and this criterion remains the one on which nonsovereign operations perform best. The slightly stronger performance across all criteria was not enough to lift overall success rates because the share of operations rated *unsatisfactory* for work quality increased slightly.

Figure 4.3: Satisfactory Ratings for Nonsovereign Operations by Criterion, 2016–2022




ADB = Asian Development Bank, XARR = extended annual review report.
 Note: Success rates are from XARR validation reports by the Independent Evaluation Department. The reporting year, based on the XARR circulation date, ends on 30 June, so reporting period 2020–2022 is 1 July 2019–30 June 2022.
 Source: Asian Development Bank (Independent Evaluation Department).

123. **Additionality improved most.** In two-thirds of the operations evaluated in 2022, ADB's participation demonstrated financial additionality in that it (i) provided financing with longer tenor and lower interest rates, (ii) encouraged long-term cofinancing from private banks, (iii) helped raise capital during the pandemic, (iv) mitigated risk for high-risk investments, and (v) boosted investor confidence through ADB's subscription to an initial public offering. Importantly, ADB contributed nonfinancial *additionality* as it helped improve corporate governance by enhancing companies' capacity for gender mainstreaming and developing environment- and social-management systems. In 2022, the Independent Evaluation Department evaluated *additionality* in ADB nonsovereign operations.⁵⁶ Among other initiatives, ADB has been expanding staff training and using its new ex ante development impact framework to

screen for and strengthen additionality at the project concept stage. ADB plans additional actions informed by the evaluation's findings.

124. **Lessons for improved ADB work quality.** In some operations with low ratings for ADB *work quality*, ill-prepared design and monitoring frameworks included targets that were inadequately measured, otherwise unmeasurable, or disproportionately ambitious relative to a project's outputs and outcome. Other factors were failure to update design and monitoring frameworks to reflect changes to project scope and insufficient consideration in project design of regulatory risks and market competition. These are factors under ADB's control, and actions ADB has taken to address them are outlined in the section *Actions to Address Challenges*.



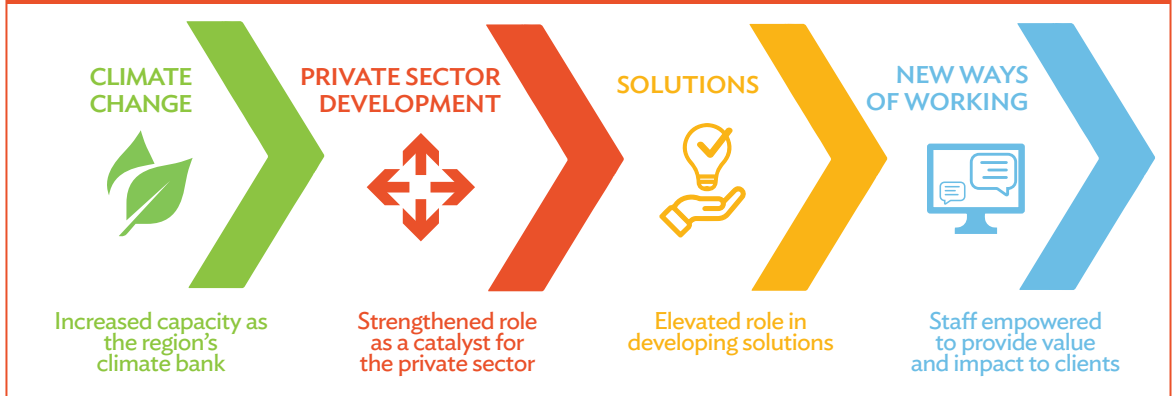
Colleagues at the Georgia Resident Mission gather for an informal catch-up session (photo by Eric Sales).

CHAPTER 5 ORGANIZATIONAL EFFECTIVENESS

Strategy 2030 calls on the Asian Development Bank (ADB) to be stronger, better, and faster as it works to enhance development results in Asia and the Pacific, and to strengthen its role as a knowledge provider by cooperatively creating with its clients high-quality knowledge-based solutions that they find useful. This chapter assesses ADB's effectiveness in key performance areas—operational systems, processes, and organizational capacity—and in advancing its agenda to become a stronger knowledge and solution organization. It also examines factors that affected performance in these areas in 2022 and highlights ADB's main achievements in better managing its internal resources, systems, and processes.

ACCELERATING FOUR SHIFTS TO ACHIEVE THE VISION OF STRATEGY 2030

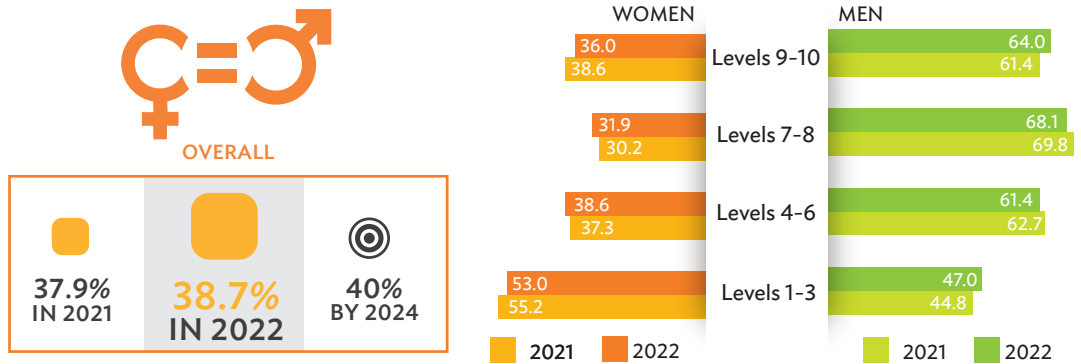
FOUR SHIFTS OF THE NEW OPERATING MODEL



MAINTAINING A GENDER-BALANCED WORKFORCE

REPRESENTATION OF WOMEN

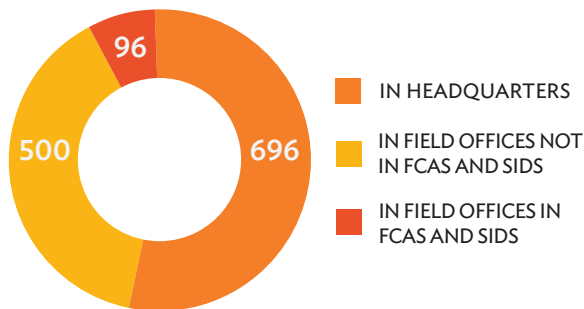
IN THE INTERNATIONAL STAFF CATEGORY (%)



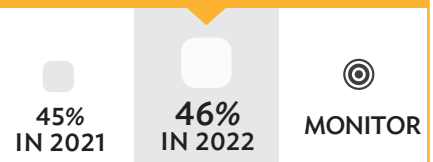
MAINTAINING A STRONG COUNTRY PRESENCE

BUDGETED INTERNATIONAL AND NATIONAL STAFF POSITIONS

STAFF POSITIONS IN OPERATIONS DEPARTMENTS



BUDGETED STAFF POSITIONS IN FIELD OFFICES



BUDGETED STAFF POSITIONS IN FCAS AND SIDS FIELD OFFICES



DMC = developing member country, FCAS = fragile and conflict-affected situations, SIDS = small island developing states.

A. ORGANIZATIONAL SYSTEMS AND PROCESSES

125. **A new operating model.** Informed by an organizational review conducted in 2021–2022, ADB approved last year a new operating model to better position itself to deliver on Strategy 2030 as the development landscape changes.⁵⁷ Major shifts since ADB's last major reorientation of operations in 2002—notably, economic and social strengthening in developing member countries (DMCs); the heightened criticality of complex global issues such as climate change, gender equality, and food security; the reemergence of global pandemics; and the spread of the digital economy—have forced DMCs and their development partners to reprioritize and balance their allocation of finite resources. In this context, the importance of private sector development to address complex issues in a financially sustainable and efficient way has grown, as have demands and opportunities for ADB to be more responsive, agile, and innovative. ADB started to roll out in 2023 its new operating model to accelerate four fundamental shifts: (i) solutions shift: elevate ADB's role as the region's solutions bank by delivering higher quality and integrated solutions; (ii) private sector development shift: strengthen ADB's role as a catalyst for the private sector, including by scaling up nonsovereign operations; (iii) climate change shift: scaling up support for climate change mitigation and adaptation; and (iv) new ways of working shift: empower staff to provide value and impact to clients by decentralizing and enhancing systems, processes, and capacity.

126. **Journey toward a gender-balanced workforce.** The female share of ADB international staff (IS) positions improved from 37.9% in 2021 to 38.7% in 2022, bringing the total female staff number to 528 out of 1,365. Growth is attributed to an increase in female appointments and higher attrition for men than for women.⁵⁸ A challenge persists at the leadership levels IS7–10, where representation remains below 35% and where IS9–10 representation slipped from 38.6%

in 2021 to 36.0% in 2022. This significant decrease reflected more males being promoted, as only two of the nine staff promoted to IS9 in this period were female.

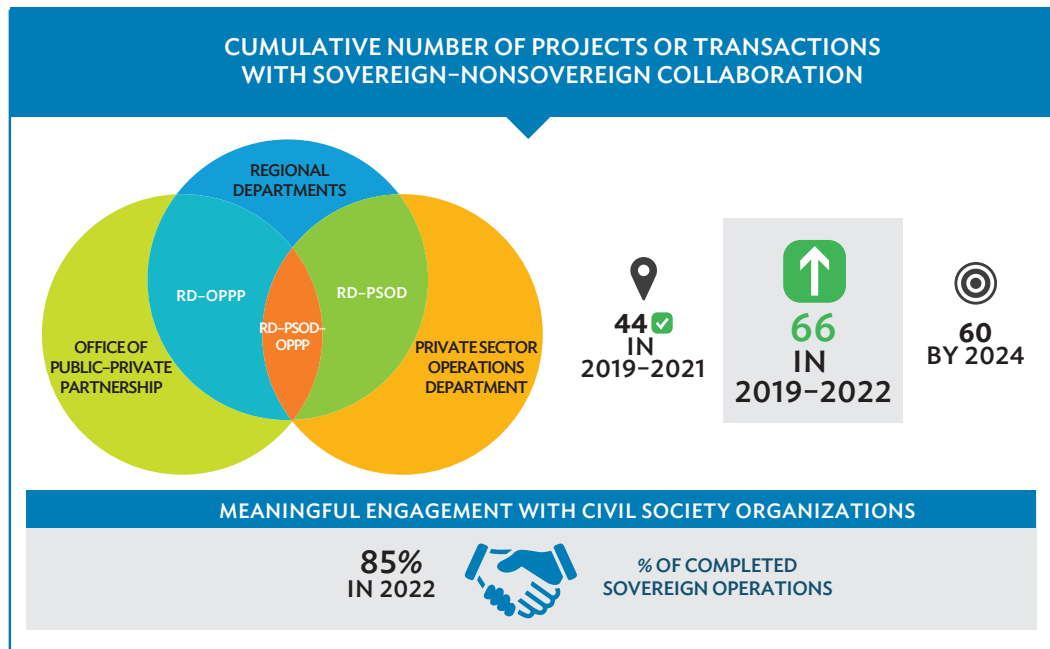
127. Achieving gender targets depends critically on accelerating female hiring and concerted efforts to retain female staff. During the year, the Budget, People, and Management Systems Department kept its focus on gender through new initiatives that included gender discussions with heads of departments about gender challenges and wins. These discussions offered opportunities to look into short- and medium-term plans for hiring and retaining more female international staff.

128. **Early achievement of One ADB collaboration target.** One ADB collaboration refers to projects or transactions jointly initiated or processed by regional departments, the Private Sector Operations Department, and/or the Office of Public–Private Partnership. There were 22 such projects and transactions in 2022, surpassing the 2024 target and bringing the cumulative total to 66 (Figure 5.1). Over the past 4 years, collaboration across ADB has grown more quickly and become more iterative than originally anticipated. Strong collaboration is becoming the ADB norm day to day. In 2022, all departments strived to work seamlessly in response to clients' need for integrated solutions across the public and private sectors to better navigate complex development challenges and tap opportunities. Because the private sector will not invest in public–private partnerships unless projects are well prepared and properly structured with fair risk allocation, ADB needs to grow its upstream support to create conducive enabling environments for such partnerships, its midstream advisory and project preparation services, and its downstream project financing to help crowd in private investment.

Figure 5.1: 2024 Target for One ADB Collaboration Achieved



STRENGTHENING COLLABORATION

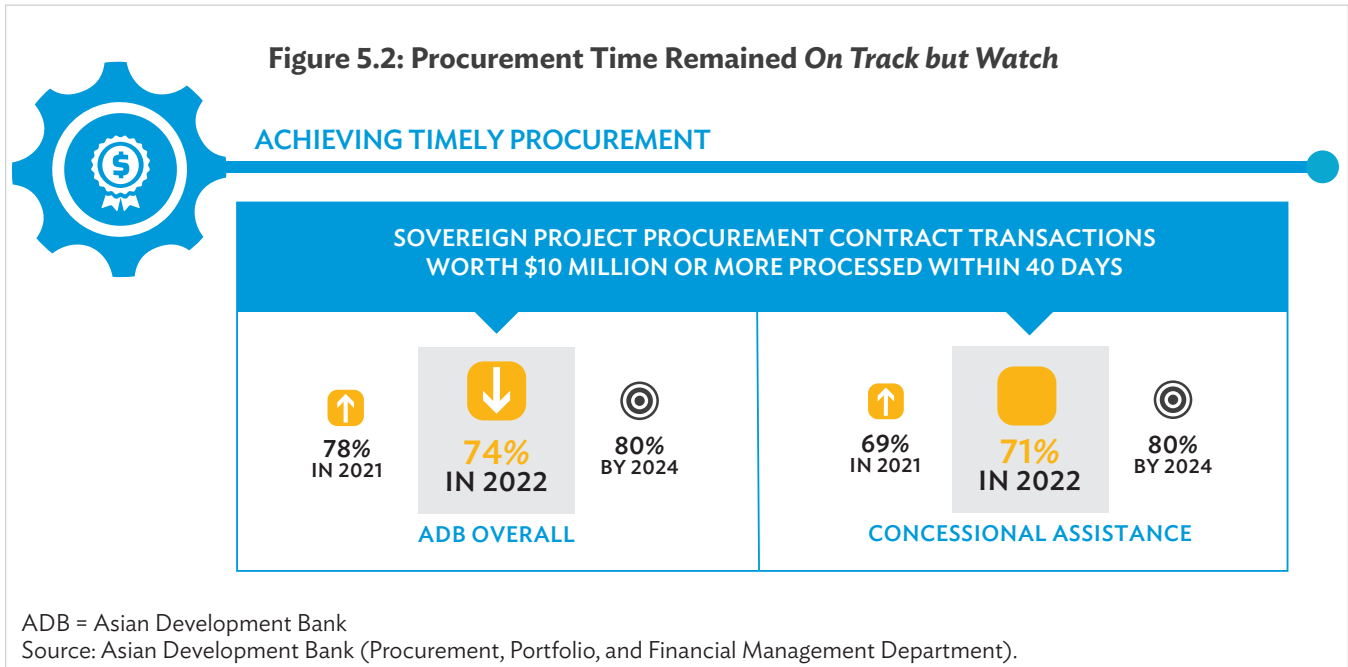


ADB = Asian Development Bank, OP PP = Office of Public–Private Partnership, PSOD = Private Sector Operations Department, RD = regional department.

Source: Asian Development Bank (Strategy, Policy, and Partnerships Department).

129. **Meaningful engagement with civil society organizations.** ADB’s Strategy 2030 recognizes the need to strengthen collaboration with civil society organizations (CSOs). At its core, this engagement relies on grassroots approaches to target poor and vulnerable people, mobilize women and young people, and support communities as they invest in their shared future. Last year marked the 20th anniversary since ADB founded its NGO and Civil Society Center to provide high-quality technical expertise on civil society engagement within ADB and a first point of contact for the CSOs with whom ADB partners.⁵⁹ Of 106 projects whose completion reports were published in reporting year 2022, those that articulated plans for meaningful engagement with CSOs numbered 54 (51%, up by 1 percentage point from 2021) and those among them that delivered on their plans numbered 46 (85%, up by 9 points).⁶⁰ Projects in agriculture, transportation, water, and education scored the highest rates of meaningful CSO engagement planned and delivered.

130. **Procurement processing time on a general upward trend with fluctuations.** ADB’s response time is indicated by the percentage of sovereign operation procurement transactions worth \$10 million or more that were processed in the procurement review system within the target time frame of 40 days.⁶¹ In 2022, this measure slipped by 4 percentage points to 74% overall but improved by 2 percentage points to 71% for concessional assistance operations (Figure 5.2). With 70% of procurement specialists strategically placed and outposted in operational departments and resident missions, overall procurement efficiency is on an upward trajectory. The annual slippage for large transactions, however, indicates a need for continuous capacity development in executing and implementing agencies on how to evaluate bids and prepare high-quality bid evaluation reports.



131. **Budget utilization on target.** ADB’s budget utilization rate in 2022 was 96%, meeting the target of 5% or less unutilized.⁶² As in 2021, the most underutilized budget was for travel. With the pandemic on the wane, staff started to return to headquarters in September 2022. Travel restrictions eased, enabling more missions to be fielded, but travel

remained below pre-pandemic levels. In a changing and uncertain environment, the budget was flexibly managed, supporting business needs as they emerged. Despite high inflation in 2022, prudent expenditure management kept the use of general contingency funds minimal.

B. ORGANIZATIONAL CAPACITY

132. **ADB boosting its in-country presence.** The share of international and national staff positions in ADB operations departments who were assigned to field offices increased from 45% in 2021 to 46% in 2022, or from 554 to 596 positions.⁶³ Growth was attributed mainly to the creation of new national staff positions in some field offices and the implementation of the Workforce Rebalancing Framework, under which more international staff outpost from ADB headquarters to field offices. Narrowing the focus to fragile and conflict-affected situations and small island developing states, there was a temporary drop by one position as outposted staff returned to ADB headquarters before replacement in 2023. In 2022, 382 of 667 active operations were administered in field offices, or 57%, an increase of 4 percentage points from 2021. Decentralization under the new operating

model is expected to accelerate, further enhancing ADB’s field presence from 2023. Its impact will be assessed as implementation details accrue. Wider application of the One ADB approach is expected to become the norm under the new operating model, which will enable existing ADB staff to be deployed more efficiently.

133. **Strengthening knowledge, innovation, and solutions to enhance impact.** ADB DMCs continue to face disruption and uncertainty from climate change, the aftermath of the pandemic, emerging challenges in middle-income countries, and modernizing and leveraging technologies. To navigate these changes, ADB has invested in (i) promoting dynamic country knowledge plans to cater to DMCs’ evolving needs and build their capacity to incubate and manage innovative

projects; (ii) enhancing digital knowledge management with uniform tagging and better organization and governance when melding data, information, and knowledge management; (iii) harmonizing knowledge management tools to tap lessons learned from projects; and (iv) building a framework to assess development impact in DMCs.

134. In 2022, the ADB Innovation Hub sought to address innovation barriers in ADB by (i) introducing new tools and techniques to staff through applied learning; (ii) creating processes and systems for innovative project development and implementation through innovation management; (iii) building innovation partnerships within and beyond ADB; and (iv) scaling up pilots in DMCs through applied innovation. By the end of 2022, the hub had trained over 250 ADB staff on new ways of thinking, built partnerships with 15 international organizations, and signed grant funding agreements with technology providers to demonstrate proof of concept in energy generation, ocean health, transport, and urban development. ADB completed in 2022 two pilot projects from the Innovation Hub's Technology Innovation Challenge: a renewable energy mini-grid project in Tacloban, Philippines, and the application of a new heat exchange technology to save energy in a food processing line in Ha Noi, Viet Nam. Through the Innovation Hub, ADB deployed infotech experts to perform specific tasks such as building an online professional development system for the Philippine Department of Education, customizing digital billing systems for Cambodian water services, and developing a web-based dashboard to track climate investments in Pakistan.⁶⁴ Managing knowledge across countries

and regions, as well as across sectors and themes, is critical to implementing innovation under the new operating model.

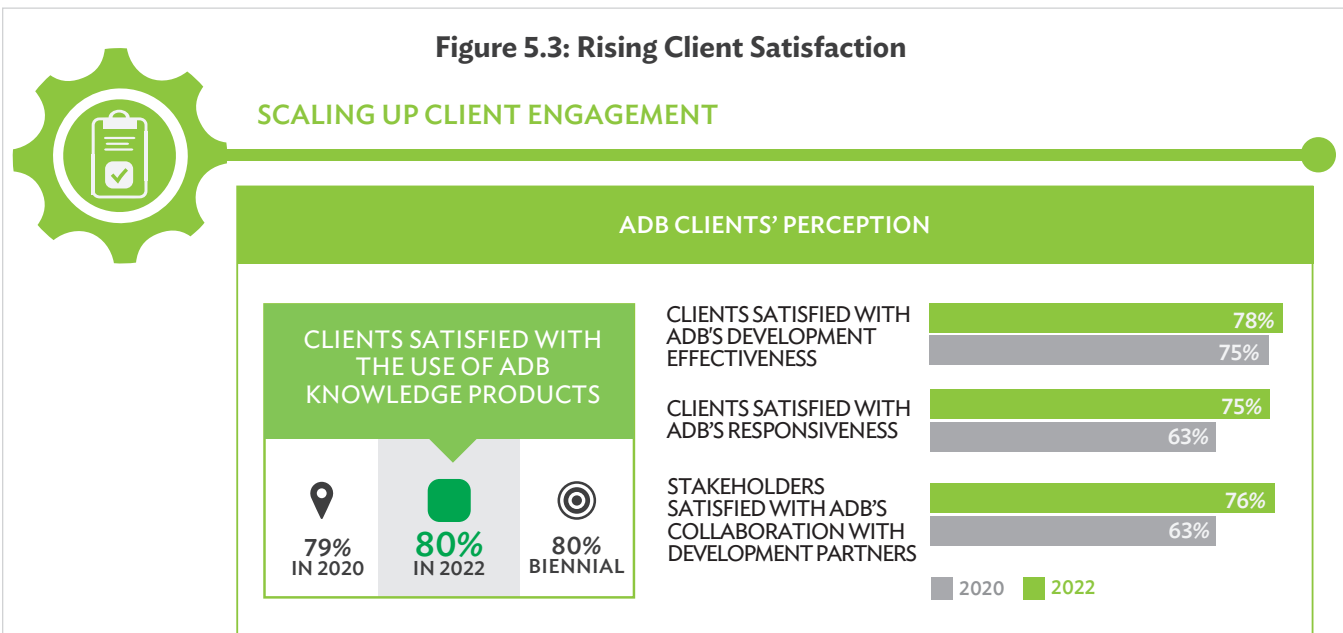
135. **Eight impact studies completed.** ADB conducts impact evaluations to find empirical evidence of intervention effects. Eight were completed in 2022, more than the two completed annually in previous years. The studies provided evidence to inform policy and the design of programs intended to sustainably reduce poverty and build socioeconomic shock resilience. Two studies provided evidence from the COVID-19 pandemic. Findings from a study of business performance and crisis mitigation strategies among micro, small, and medium-sized enterprises in Indonesia, has implications for policies on women's entrepreneurship, the uptake of business development services, and financing programs for smaller firms.⁶⁵ A study tested the impacts of a graduation approach. This holistic method addresses remaining poverty and reduces inequality by integrating, in sequenced interventions, targeted social assistance with training in technical and life skills, financial inclusion, and coaching and mentoring. ADB piloted a graduation approach in the Philippines and found that it strengthened household resilience under the COVID-19 shock, importantly in terms of financial security, food security, and mental health.⁶⁶ Another study looked at ADB-financed operations implemented in Fiji, Indonesia, and Thailand from 2010 to 2019 and discovered that they created more jobs than originally reported, and recommended that digital technology be adopted more widely to collect more accurate data in real time more cheaply and efficiently.⁶⁷

C. ADB CLIENTS' PERCEPTION

136. **Improved satisfaction with knowledge products.** Client satisfaction with ADB knowledge products hit the target of 80% in a biennial survey taken in 2022, the result up from 79% in 2020 (Figure 5.3). The survey was to gauge the reach, quality, use, and benefits to DMCs of the knowledge products and services (KPS) that ADB delivers. Of the 1,264 clients who responded to the survey, 80% rated ADB KPS *very useful*. Among the 526 respondents classified as primary clients because they have received financial

services from ADB, 81% gave a rating of very useful. Much of the increase reflected a growing perception among ADB's primary clients that KPS are useful for designing and implementing policies, programs, or projects and for self-education. As DMCs' knowledge needs evolve, it is critical that knowledge products be relevant, up-to-date, credible, digestible, and practical for the problems and challenges that clients face. KPS need to be promoted to expand their reach, use, and impact.

Figure 5.3: Rising Client Satisfaction



ADB = Asian Development Bank
 Note: Sixty ADB members participated in the survey, and feedback was received from 1,264 respondents.
 Source: Asian Development Bank (Department of Communications).

137. **Heightened perceptions of ADB's development effectiveness, responsiveness, and collaboration with development partners.** ADB has constantly strived to deliver development solutions that have real and lasting impact. The 2022 client survey showed encouraging results, as satisfaction with ADB's *development effectiveness*, defined as satisfaction with ADB efforts to help their countries achieve development results, improved from 75% in 2020 to 78% in 2022; *responsiveness* from 63% to 75%; and *collaboration with partners* from 63% to 76%. Early and rapid response to the pandemic that leveraged both financial and policy tools demonstrated ADB's agility and adaptability. Augmented partnerships, prompted

by increasingly difficult development settings and scarce resources, fostered a culture of collaboration to tap respective strengths and expertise to recover from the pandemic and attain the SDGs. Enhanced proximity and dialogue with clients enabled ADB to reach more communities and better understand and respond to their needs through customized projects, programs, and technical assistance in pursuit of development effectiveness. Despite improved perceptions, though, ADB must investigate situations more closely and adopt differentiated and multifaceted approaches, to better serve its clients.

ADB is helping Mongolia achieve a clean energy future through facilities such as the Sermsang Khushig Khundii Solar plant in Khushig Valley, Tuv Aimag (photo by Ariel Javellana).



ACTIONS TO ADDRESS CHALLENGES

This section describes the systems and processes by which the Asian Development Bank (ADB) identifies and monitors actions to improve its performance. It summarizes the actions ADB took in 2022 in response to the challenges highlighted in the *2021 Development Effectiveness Review (2021 DEfR)* that pose barriers to implementing Strategy 2030, as well as challenges identified in the 2022 DEfR process that ADB needs to address in 2023 and beyond.

A. ACTIONS TO ADDRESS 2021 CHALLENGES

138. The 2021 *DEFR* scorecard rated two main performance areas *off track* to achieve their 2024 targets: sovereign and nonsovereign success rates, including the share of sovereign projects completed *on time*. *Sustainability* and *effectiveness* in sovereign operations were also flagged as demanding continued proactive engagement to improve. Two other areas meriting close

attention were (i) operations and finance supporting climate action, and (ii) financing for education, which has repeatedly fallen short of its target. Recent compounding crises continued to undermine progress toward the Sustainable Development Goals. This section summarizes the main actions ADB took in 2022 to cope with these challenges.

1. Actions to Improve Sovereign Project Success Rates

139. **Challenge.** The success rate of completed sovereign operations remained *off track* to meet the 2024 target of 80%. Among the four evaluation criteria, *efficiency* continued to lose ground to become the weakest performer. Despite continued improvement, *sustainability* was second worst. The share of projects completed *on time* was little changed and remained a big challenge.

While the new operating model demonstrates ADB's determination to serve its DMCs more effectively, achieving desired goals will require a continued, concerted effort and the implementation of targeted measures.

140. **A new operating model and sustainability measures to improve ADB performance.** Following a comprehensive organizational review, ADB adopted in 2022 a new operating model designed to serve developing member countries (DMCs) more effectively as their needs evolve under rapidly changing circumstances. In the new operating model, sector groups will be established to consolidate sector staff across operational departments. Consolidation is expected to sharpen expertise and quality, enhance continuity in project teams, improve learning from operations, and facilitate cross-regional knowledge sharing. Each of the seven sector offices under the sector groups will be responsible for the end-to-end delivery of all projects in a sector. They will be better able to assess systematically how to make project outcomes more sustainable and, importantly, have the authority to reflect such considerations in the new project design. Because they will be ADB-wide, it will be easier to assign staff with the most suitable expertise to each client and to share knowledge across regions. It is expected that staff who design projects will now remain involved in their implementation, which should improve the client experience and accountability regarding the quality of design. Another measure aims to strengthen capacity in resident missions by placing more specialists and decision makers in the field, as proximity to clients and consequently enhanced dialogue are fundamental to achieving desired development results. These long-term corporate-level measures will foster the incentives and skill sets necessary to deliver programmed operations and knowledge services collaboratively.

141. ADB's dedicated sustainability working group continued to provide a channel for exchanging practices and knowledge, and to deliberate on further measures to make development results more sustainable. In 2022, ADB deepened discussion on how to address sector-specific sustainability challenges in seven sector directional guides. These guides recognize that each sector faces unique challenges to sustainability and thus requires tailored approaches. They aim to guide sector operations over the medium term by clarifying sector theories of change and helping to anchor results frameworks on sector-unique sustainability challenges.

142. Other actions in 2022 to improve project success and sustainability included the following: (i) Training programs on project financial analysis and evaluation aimed to enable project staff to assess viability and sustainability realistically and pragmatically during implementation. (ii) Guidance notes on sustainable procurement were presented to market participants through business opportunity seminars, and sustainable procurement principles were fully incorporated into standard ADB bidding documents. (iii) Procurement training courses built on existing courses by looking closely at each step in procurement planning and implementation, with an emphasis on sustainability considerations at each step. (iv) Project readiness was improved by various means, notably technical assistance provided to executing and implementing agencies to strengthen their capacity to implement projects. (v) Results monitoring was strengthened by incorporating an enhanced midterm review process to facilitate timely corrective action during implementation.

2. Actions to Improve Nonsovereign Operation Success Rates

143. **Challenge.** The share of completed nonsovereign operations rated *successful* remained *off track* to meet the ambitious 2024 target of 70%. Though slowly improving, performance on the criteria of ADB *work quality*, *additionality*, and *development results* continued to pull down overall success rates.

144. **Taking a portfolio approach to increase development impact.** ADB's Private Sector Operations Department (PSOD) continued to pilot its ex ante development impact framework for all projects during preliminary concept review in 2022. The framework's governance process has been completed, and preparations are under way to roll out the assessment tool for use across all private sector deals and transactions throughout the project approval cycle. The framework more objectively evaluates *additionality* and anticipated *development results* for each project under consideration. It has helped project teams to align their project proposals more closely with corporate priorities and will enable PSOD management to take a portfolio approach by assessing trade-offs between development impact, risks to

development results, and contributions to ADB's financial sustainability.

145. **More proactive project monitoring.** Wider application of the ex ante and development effectiveness monitoring tools have made deal origination teams more proactive in setting appropriate performance indicators and ensuring that clients submit timely, high-quality progress reports. Staff more proactively made course corrections as warranted. In 2022, PSOD approved changes in scope for 16 projects to adjust for contexts altered in particular by direct and indirect effects of the pandemic. These efforts are expected to contribute to improve success rates at completion because ratings for ADB *work quality* and *development results* have been dragged down by delays in updating and adjusting design and monitoring frameworks after external events warranted course corrections. Progress recorded in 2022 is a promising indication, as only 15% of projects under implementation were flagged *at risk* of not achieving development results, a marked improvement over 19% in 2021 despite difficult market conditions.

3. Actions to Increase Financing for Education and Climate Change

146. **Challenge.** Financing for the Strategy 2030 priority areas of education and climate change mitigation and adaptation were *off track*. Both areas are critical to sustainable recovery that is green, resilient, and inclusive, yet mounting debt in many DMCs and an understandable focus on addressing the immediate impacts of compounding crises have made governments less willing to invest in and borrow for these areas without more concessional terms.

147. **Building an education pipeline.** ADB published an education sector directional guide that identifies priority areas for scaling up its investments based on global trends, lessons learned, and client needs. ADB will focus its education support on three pillars: (i) increasing resources to education and better targeting expenditure to meet emerging needs and balance education supply and demand, (ii) investing in human capital development through an ecosystem approach that includes life cycle and whole-of-government

approaches, and (iii) promoting innovation in service delivery and an innovative mindset. To strengthen its in-house skill mix, ADB hired in 2022 additional staff with education expertise and redirected a portion of some existing staff time toward supporting education operations. ADB also developed new partnerships to address knowledge and concessional financing gaps. Notably, ADB is supporting the International Finance Facility for Education, the first fund combining guarantees and grant financing specifically designed to accelerate investment in educating school-aged children and youth in lower-middle-income countries. Collectively, these efforts are expected to lift ADB's share of financing for education into the 6%–10% range targeted by 2024.

148. **Scaling up climate action.** ADB scaled up its ambitions and stepped up its efforts and plans in 2022 to fulfill its role as the climate bank for Asia and Pacific. The infographic on pages 62–65 provides details.

B. ONGOING AND NEW CHALLENGES IN 2023 AND BEYOND

149. **Multiple crises challenging the Sustainable Development Goals.** As described in Chapter 1, lingering socioeconomic impacts from the COVID-19 pandemic were compounded in 2022 by disasters triggered by natural hazards and multiple global crises, most notably climate change and the Russian invasion of Ukraine. DMCs face worsening stresses on their energy, food, and finance systems, affecting in particular the most vulnerable groups. These developments have set back recovery and delayed progress toward the Sustainable Development Goals (SDGs), including those addressing poverty and gender inequality, health, food, and education. Environmental SDGs that will require dedicated focus include those that promote sustainable consumption and production, protect life on land and under water, and take climate action. Multiple stress points across sectors are stretching government financial resources—money that will be critical to achieving the SDGs even as other budget demands intensify. ADB continues to provide a wide range of financing support for the SDGs and to promote domestic resource mobilization, public-private partnership, and capital market development with a sharpening focus on green and social finance. Systems for linking ADB projects to the SDGs are updated regularly in response to lessons learned and wider institutional developments. This improves results monitoring and affirms ADB's strong commitment to helping DMCs pursue green, resilient, inclusive, and sustainable recovery aligned with the SDGs.

150. **ADB areas off track in 2022.** Sovereign and nonsovereign success rates remain *off track* in the 2022 *DEfR*. Projects are becoming more complex, with broader scope, multifaceted goals, rapidly changing market conditions and client needs, new operational contexts, and the deployment of new and untested technologies, processes, and methods. Concerted efforts are required to keep pace with expanded operations and increasingly complex contexts. Impacts from the pandemic are not yet clearly indicated in project results because most

projects were implemented or completed ahead of the pandemic, but COVID-19 certainly disrupted supply chains, delayed procurement, forced regulatory and policy change, and challenged communication and collaboration. These hindrances will likely offset efforts to improve ratings, causing results to deteriorate in future reporting periods. The other indicators rated *off track* in 2022 are finance commitments for education and climate action, as ADB could not scale up support to its DMCs for these strategic development priorities while countering the pandemic and other emerging crises.

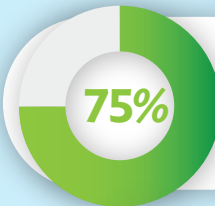
151. **Ongoing strategic review to inform future actions.** ADB will weigh trade-offs affecting where and how it should invest its limited finance and other resources as the region's leading climate bank, aiming to meet client needs as they evolve while supporting over the longer term the creation of regional and global public goods. To this end, many ADB-wide initiatives are planned for 2023 or continue into the year beyond the rollout of the bank's new operating model. ADB will commence a midterm review of its Strategy 2030 to assess how relevant and effective its current corporate strategy continues to be and to set a new course by which ADB can achieve its corporate targets and renewed ambitions to 2030. Operational plans for the seven operational priorities are being reviewed to adapt them to changed conditions, identify new opportunities, and foster more integrated approaches. ADB will complete its review of Asian Development Fund 13, for the 4-year period 2021–2024, and begin replenishing the concessional financing fund to support eligible countries, which include most DMCs classified as fragile and conflict-affected situations or small island developing states. The Climate Change Action Plan will be completed, outlining the concrete actions that ADB will pursue to deliver on its climate commitments and ambitions as a leading climate bank in the region. Plans specified in the President's Planning Directions for 2023 and ADB's Work Program and Budget Framework for 2023–2025 similarly address challenges, both continuing and new.

ADB's Climate Action at a Glance

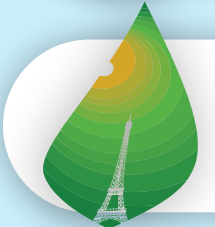
ADB's Climate Goals



COMMIT A CUMULATIVE TOTAL OF \$100 BILLION IN CLIMATE FINANCE OVER THE 2019-2030 PERIOD. This will be from ADB's own resources, and of this, \$34 billion will support climate adaptation and resilience and \$12 billion will be private sector climate finance.



THREE OF EVERY FOUR NEW ADB OPERATIONS SUPPORT CLIMATE ACTION BY 2030



FULLY ALIGN OPERATIONS WITH THE PARIS AGREEMENT
(sovereign operations by 2023 and nonsovereign operations by 2024)



FOCUS ON RESULTS by ensuring each climate action investment monitors meaningful results indicators supporting ADB Strategy 2030's Operational Priority 3 to tackle climate change, build climate and disaster resilience, and enhance environmental sustainability.

5 Action Areas

Scaling up finance through innovation and partnerships

Increasing adaptation and resilience support

An accelerated mitigation drive

Intensified strategic focus on climate

Better and more knowledge and upstream technical assistance



In 2022, ADB intensified its climate action to strengthen its role as the Asia-Pacific climate bank, supporting its developing member countries' efforts to achieve their climate commitments.

Intensified strategic focus on climate

Climate action is now taking center stage in ADB's strategy and operations



Began developing a new **Climate Change Action Plan**. Support for climate resilience, adaptation, and mitigation will be the focus.



Established the **Climate Action Coordination Committee** to spearhead an ADB-wide drive to step up climate actions. The committee of heads of departments is chaired by the managing director general.



Acted on findings from a 2022 organizational review and will roll out a **new operating model in 2023 to make the operational "climate shift"** that will secure ADB's role as the climate bank for Asia and the Pacific.



After announcing its support in 2021 for the **Task Force on Climate-Related Financial Disclosures**, issued its inaugural report on its progress in implementing the task force recommendations.



Introduced accelerated learning and development courses to upgrade the **climate skills** of all staff. Planned for 25 additional staff positions, of which about one-third were filled in 2022, to **fill the staff resource gap** needed to prepare the roughly 120 new climate projects planned by 2025.



Worked to ensure that women, the poor, and the vulnerable will gain protection and benefits from its climate projects along with everyone else. To narrow the risks of any egregious inequity, ADB is integrating mechanisms for **gender equality and social inclusion** into its climate project designs.



Approved the Bank's **first dedicated policy-based loan for climate action**. Prepared jointly with Agence Française de Développement, the reform program is helping the Government of the Philippines transition key sectors toward a climate-resilient and low-carbon economy.

Scaling up climate finance through innovation and partnerships

ADB is promoting new partnerships and the use of innovative finance tools to mobilize more climate support for its developing member countries (DMCs). It launched three financing platforms in 2022, and conceptualized a pilot facility.

Ocean Resilience and Coastal Adaptation Trust Fund



in collaboration with Nordic Development Fund under ADB's wider Healthy Oceans and Climate Program, focusing on adaptation for coastal development and blue economy.

Blue Pacific Finance Hub



supporting ADB's 14 Pacific DMCs with climate action for the ocean. It aims to raise \$50 million in grant finance to leverage \$500 million in new ocean investments.

SME BlueImpact Asia



blended finance platform in which ADB, UNEP, and UNDP develop a pipeline of blue projects for smaller enterprises by combining into a single investment portfolio, and providing guarantees and insurance.

Innovative Financing Facility for Climate in Asia and the Pacific



to catalyze climate finance for developing countries, drawing in contingent finance, guarantees, and grant resources from traditional and new partners such as philanthropies and leverage \$4 for every \$1.

Increasing adaptation and resilience support

Strengthening DMC resilience has become central to ADB's climate agenda

ADB aims to commit **\$34 BILLION** to **ADAPTATION** and **RESILIENCE** in 2019–2030, including \$9 billion by 2024. **IN 2022, ADB COMMITTED \$2.7 BILLION FOR ADAPTATION AND RESILIENCE**, bringing its cumulative total to \$6.1 billion.



Helping DMCs build adaptation knowledge and develop innovative adaptation measures. It is also redesigning work in ADB operational sectors to sharpen the climate focus, lower the risk of adverse climate impacts, and help make infrastructure and communities more resilient.



Developing an adaptation investment pipeline by helping DMCs to transform their national adaptation plans into investment programs, and by employing multi-hazard assessments to mainstream resilience and climate adaptation priorities in its country partnership strategies.



Aims to **mobilize more than \$200 million during 2021–2025** under the Asia and the Pacific Water Resilience Initiative to support inclusive and well-governed water services delivery and resource management to build the region's water and sanitation resilience and security.



Community Resilience Partnership Program: a 10-year program that aims to scale up investment in climate adaptation—especially at the community level—targeting the nexus between climate change, poverty, and gender.

An accelerated mitigation drive

ADB continues to drive innovative mitigation, primarily through decarbonization

The **ENERGY TRANSITION MECHANISM (ETM)** launched in 2021 combines concessional and market funds to repurpose or effect the early retirement of fossil fuel power plants and enlarge the role of clean energy in generating electricity. The mechanism's chief 2022 accomplishments include support for the creation of the Indonesia ETM Country Platform, a commitment to explore the ETM's first model coal retirement transaction, and the mobilization of \$500 million in concessional climate funds.



The **ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN) CATALYTIC GREEN FINANCE FACILITY (ACGF)** uses its resources to de-risk green infrastructure projects and attract other financiers. Among other achievements since its founding in 2019, 49% of the \$1.9 billion in cofinancing pledged by 9 partners has been allocated to projects, and projects supported so far are expected to lead to a reduction of 1.2 tCO₂e/year.



Better and more knowledge and upstream technical assistance

Knowledge sharing, and enhanced upstream engagement and support through technical assistance and policy dialogue are crucial climate actions.

ADB LAUNCHED NEW INITIATIVES IN 2022

- Financed through a \$2.13 million grant from ADB and the Energy Transition Mechanism Partnership Trust Fund under the Clean Energy Financing Partnership Facility, the **JUST TRANSITION SUPPORT PLATFORM** will build the capacity of ADB's DMCs to strategically plan, implement, and finance just transition, to manage any negative impacts and increase opportunities from the transition to low-carbon and climate resilient economies.
- The **ASIA AND THE PACIFIC WATER RESILIENCE HUB** is an open platform for establishing the partnerships needed to bolster water security in the region. The hub will provide opportunities for training and the development and sharing of knowledge products, innovative methods, tools, data, and digital technologies.
- **ACCELERATING CLIMATE TRANSITIONS THROUGH GREEN FINANCE IN SOUTHEAST ASIA (ACT)** was established with initial grants of \$4.9 million from ADB and \$10.1 million from the Green Climate Fund. ACT will strengthen upstream planning, project origination, and capacity to accelerate a pipeline of green projects for Southeast Asia. ACT's goal is to mobilize \$750 million in climate finance from ADB and cofinancing partners to support projects that could eliminate 450,000 tons of carbon dioxide equivalent per year.

CLIENT FEEDBACK

About **74% of primary clients** report that ADB's knowledge products and services have helped improve their climate change projects, and about **76% report** they have enriched policy dialogue on climate change. (2022 ADB Client Perceptions Survey).

HELPING MEET NATIONALLY DETERMINED CONTRIBUTIONS

NDC ADVANCE is a technical assistance platform established by ADB in 2019. Financed through a \$9.12 million grant from ADB and the Government of Austria, it helps ADB DMCs mobilize finance, build capacity, and provide knowledge and other support to implement their NDCs. In 2022, the platform supported climate interventions in 12 DMCs, and ADB expanded its scope to help DMCs identify the climate adaptation investments and policy and institutional reforms needed to unlock barriers to implementing climate adaptation investments.

Pilgrims take sacred water from a spring near the Beket Ata mosque in Mangystau Region, Kazakhstan (photo by Turar Kazangapov).



APPENDIX 1

ADB DEVELOPING MEMBERS

Table A1.1: ADB Developing Members

Afghanistan	India	Mongolia	Solomon Islands
Armenia	Indonesia	Myanmar	Sri Lanka
Azerbaijan	Kazakhstan	Nauru	Tajikistan
Bangladesh	Kiribati	Nepal	Thailand
Bhutan	Kyrgyz Republic	Niue ^a	Timor-Leste
Cambodia	Lao People's Democratic Republic	Pakistan	Tonga
China, People's Republic of	Malaysia	Palau	Turkmenistan
Cook Islands	Maldives	Papua New Guinea	Tuvalu
Fiji	Marshall Islands	Philippines	Uzbekistan
Georgia	Micronesia, Federated States of	Samoa	Vanuatu
			Viet Nam

ADB = Asian Development Bank.

Note: Five developing members—Brunei Darussalam; Hong Kong, China; the Republic of Korea; Singapore; and Taipei, China—have graduated from receiving regular ADB assistance and are not included in this table.

^a Niue became an ADB member on 11 March 2019.

Table A1.2: 2022 Classification of ADB Developing Members

Regular OCR-Only (Group C)	CA Countries		FCAS	SIDS
	OCR Blend (Group B)	CA-Only (Group A)		
Armenia ^a	Bangladesh	COL-only	Afghanistan	Cook Islands
Azerbaijan ^b	Fiji ^f	Cambodia	Kiribati	Fiji
China, People's Republic of	India ^g	Myanmar	Lao People's Democratic Republic	Kiribati
Cook Islands	Mongolia ^h	Nepal	Marshall Islands	Maldives
Georgia ^c	Niue ⁱ	ADF blend	Marshall Islands	Marshall Islands
Indonesia	Pakistan	Bhutan	Micronesia, Federated States of	Micronesia, Federated States of
Kazakhstan	Palau	Kyrgyz Republic	Myanmar	Nauru
Malaysia	Papua New Guinea	Solomon Islands	Nauru	Niue
Philippines	Timor-Leste ^j	Vanuatu	Palau	Palau
Sri Lanka ^d	Uzbekistan	Grants-only	Papua New Guinea	Papua New Guinea
Thailand		Afghanistan	Solomon Islands	Samoa
Turkmenistan		Kiribati	Timor-Leste	Solomon Islands
Viet Nam ^e		Lao People's Democratic Republic	Tuvalu	Timor-Leste
		Maldives		Tonga
		Marshall Islands ^k		Tuvalu
		Micronesia, Federated States of ^l		Vanuatu
		Nauru		
		Samoa		
		Tajikistan		
		Tonga		
		Tuvalu		

ADB = Asian Development Bank, ADF = Asian Development Fund, CA = concessional assistance, COL = concessional ordinary capital resources lending, FCAS = fragile and conflict-affected situations, OCR = ordinary capital resources, SIDS = small island developing states.

^a ADB. 2014. *Armenia: Review of Classification under ADB's Graduation Policy*. Manila.

^b ADB. 2013. *Azerbaijan: Review of Classification under ADB's Graduation Policy*. Manila.

^c ADB. 2013. *Georgia: Review of Classification under ADB's Graduation Policy*. Manila.

^d ADB. 2017. *Sri Lanka: Review of Classification under ADB's Graduation Policy*. Manila. Sri Lanka's reclassification to group C (regular OCR-only) was effective from 1 January 2019.

^e ADB. 2017. *Viet Nam: Review of Classification under ADB's Graduation Policy*. Manila. Viet Nam's reclassification to group C (regular OCR-only) was effective from 1 January 2019.

^f ADB. 2021. *Fiji: Country Classification*. Manila. Fiji's reclassification to group B (OCR Blend) was effective from 1 January 2022.

^g India is classified under group B but has no access to concessional assistance based on OM Section A1 (23 April 2019).

^h ADB. 2011. *Review of the Classification of Mongolia under the Asian Development Bank's Graduation Policy*. Manila.

ⁱ ADB. 2021. *Niue: Country Classification*. Manila. Niue became an ADB member country on 11 March 2019. Assessment and recommendation for the classification of Niue as a group B (OCR Blend) country was effective from 1 January 2022

^j ADB. 2011. *Review of the Classification of Timor-Leste under the Asian Development Bank's Graduation Policy*. Corrigendum 1. Manila.

^k ADB. 2013. *Marshall Islands: Review of Classification under ADB's Graduation Policy*. Manila.

^l ADB. 2017. *Federated States of Micronesia: Review of Classification under ADB's Graduation Policy*. Manila.

Sources: ADB. 2013. *Operational Plan for Enhancing ADB's Effectiveness in Fragile and Conflict-Affected Situations*. Manila; ADB. 2021. *Classification and Graduation of Developing Member Countries*. Operations Manual. Manila; and ADB Strategy, Policy, and Partnerships Department.

Friends by a seawall built through the ADB-funded Kalahi-CIDSS NCDDP project. It serves as a dock for small boats and protects barangay Katipunan in Surigao del Norte, Philippines from flooding (photo by Ariel Javellana).



An ADB-supported solar energy project seeks to secure Pakistan's clean energy future and improve people's access to electricity (photo by Rahim Mirza).



APPENDIX 2 SUMMARY PERFORMANCE SCORECARD

2022 Development Effectiveness Review




SIGNALS AND SCORING METHODS

- **Alignment with the Sustainable Development Goals**
- **Results Framework Indicators Level 1: Signals**
- **Results Framework Indicators Levels 2–4: Signal**
- **Results Framework Indicators Levels 2–4: Composite Signals**
- **Results Framework Indicators Levels 2–4: Scoring Methods for 2019–2023**
- **Results Framework Indicators Levels 2–4: Scoring Methods for 2024**

Alignment with the Sustainable Development Goals














	SDG Indicator	Official Sustainable Development Goal (SDG) Indicator
	SDG Derived	Directly related to an official SDG indicator
	SDG Aligned	Closely linked to an official SDG indicator or captures certain elements of it
	SDG Proxy Indicator	Relates to the SDGs and associated targets but not to an official SDG indicator

Results Framework Indicators Level 1: Signals

Scoring Method	Signal ^a	Change
Improved —region's performance improved relative to prior year with available data		Improved
Unchanged —region's performance unchanged relative to prior year with available data		Stayed constant
Regressed —region's performance deteriorated relative to prior year with available data		Deteriorated





^a A change of more than 2.5% constitutes improvement or deterioration.

Results Framework Indicators Levels 2–4: Signal

Scoring Method	Signal	Annual Change ^a
At or above target —performance at or above target		
On track —performance exceeded desired progress to attain target		Improved
		Remained constant
		Deteriorated
On track but watch —performance met desired progress to attain 2024 target but requires close monitoring		Improved
		Remained constant
		Deteriorated
Off track —performance fell short of desired progress to attain target		Improved
		Remained constant
		Deteriorated
Monitor —no performance assessment		Increased
		Remained constant
		Decreased

















^a An arrow indicates a significant ($\geq 3\%$) change from previous performance.

Results Framework Indicators Levels 2–4: Composite Signals

Signal	Explanation
 Good	Two-thirds or more of RFI in the group achieved a green or amber signal, and half or more achieved a green signal.
 Mixed	More than half but fewer than two-thirds of RFI in the group achieved a green or amber signal, or two-thirds or more of RFI in the group achieved a green or amber signal but fewer than half achieved a green signal.
 Poor	Half or fewer of RFI in the group achieved a green or amber signal.
	No signal generated because data are not yet available for three or more indicators in the group.
--	Group not scored because data are reported for fewer than three indicators that have a specific target.

RFI = results framework indicator.

Results Framework Indicators Levels 2–4: Scoring Methods for 2019–2023

Scoring Method	Target	Note	Signal	Applied to ^a
Achievement rate ^b	Annual	• At or above 80% of expected results		Level 2A: RFI 1–22
		• Below 80% of expected results		
Point target	2024	• At or above target		Level 2B: RFI 1–4 Level 3: RFI 2 (ADB overall only), 6, 9–11 (ADB overall only), 13–14 Level 4: RFI 2–3, 5–6, and 8
		• Above band from baseline to target		
		• Within band from baseline to target		
		• Below band from baseline to target		
Range	2024	• Within the target range		Level 3: RFI 7, 8
		• Below the bottom of the target range and above the volatility band		
		• Above the target range or below the target range and within the volatility band		
		• Below the target range and the volatility band		
Performance standard	Annual	• Performance standard or better		Level 2B: RFI 5 Level 3: RFI 5 Level 4: RFI 1
		• Worse than the performance standard		
Maintain	Annual	• Baseline or better		Level 3: RFI 1 (ADB overall only)
		• Worse than the baseline		
Cumulative	2024	• Above cumulative target		Level 3: RFI 12 Level 4: RFI 4
		• Performance is expected to increase each year and add up to the cumulative target		
		• Performance is on track to reach the target but requires close monitoring		
		• Below cumulative target		

Scoring Method	Target	Note	Signal	Applied to ^a
Monitor ^c	2024	• Increased		Level 3: RFIs 1–2 (CA only), 3–4, 9–11 (CA only), and 15 Level 4: RFI 7
		• Remained stable		
		• Decreased		

ADB = Asian Development Bank, CA = concessional assistance, RFI = results framework indicator.

^a Refers to the RFI numbers used in the ADB Corporate Results Framework, 2019–2024.

^b Achievement rate for Level 2A indicators is calculated only once the count of cumulative planned results has reached a threshold of at least 20.

^c Only arrows are shown, no impact on summary scorecard.

Results Framework Indicators Levels 2–4: Scoring Methods for 2024

Scoring Method	Target	Note	Signal	Applied to ^a
Achievement rate	Annual	• Better than target		Level 2A: RFIs 1–22
		• Worse than target		
Point target	2024	• At or above target		Level 2B: RFIs 1–4
		• Below target, but within 1% buffer zone		Level 3: RFIs 2 (ADB overall only), 6, 9–11 (ADB overall only), 13–14
		• Below target		Level 4: RFIs 2–3, 5–6, and 8
Range	2024	• Within the target range		Level 3: RFIs 7, 8
		• Outside the target range		
Performance standard	Annual	• Performance standard or better		Level 2B: RFI 5
		• Worse than the performance standard		Level 3: RFI 5 Level 4: RFI 1
Maintain	Annual	• Baseline or better		Level 3: RFI 1 (ADB overall only)
		• Worse than the baseline		
Cumulative indicator	2024	• Above cumulative target		Level 3: RFI 12 Level 4: RFI 4
		• Performance is expected to increase each year and add up to the cumulative target		
		• Performance is on track to reach the target but requires close monitoring		
		• Below cumulative target		
Monitor ^b	2024	• Increased		Level 3: RFIs 1–2 (CA only), 3–4, 9–11 (CA only), and 15 Level 4: RFI 7
		• Remained stable		
		• Decreased		

ADB = Asian Development Bank, CA = concessional assistance, RFI = results framework indicator.

^a Refers to the RFI numbers used in the ADB Corporate Results Framework, 2019–2024.























^b Only arrows are shown, no impact on summary scorecard.

RESULTS FRAMEWORK INDICATORS

- **LEVEL 1: Development Progress in Asia and the Pacific**
- **LEVEL 2: Results from Completed Operations**
- **LEVEL 3: ADB's Operational Management**
- **LEVEL 4: ADB's Organizational Effectiveness**

LEVEL 1: Development Progress in Asia and the Pacific

ADB Developing Member Countries Overall

Indicator	SDG	Baseline Year(s)	Latest Year	Baseline Value(s)	Latest Value	2022 Signal
1. Population living on less than \$2.15 a day (% , number) ^a		2018	2019	5.64 221,000,000	4.734 187,000,000	
2. Growth rates of household expenditure or income per capita among the bottom 40% and the total population (percentage point difference)		2000–2019	2000–2020	0.13	0.15	
3. Annual growth rate of real GDP per capita in constant 2010 United States dollars (%)		2020	2021	(2.74)	6.30	
4. Unemployment rate (%)				5.75	5.04	
a. Female		2020	2021	4.85	4.54	
b. Male				6.10	5.27	
5. CO ₂ emissions per unit of GDP (kg per \$ constant 2017 PPP GDP)		2020	2021	0.41	0.40	
6. Deaths attributed to climate-related and geophysical hazards (number) ^b		2021	2022	4,881	7,240	
7. PM2.5 air pollution, mean annual exposure (micrograms per cubic meter)		2018	2019	56.96	56.52	
8. Prevalence of stunting among children under 5 years (%)		2019	2020	23.99	23.36	
9. Worldwide Governance Indicators (average score) ^c		2020	2021	(0.255)	(0.260)	
10. Regional cooperation and integration index (average score) ^d		2019	2020	0.414	0.414	

(-) = negative, ADB = Asian Development Bank, CO₂ = carbon dioxide, GDP = gross domestic product, kg = kilogram, PM2.5 = particulate matter measuring less than 2.5 microns, PPP = purchasing power parity, SDG = Sustainable Development Goal.











Notes:

- “Concessional assistance countries” refers to a subset of ADB developing member countries that have access to Asian Development Fund grants and concessional ordinary capital resources loans (group A and B countries except India).
- Estimates are averages of actual country values or imputed country values where data are missing for the year required, weighted by population size or by GDP.
- Gray shading in cells indicates the column heading does not apply.

^a The World Bank introduced the \$2.15 income per day international poverty threshold in 2022 and revised its estimates in September 2022 reflecting 2017 purchasing power parity (PPP) and new rounds of survey data for India. World Bank. 2022. September 2022 Update to the Poverty and Inequality Platform (PIP): What’s New. *Global Poverty Monitoring Technical Note*. No. 24. Washington, DC.

LEVEL 1: Development Progress in Asia and the Pacific

ADB Concessional Assistance Countries

Indicator	SDG	Baseline Year(s)	Latest Year	Baseline Value(s)	Latest Value	2022 Signal
1. Population living on less than \$2.15 a day (% , number) ^a		2018	2019	6.08 39,100,000	5.95 38,800,000	↔
2. Growth rates of household expenditure or income per capita among the bottom 40% and the total population (percentage point difference)		2000–2019	2000–2020	0.11	0.14	↑
3. Annual growth rate of real GDP per capita in constant 2010 United States dollars (%)		2020	2021	(0.84)	2.14	↑
4. Unemployment rate (%)				4.51	4.63	↓
a. Female		2020	2021	5.71	5.87	↓
b. Male				4.04	4.20	↓
5. CO ₂ emissions per unit of GDP (kg per \$ constant 2017 PPP GDP)		2020	2021	0.21	0.21	↔
6. Deaths attributed to climate-related and geophysical hazards (number) ^b		2021	2022	1,116	3,662	↓
7. PM2.5 air pollution, mean annual exposure (micrograms per cubic meter)		2018	2019	49.05	49.16	↔
8. Prevalence of stunting among children under 5 years (%)		2019	2020	30.97	30.28	↔
9. Worldwide Governance Indicators (average score) ^c		2020	2021	(0.279)	(0.290)	↓
10. Regional cooperation and integration index (average score) ^d		2019	2020	0.403	0.408	↔

Notes: (continued)

^b Climate-related hazards include climatological, hydrological, and meteorological hazards.

^c The Worldwide Governance Indicators report on six broad dimensions of governance: voice and accountability, government effectiveness, control of corruption, rule of law, regulatory quality, and political stability and absence of violence.

^d ADB's Economic Research and Regional Cooperation Department adapted the Asia-Pacific Regional Cooperation and Integration Index to capture the following dimensions: trade and investment integration, regional value chains, infrastructure and connectivity, movement of people, and institutional and social integration.

Sources: Regional aggregates were prepared by ADB's Strategy, Policy, and Partnerships Department using country data from the following sources: ADB Economic Research and Regional Cooperation Department; Centre for Research on the Epidemiology of Disasters. Emergency Events Database. <https://www.emdat.be/database> (accessed 23 March 2023); Global Carbon Budget Project. <https://www.globalcarbonproject.org/carbonbudget/> (accessed 16 December 2022); Health Effects Institute. 2020. *State of Global Air 2020*. Boston; World Bank. Worldwide Governance Indicators. <https://datacatalog.worldbank.org/dataset/worldwide-governance-indicators> (accessed 19 December 2022); and World Bank. World Development Indicators. <https://databank.worldbank.org/source/world-development-indicators> (accessed 14 December 2022). Population data used as weights are from the following sources: World Bank. World Development Indicators. <https://databank.worldbank.org/source/world-development-indicators> (accessed 14 December 2022).

LEVEL 2: Results from Completed Operations

ADB Operations Overall







Indicator	SDG	Number of Completion Reports	Results Achieved	Achievement Rate (%)	Signal
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LEVEL 2A. STRATEGY 2030 OPERATIONAL PRIORITY RESULTS













Operational Priority 1: Addressing Remaining Poverty and Reducing Inequalities

1.1	People benefiting from improved health services, education services, or social protection (number)		23	263,244,000	100+	
1.2	Jobs generated (number)		35	9,885,000	98	
1.3	Poor and vulnerable people with improved standards of living (number)		13	4,394,000	100+	









Operational Priority 2: Accelerating Progress in Gender Equality

2.1	Skilled jobs for women generated (number)		26	404,000	100+	
2.2	Women and girls completing secondary and tertiary education, and/or other training (number)		5	115,000	100+	
2.3	Women represented in decision-making structures and processes (number)		14	65,000	100+	
2.4	Women and girls with increased time savings (number)		2	208,000	100+	
2.5	Women and girls with increased resilience under climate change, disasters, and other external shocks (number)		9	3,495,000	96	



Operational Priority 3: Tackling Climate Change, Building Climate and Disaster Resilience, and Enhancing Environmental Sustainability

3.1	Total annual greenhouse gas emissions reduction (tCO ₂ e/year)		23	29,587,000	87	
3.2	People with strengthened climate and disaster resilience (number)		8	270,000	100+	
3.3	People benefiting from strengthened environmental sustainability (number)		8	4,255,000	100+	

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LEVEL 2: Results from Completed Operations

Operations Financed by Concessional OCR Loans and ADF Grants























Indicator	SDG	Number of Completion Reports PCR TCR	Results Achieved	Achievement Rate (%)	Signal
LEVEL 2A. STRATEGY 2030 OPERATIONAL PRIORITY RESULTS ●					
Operational Priority 1: Addressing Remaining Poverty and Reducing Inequalities					
1.1	1 NO POVERTY	11	30,523,000	100+	✓
1.2	8 DECENT WORK AND ECONOMIC GROWTH	11 1	503,000	71	✗
1.3	1 NO POVERTY	3	348,000	100+	✓
Operational Priority 2: Accelerating Progress in Gender Equality					
2.1	8 DECENT WORK AND ECONOMIC GROWTH	10 1	3,800	100+	✓
2.2	4 QUALITY EDUCATION	1	130	100+	✓
2.3	5 GENDER EQUALITY	5	430	100+	✓
2.4	5 GENDER EQUALITY		-	-	
2.5	13 CLIMATE ACTION	2	1,002,000	100	✓
Operational Priority 3: Tackling Climate Change, Building Climate and Disaster Resilience, and Enhancing Environmental Sustainability					
3.1	13 CLIMATE ACTION	8	1,332,000	56	✗
3.2	13 CLIMATE ACTION	1 1	1,100	100+	✓
3.3	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	2	500,000	100+	✓

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LEVEL 2: Results from Completed Operations

ADB Operations Overall

Indicator	SDG	Number of Completion Reports			Results Achieved	Achievement Rate (%)	Signal
		PCR	XARR	TCR			
 Operational Priority 4: Making Cities More Livable							
4.1	People benefiting from improved services in urban areas (number)		18	2	33,893,000	88	
4.2	Entities with improved urban planning and financial sustainability (number)		5	1	15		
4.3	Zones with improved urban environment, climate resilience, and disaster risk management (number)		8		10		
 Operational Priority 5: Promoting Rural Development and Food Security							
5.1	People benefiting from increased rural investment (number)		17	1	46,923,000	100+	
5.2	Farmers with improved market access (number)		1		230	100+	
5.3	Land with higher productivity (hectare)		3		194,000	100+	
 Operational Priority 6: Strengthening Governance and Institutional Capacity							
6.1	Entities with improved management functions and financial stability (number)		19	7	650	100+	
6.2	Entities with improved service delivery (number)		53	2	1,000	100+	
 Operational Priority 7: Fostering Regional Cooperation and Integration							
7.1	Cargo transported and energy transmitted across borders (\$)		1		87,720,000	100+	
7.2	Trade and investment facilitated (\$)				-	-	
7.3	Regional public goods initiatives successfully reducing cross-border environmental or health risks, or providing regional access to education services (number)		1		1	100	

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LEVEL 2: Results from Completed Operations

Operations Financed by Concessional OCR Loans and ADF Grants

Indicator	SDG	Number of Completion Reports		Results Achieved	Achievement Rate (%)	Signal
		PCR	TCR			
Operational Priority 4: Making Cities More Livable						
4.1	11 SUSTAINABLE CITIES AND COMMUNITIES	6		1,526,000	56	■
4.2	11 SUSTAINABLE CITIES AND COMMUNITIES	2	1	10		
4.3	11 SUSTAINABLE CITIES AND COMMUNITIES	3		4		
Operational Priority 5: Promoting Rural Development and Food Security						
5.1	2 ZERO HUNGER	7		2,477,000	100+	✓
5.2	2 ZERO HUNGER			-	-	
5.3	2 ZERO HUNGER	1		166,000	100+	✓
Operational Priority 6: Strengthening Governance and Institutional Capacity						
6.1	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	9	12	160	99	✓
6.2	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	20	2	520	100+	✓
Operational Priority 7: Fostering Regional Cooperation and Integration						
7.1	17 PARTNERSHIPS FOR THE GOALS	1		87,720,000	100+	✓
7.2	17 PARTNERSHIPS FOR THE GOALS			-	-	
7.3	17 PARTNERSHIPS FOR THE GOALS			-	-	

ADB = Asian Development Bank, ADF = Asian Development Fund, OCR = ordinary capital resources, PCR = project completion report, SDG = Sustainable Development Goal, tCO₂e/year = tons of carbon dioxide equivalent per year, TCR = technical assistance completion report, XARR = extended annual review report. Notes:

- “ADB Operations Overall” are ADB operations financed by regular and concessional OCR and/or ADF grants.
- Results delivered as reported in PCRs, XARRs, and TCRs circulated from 16 November 2021 to 15 November 2022 for regular projects, and 31 December 2022 for COVID-19 Pandemic Response Option (CPRO) projects.
- An annual achievement rate of 80% is used as a benchmark for satisfactory performance. “100+” achievement rate means that achieved results exceeded the planned results. In cases where annual results are too few in number to permit accurate achievement rate scoring (i.e., below 20), results will be cumulated over the years until the minimum value of 20 is reached and achievement rate and score will be reported starting from that year.
- Achieved results over 10,000 are rounded to the nearest 1,000. Values smaller than 10,000 are rounded to the nearest 100. Values smaller than 1,000 are rounded to the nearest 10. Values smaller than 99 are not rounded.
- Gray shading in cells indicates the column heading does not apply.


LEVEL 2: Results from Completed Operations

ADB Operations Overall

Indicator	SDG	Baseline Year(s)	Baseline Value	2019	2020	2021	2022	2024 Target	2022 Signal
LEVEL 2B. QUALITY OF COMPLETED OPERATIONS ●									
1. Completed operations rated <i>successful</i> (%) (sovereign)		2016–2018	77	72	70	70	68	80	
2. Projects closed on time (%) (sovereign) ^a		2016–2018	40	37	33	28	29	45	
3. Completed operations rated <i>successful</i> (%) (nonsovereign)		2016–2018	54	51	54	56	55	70	
4. Completed operations delivering intended gender equality results (%) (sovereign and nonsovereign)		2016–2018	75	74	73	81	83	80	
5. Clients satisfied with the use of ADB knowledge products (%) ^b		2018	78		79		80		

LEVEL 2: Results from Completed Operations

Operations Financed by Concessional OCR Loans and ADF Grants

Indicator	SDG	Baseline Year(s)	Baseline Value	2019	2020	2021	2022	2024 Target	2022 Signal
LEVEL 2B. QUALITY OF COMPLETED OPERATIONS									
1. Completed operations rated <i>successful</i> (%) (sovereign)		2016–2018	77	70 ↓	65 ↓	63 ↓	58	80	↓
2. Projects closed on time (%) (sovereign) ^a		2016–2018	40	33 ↓	30 ↓	28 ↓	24	45	↓
3. Completed operations rated <i>successful</i> (%) (nonsovereign)									
4. Completed operations delivering intended gender equality results (%) (sovereign and nonsovereign)		2016–2018	76	77	78	83 ✓	78	80	↓
5. Clients satisfied with the use of ADB knowledge products (%) ^b									

⊙ = periodic performance target, ADB = Asian Development Bank, ADF = Asian Development Fund, OCR = ordinary capital resources, SDG = Sustainable Development Goal.

Notes:

- “ADB Operations Overall” are ADB operations financed by regular and concessional OCR and/or ADF grants.
 - The reporting year for success ratings and delivery of gender results (items 1, 3, and 4) is based on the date that the completion report was circulated, the year ending on 30 June. Thus, a project with a completion report circulated on 1 July 2021 is in reporting year 2022. Projects closed on time and client satisfaction survey (items 2 and 5) are reported by calendar year.
 - Success rates of completed operations are ratings evaluated by the Independent Evaluation Department based on validations of project and/or program completion reports and project and/or program performance evaluations.
 - Success rates in delivering intended gender equality results are ratings by the Gender Equality Thematic Group based on project and/or program completion reports.
 - Gray shading in cells indicates the column heading does not apply.
- ^a Indicator is reported by calendar year.
^b Data are measured every 2 years.

Sources: ADB (Strategy, Policy, and Partnerships Department; and Sustainable Development and Climate Change Department).

LEVEL 3: ADB's Operational Management

ADB Operations Overall

Indicator	SDG	Baseline Year(s)	Baseline Value	2019	2020	2021	2022	2024 Target	2022 Signal
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LEVEL 3A. DESIGN AND IMPLEMENTATION QUALITY

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1. Infrastructure projects that are design-ready (%) (sovereign)		2018	80	83 	81 	69 	80	Maintain 	
2. Infrastructure projects that are procurement-ready (%) (sovereign)		2018	46	50 	51 	55 	60	60	
3. Performance of operations at implementation rated <i>satisfactory</i> (%) (sovereign) ^a				52	65 	67 	67	Monitor	
4. Operations at risk of not achieving development results (%) (nonsovereign) ^a					32	19 	15	Monitor	






LEVEL 3B. DEVELOPMENT FINANCE



5. Disbursement rate (%) (sovereign)		2018		93 	88 	107 	109	90 	
6. Cofinancing ratio (%) (nonsovereign)		2018	120	143 	145 	180 	206	200	
7. Financing for education (%) (sovereign and nonsovereign) ^b		2016–2018	5.43	5.23 	3.76 	4.97 	4.48	6–10	
8. Financing for health (%) (sovereign and nonsovereign) ^b		2016–2018	1.75	2.95 	12.03 	30.18 	4.68	3–5	

LEVEL 3C. STRATEGIC ALIGNMENT



9. Committed operations classified <i>gender equity theme or effective gender mainstreaming</i> (%) (sovereign and nonsovereign)		2016–2018	47	55 	64 	72 	80	50	
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LEVEL 3: ADB's Operational Management

Operations Financed by Concessional OCR Loans and ADF Grants




Indicator	SDG	Baseline Year(s)	Baseline Value	2019	2020	2021	2022	2024 Target	2022 Signal
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LEVEL 3A. DESIGN AND IMPLEMENTATION QUALITY

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1. Infrastructure projects that are design-ready (%) (sovereign)		2018	77	84 	77 	68 	84	Monitor	
2. Infrastructure projects that are procurement-ready (%) (sovereign)		2018	37	38 	45 	56 	64	Monitor	
3. Performance of operations at implementation rated <i>satisfactory</i> (%) (sovereign) ^a				53	64 	73 	71	Monitor	
4. Operations at risk of not achieving development results (%) (nonsovereign) ^a									

LEVEL 3B. DEVELOPMENT FINANCE

5. Disbursement rate (%) (sovereign)									
6. Cofinancing ratio (%) (nonsovereign)									
7. Financing for education (%) (sovereign and nonsovereign) ^b									
8. Financing for health (%) (sovereign and nonsovereign) ^b									

LEVEL 3C. STRATEGIC ALIGNMENT

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















9. Committed operations classified <i>gender equity theme or effective gender mainstreaming</i> (%) (sovereign and nonsovereign)		2016–2018	62	72 	76 	77 	84	Monitor	
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LEVEL 3: ADB's Operational Management














ADB Operations Overall

Indicator	SDG	Baseline Year(s)	Baseline Value	2019	2020	2021	2022	2024 Target	2022 Signal
10. Committed operations classified <i>gender equity theme, effective gender mainstreaming, or some gender elements</i> (%) (sovereign and nonsovereign)		2016–2018	70	80 	89 	96 	99	71	
11. Committed operations that support climate change mitigation and/or adaptation (%) (sovereign and nonsovereign)		2016–2018	56	59 	58 	56 	64	65	
12. Financing for climate change mitigation and/or adaptation (\$ billion, cumulative) (sovereign and nonsovereign)				6.5 	10.8 	14.3 	21.0	35	
13. Nonsovereign operations as a share of total ADB operations (% number) (nonsovereign)		2018	20	26 	22 	27 	28	33	
14. Operations in frontier economies and/or in new sectors (%) (nonsovereign)		2016–2018	48	61 	58 	57 	49	55	
15. Operations supporting poverty reduction and inclusiveness (%) (sovereign and nonsovereign)		2016–2018	[70]	[74] 	[79] 	[84] 	[90]	Monitor	

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LEVEL 3: ADB's Operational Management

Operations Financed by Concessional OCR Loans and ADF Grants

Indicator	SDG	Baseline Year(s)	Baseline Value	2019	2020	2021	2022	2024 Target	2022 Signal
10. Committed operations classified <i>gender equity theme, effective gender mainstreaming, or some gender elements</i> (%) (sovereign and nonsovereign)		2016–2018	82	91 	94 	99 	99	Monitor	
11. Committed operations that support climate change mitigation and/or adaptation (%) (sovereign and nonsovereign)		2016–2018	58	63 	63 	54 	62	Monitor	
12. Financing for climate change mitigation and/or adaptation (\$ billion, cumulative) (sovereign and nonsovereign)									
13. Nonsovereign operations as a share of total ADB operations (% number) (nonsovereign)									
14. Operations in frontier economies and/or in new sectors (%) (nonsovereign)									
15. Operations supporting poverty reduction and inclusiveness (%) (sovereign and nonsovereign)									

 = periodic performance target, assessed annually, ADB = Asian Development Bank, ADF = Asian Development Fund, OCR = ordinary capital resources, SDG = Sustainable Development Goal.

Notes:

- “ADB Operations Overall” are ADB operations financed by regular and concessional OCR and/or ADF grants.
- Gray shading in cells indicates the column heading does not apply.
- Values presented in square brackets ([x]) were calculated using interim methodologies that will be revised.
 - ^a A new methodology for this indicator was introduced during the corporate results framework period. Data are reported starting from the first year that the new methodology was fully applied.
 - ^b A new signal scoring method for this indicator was introduced to enhance its usefulness as a performance monitoring tool. This updated methodology has been applied retroactively to 2019 and 2020.

Sources: ADB (Central and West Asia Department; Controller’s Department; East Asia Department; Pacific Department; Private Sector Operations Department; Procurement, Portfolio, and Financial Management Department; South Asia Department; Southeast Asia Department; Strategy, Policy, and Partnerships Department; and Sustainable Development and Climate Change Department).

LEVEL 4: ADB's Organizational Effectiveness

ADB Operations Overall

Indicator	Baseline Year(s)	Baseline Value	2019	2020	2021	2022	2024 Target	2022 Signal
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LEVEL 4A. ORGANIZATIONAL SYSTEMS AND PROCESSES ●

1.	Quality of budget management (%)	2018	5.5 ^a	0.0	5.0	5.0	4.0	5.0 or less	
2.	Procurement contract transactions of \$10 million or more with processing time of 40 days or less (%) (sovereign)	2017–2018	67	67	59	78	74	80	
3.	Representation of women in the international staff category (%)	2018	36.3	36.7	37.7	37.9	38.7	40.0	
4.	Projects or transactions with sovereign–nonsovereign collaboration (number, cumulative) (sovereign and nonsovereign)	2016–2018	2	8	22	44	66	60	

LEVEL 4B. ORGANIZATIONAL CAPACITY --

5.	Staff rating ADB's effectiveness in digital transformation (%) ^b	2018	68		80			75	
6.	Staff rating ADB as providing enabling culture for Strategy 2030 implementation (%) ^b	2018	58		66			70	
7.	Budgeted international and national staff positions in field offices (% of total operations departments)	2018	48	45	46	45	46	Monitor	
8.	Staff rating ADB as an effective knowledge and learning organization (%) ^c	2021	51.6			51.6		70.0	

LEVEL 4: ADB's Organizational Effectiveness

Operations Financed by Concessional OCR Loans and ADF Grants

Indicator	Baseline Year(s)	Baseline Value	2019	2020	2021	2022	2024 Target	2022 Signal
LEVEL 4A. ORGANIZATIONAL SYSTEMS AND PROCESSES								
1. Quality of budget management (%)								
2. Procurement contract transactions of \$10 million or more with processing time of 40 days or less (%) (sovereign)	2017–2018	60	71	49	69	71	80	
3. Representation of women in the international staff category (%)								
4. Projects or transactions with sovereign–nonsovereign collaboration (number, cumulative) (sovereign and nonsovereign)								

LEVEL 4B. ORGANIZATIONAL CAPACITY

5. Staff rating ADB's effectiveness in digital transformation (%) ^b								
6. Staff rating ADB as providing enabling culture for Strategy 2030 implementation (%) ^b								
7. Budgeted international and national staff positions in field offices (% of total operations departments)								
8. Staff rating ADB as an effective knowledge and learning organization (%) ^c								

🕒 = periodic performance target, assessed annually, ADB = Asian Development Bank, ADF = Asian Development Fund, OCR = ordinary capital resources.

Notes:

1. “ ADB Operations Overall” are ADB operations financed by regular and concessional OCR and/or ADF grants.

2. Concessional assistance is the subset of ADB's overall operations financed by concessional OCR loans and ADF grants.

3. Gray shading in cells indicates the column heading does not apply.

^a Baseline value is updated based on the value reported in the 2021 midterm review of ADB Corporate Results Framework, 2019–2024..

^b Data are not available for this indicator because the staff survey was postponed due to the post-pandemic return to office and new ways of working in 2022.

^c A new methodology for this indicator was introduced during the midterm review of the corporate results framework conducted in 2021. A new baseline and target were set. The baseline year for this indicator is 2021, and therefore no score or signal is assigned. For DEFAR reporting purposes, the 5-point scale is conveyed using percentages that clearly show gaps and progression over time. Data are measured every 2 years.

Sources: ADB (Budget, People, and Management Systems Department; Central and West Asia Department; East Asia Department; Pacific Department; Office of Public-Private Partnerships; Private Sector Operations Department; Procurement, Portfolio, and Financial Management Department; South Asia Department; Southeast Asia Department; Strategy, Policy, and Partnerships Department; Sustainable Development and Climate Change Department).

Chalyaphum Wind Farm in Subyai District of Chalyaphum Province in Thailand contributes to the country's energy security using renewable sources (photo by Patarapol Tularak).
















TRACKING INDICATORS

- **LEVEL 1: Development Progress in Asia and the Pacific**
- **LEVEL 2: Results from Completed Operations**
- **LEVEL 3: ADB's Operational Management**
- **LEVEL 4: ADB's Organizational Effectiveness**

LEVEL 1: Development Progress in Asia and the Pacific













ADB Developing Member Countries Overall

Indicator	SDG	Baseline Year	Latest Year	Baseline Value	Latest Value
1. Population living on less than \$3.65 a day (% , number)^a					
a. Population living on less than \$3.65 a day (% of population)		2018	2019	26.30	23.77
b. Population living on less than \$3.65 a day (number)		2018	2019	1,030,000,000	939,000,000
2. Youth not in education or training (%)		2019	2020	20.04	21.85
a. Female		2019	2020	30.93	27.65
b. Male		2019	2020	11.48	16.68
3. Lower secondary education graduation rate (%)		2019	2020	92.41	88.44
a. Female		2019	2020	94.14	91.57
b. Male		2019	2020	90.82	85.51
4. Universal health-care coverage service index (%)		2017	2019	64.61	67.41
5. Proportion of adults (15 years and older) with an account at a bank, financial institution, and/or mobile money service provider (%)		2017	2021	69.20	74.42
a. Female		2017	2021	65.54	72.89
b. Male		2017	2021	72.77	75.92
6. Income inequality (average Gini coefficient)		2019	2020	33.13	32.26
7. Labor force participation rate (%)		2019	2020	65.27	65.04
a. Female		2019	2020	48.10	47.87
b. Male		2019	2020	81.50	81.46
8. Proportion of time spent on unpaid domestic and care work (%)					
a. Female		2015	2018	12.25	15.38
b. Male		2015	2018	4.23	5.90
9. Forest area as a proportion of total land area (%)		2019	2020	36.07	36.05
10. Coverage of protected areas in relation to marine areas (%)		2020	2021	6.76	6.86
11. Environmental performance index score (average number)		2020	2022	36.68	33.96
12. Deaths attributed to climate-related and geophysical hazards (number)^b		2021	2022	4,881	7,240
a. Climate-related hazards		2021	2022	4,651	5,635
b. Geophysical hazards		2021	2022	230	1,594
13. Access to social protection—social assistance (%)		2013	2014	39.70	47.47
14. Proportion of population with primary reliance on clean fuels and technology for cooking (%)		2019	2020	66.52	68.96

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LEVEL 1: Development Progress in Asia and the Pacific

ADB Concessional Assistance Countries










Indicator	SDG	Baseline Year	Latest Year	Baseline Value	Latest Value
1. Population living on less than \$3.65 a day (% , number) ^a					
a. Population living on less than \$3.65 a day (% of population)		2018	2019	31.46	31.54
b. Population living on less than \$3.65 a day (number)		2018	2019	202,500,000	206,000,000
2. Youth not in education or training (%)		2019	2020	23.33	24.49
a. Female		2019	2020	38.22	32.74
b. Male		2019	2020	8.82	15.80
3. Lower secondary education graduation rate (%)		2019	2020	88.95	79.91
a. Female		2019	2020	90.57	84.22
b. Male		2019	2020	87.48	75.86
4. Universal health-care coverage service index (%)		2017	2019	51.39	53.74
5. Proportion of adults (15 years and older) with an account at a bank, financial institution, and/or mobile money service provider (%)		2017	2021	34.46	39.25
a. Female		2017	2021	26.23	33.01
b. Male		2017	2021	42.55	45.68
6. Income inequality (average Gini coefficient)		2019	2020	30.92	29.00
7. Labor force participation rate (%)		2019	2020	63.97	64.32
a. Female		2019	2020	45.54	45.61
b. Male		2019	2020	83.14	83.12
8. Proportion of time spent on unpaid domestic and care work (%)					
a. Female		2015	2018	16.62	16.62
b. Male		2015	2018	9.10	9.10
9. Forest area as a proportion of total land area (%)		2019	2020	39.04	38.99
10. Coverage of protected areas in relation to marine areas (%)		2020	2021	6.82	6.82
11. Environmental performance index score (average number)		2020	2022	34.28	33.74
12. Deaths attributed to climate-related and geophysical hazards (number) ^b		2021	2022	1,116	3,662
a. Climate-related hazards		2021	2022	1,090	2,538
b. Geophysical hazards		2021	2022	26	1,124
13. Access to social protection—social assistance (%)		2013	2014	11.08	17.50
14. Proportion of population with primary reliance on clean fuels and technology for cooking (%)		2019	2020	42.21	43.65

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LEVEL 1: Development Progress in Asia and the Pacific

ADB Developing Member Countries Overall

Indicator	SDG	Baseline Year	Latest Year	Baseline Value	Latest Value
15. Debt sustainability					
a. Present value of debt (% of GNI)		2018	2020	4.89	5.98
b. Total debt service (% of GNI)		2019	2020	2.65	2.54
16. Tax revenue (% of GDP)		2019	2020	9.11	8.52
17. Time to start a business (days)		2018	2019	21.86	21.46
18. Regional cooperation and integration index—money and finance (average score)		2019	2020	0.414	0.449
19. Proportion of population with access to electricity (%)		2019	2020	96.46	97.21
20. Proportion of population using basic drinking water services (%)		2019	2020	91.90	92.36
a. Rural		2019	2020	88.18	88.93
b. Urban		2019	2020	96.21	96.24
21. Proportion of population using basic sanitation services (%)		2019	2020	78.60	80.55
a. Rural		2019	2020	71.38	73.91
b. Urban		2019	2020	87.22	88.30
22. Paved roads (kilometer per 10,000 people)		2016	2018	23.92	24.44
23. Proportion of population covered by a mobile network and/or information and communication technology (%)		2018	2019	97.86	97.84

ADB = Asian Development Bank, GDP = gross domestic product, GNI = gross national income, SDG = Sustainable Development Goal.










Notes:

- Estimates are averages of actual country values or imputed country values where data are missing for the year required, weighted by population size.
 - “Concessional assistance countries” refers to a subset of ADB developing member countries that have access to Asian Development Fund grants and concessional ordinary capital resources loans (group A and B countries except India).
 - Gray shading in cells indicates the column heading does not apply.
- ^a The World Bank introduced the \$3.65 income per day international poverty threshold in 2022 and revised its estimates in September 2022 reflecting 2017 purchasing power parity (PPP) and new rounds of survey data for India. World Bank. 2022. September 2022 Update to the Poverty and Inequality Platform (PIP): What’s New. *Global Poverty Monitoring Technical Note*. No. 24. Washington, DC.
- ^b Climate-related hazards include climatological, hydrological, and meteorological hazards.

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LEVEL 1: Development Progress in Asia and the Pacific




















ADB Concessional Assistance Countries

Indicator	SDG	Baseline Year	Latest Year	Baseline Value	Latest Value
15. Debt sustainability					
a. Present value of debt (% of GNI)		2018	2020	19.50	23.21
b. Total debt service (% of GNI)		2019	2020	4.47	3.34
16. Tax revenue (% of GDP)		2019	2020	10.22	9.28
17. Time to start a business (days)		2018	2019	25.32	24.96
18. Regional cooperation and integration index—money and finance (average score)		2019	2020	0.399	0.510
19. Proportion of population with access to electricity (%)		2019	2020	86.28	87.91
20. Proportion of population using basic drinking water services (%)		2019	2020	90.24	90.74
a. Rural		2019	2020	87.29	87.92
b. Urban		2019	2020	95.79	95.94
21. Proportion of population using basic sanitation services (%)		2019	2020	68.69	70.13
a. Rural		2019	2020	64.23	66.04
b. Urban		2019	2020	77.06	77.69
22. Paved roads (kilometer per 10,000 people)		2016	2018	8.20	8.36
23. Proportion of population covered by a mobile network and/or information and communication technology (%)		2018	2019	94.97	94.89

Sources: Regional aggregates were prepared by ADB's Strategy, Policy, and Partnerships Department using country data from the following sources: ADB Economic Research and Regional Cooperation Department; Yale Center for Environmental Law & Policy. Environmental Performance Index. <https://epi.envirocenter.yale.edu> (accessed 12 December 2022); Centre for Research on the Epidemiology of Disasters. Emergency Events Database. <https://www.emdat.be/database> (accessed 23 March 2023); United Nations Economic and Social Commission for Asia and the Pacific. SDG Gateway Data Explorer. <http://data.unescap.org/sdg> (accessed 18 December 2020); International Road Federation. World Road Statistics. <https://www.worldroadstatistics.org/> (accessed 26 January 2021); and World Bank. World Development Indicators. <https://databank.worldbank.org/source/world-development-indicators> (accessed 20 December 2022). Population and GNI data used as weights are from the following sources: World Bank. World Development Indicators. <https://databank.worldbank.org/source/world-development-indicators> (accessed 14 December 2022).

LEVEL 2: Results from Completed Operation




















ADB Operations Overall

Indicator	SDG	Results Achieved 2022
LEVEL 2A. STRATEGY 2030 OPERATIONAL PRIORITY RESULTS		
Operational Priority 1: Addressing Remaining Poverty and Reducing Inequalities		
1.1.1	People enrolled in improved education and/or training (number)	 1,434,000
1.1.2	Health services established or improved (number)	 180
1.1.3	Social protection schemes established or improved (number)	 66
1.2.1	Business development and financial sector measures supported in implementation (number)	 5
1.2.2	Models for business development and financing established or improved (number)	 13
1.2.3	Enhanced labor policies or standards implemented (number)	 -
1.3.1	Infrastructure assets established or improved (number)	 730
1.3.2	New financial products and services made available to poor and vulnerable people (number)	 7
1.3.3	Measures for increased inclusiveness supported in implementation (number)	 1
Operational Priority 2: Accelerating Progress in Gender Equality		
2.1.1	Women enrolled in TVET and other job trainings (number)	 198,000
2.1.2	Women opening new accounts (number)	 104,000
2.1.3	Women-owned or -led SME loan accounts opened or women-owned or -led SME end borrowers reached (number)	 121,000
2.1.4	Women and girls benefiting from new or improved infrastructure (number)	 1,703,000
2.2.1	Women and girls enrolled in STEM or nontraditional TVET (number)	 -
2.2.2	Health services for women and girls established or improved (number)	 9
2.2.3	Solutions to prevent or address gender-based violence implemented (number)	 13
2.3.1	Women with strengthened leadership capacities (number)	 3,300
2.3.2	Measures on gender equality supported in implementation (number)	 11
2.4.1	Time-saving or gender-responsive infrastructure assets and/or services established or improved (number)	 400

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LEVEL 2: Results from Completed Operations

Operations Financed by Concessional OCR Loans and ADF Grants






















Indicator	SDG	Results Achieved 2022
LEVEL 2A. STRATEGY 2030 OPERATIONAL PRIORITY RESULTS		
Operational Priority 1: Addressing Remaining Poverty and Reducing Inequalities		
1.1.1		220,000
1.1.2		23
1.1.3		29
1.2.1		4
1.2.2		13
1.2.3		-
1.3.1		420
1.3.2		3
1.3.3		-
Operational Priority 2: Accelerating Progress in Gender Equality		
2.1.1		82,000
2.1.2		73,000
2.1.3		58,000
2.1.4		539,000
2.2.1		-
2.2.2		8
2.2.3		8
2.3.1		160
2.3.2		6
2.4.1		230

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LEVEL 2: Results from Completed Operation

ADB Operations Overall






















Indicator	SDG	Results Achieved 2022
2.4.2 Child and elderly care services established or improved (number)		2
2.5.1 Community-based initiatives to build resilience of women and girls under external shocks implemented (number)		7
2.5.2 Climate- and disaster-resilient infrastructure assets and/or services for women and girls established or improved (number)		150
2.5.3 Savings and insurance schemes for women implemented or established (number)		2
2.5.4 Dedicated crisis-responding social assistance schemes for women and girls implemented or established (number)		28
 Operational Priority 3: Tackling Climate Change, Building Climate and Disaster Resilience, and Enhancing Environmental Sustainability		
3.1.1 Additional climate finance mobilized (\$)		1,465,658,000
3.1.2 People with increased capacity in implementing mitigation and low-carbon development actions (number)		5,000
3.1.3 Low-carbon infrastructure assets established or improved (number)		280
3.1.4 Installed renewable energy capacity (megawatts)		10,000
3.1.5 Low-carbon solutions promoted and implemented (number)		19
3.2.1 Area with reduced flood risk (hectare)		13,000
3.2.2 Gender-inclusive climate and disaster resilience capacity development initiatives implemented (number)		12
3.2.3 Financial preparedness instruments provided (number)		1
3.2.4 National and subnational disaster risk reduction and/or management plans supported in implementation (number)		180
3.2.5 New and existing infrastructure assets made climate and disaster resilient (number)		390
3.3.1 Pollution control-enhancing infrastructure assets established or improved (number)		110
3.3.2 Solutions to enhance pollution control and resource efficiency implemented (number)		23
3.3.3 Terrestrial, coastal, and marine areas conserved, restored, and/or enhanced (hectare)		31,000
3.3.4 Solutions to conserve, restore, and/or enhance terrestrial, coastal, and marine areas implemented (number)		18
3.3.5 Sustainable water–food–energy security nexus solutions implemented (number)		1

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LEVEL 2: Results from Completed Operations

Operations Financed by Concessional OCR Loans and ADF Grants





















Indicator	SDG	Results Achieved 2022
2.4.2 Child and elderly care services established or improved (number)		2
2.5.1 Community-based initiatives to build resilience of women and girls under external shocks implemented (number)		2
2.5.2 Climate- and disaster-resilient infrastructure assets and/or services for women and girls established or improved (number)		150
2.5.3 Savings and insurance schemes for women implemented or established (number)		-
2.5.4 Dedicated crisis-responding social assistance schemes for women and girls implemented or established (number)		15
 Operational Priority 3: Tackling Climate Change, Building Climate and Disaster Resilience, and Enhancing Environmental Sustainability		
3.1.1 Additional climate finance mobilized (\$)		78,860,000
3.1.2 People with increased capacity in implementing mitigation and low-carbon development actions (number)		-
3.1.3 Low-carbon infrastructure assets established or improved (number)		24
3.1.4 Installed renewable energy capacity (megawatts)		1,100
3.1.5 Low-carbon solutions promoted and implemented (number)		7
3.2.1 Area with reduced flood risk (hectare)		-
3.2.2 Gender-inclusive climate and disaster resilience capacity development initiatives implemented (number)		6
3.2.3 Financial preparedness instruments provided (number)		-
3.2.4 National and subnational disaster risk reduction and/or management plans supported in implementation (number)		1
3.2.5 New and existing infrastructure assets made climate and disaster resilient (number)		190
3.3.1 Pollution control-enhancing infrastructure assets established or improved (number)		51
3.3.2 Solutions to enhance pollution control and resource efficiency implemented (number)		3
3.3.3 Terrestrial, coastal, and marine areas conserved, restored, and/or enhanced (hectare)		-
3.3.4 Solutions to conserve, restore, and/or enhance terrestrial, coastal, and marine areas implemented (number)		-
3.3.5 Sustainable water-food-energy security nexus solutions implemented (number)		1

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LEVEL 2: Results from Completed Operation

ADB Operations Overall





















Indicator	SDG	Results Achieved 2022
 Operational Priority 4: Making Cities More Livable		
4.1.1		37
4.1.2		5,000
4.2.1		7
4.2.2		5
4.3.1		18
4.3.2		1
 Operational Priority 5: Promoting Rural Development and Food Security		
5.1.1		330
5.1.2		0
5.1.3		-
5.1.4		8
5.2.1		-
5.2.2		13
5.2.3		57
5.2.4		14
5.3.1		113,000
5.3.2		15,000
5.3.3		2,800
5.3.4		6

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LEVEL 2: Results from Completed Operations

Operations Financed by Concessional OCR Loans and ADF Grants



Indicator	SDG	Results Achieved 2022
 Operational Priority 4: Making Cities More Livable		
4.1.1	 11 SUSTAINABLE CITIES AND COMMUNITIES	1
4.1.2	 11 SUSTAINABLE CITIES AND COMMUNITIES	35
4.2.1	 11 SUSTAINABLE CITIES AND COMMUNITIES	6
4.2.2	 11 SUSTAINABLE CITIES AND COMMUNITIES	1
4.3.1	 11 SUSTAINABLE CITIES AND COMMUNITIES	1
4.3.2	 11 SUSTAINABLE CITIES AND COMMUNITIES	-
 Operational Priority 5: Promoting Rural Development and Food Security		
5.1.1	 2 ZERO HUNGER	120
5.1.2	 2 ZERO HUNGER	-
5.1.3	 8 DECENT WORK AND ECONOMIC GROWTH	-
5.1.4	 2 ZERO HUNGER	8
5.2.1	 2 ZERO HUNGER	-
5.2.2	 2 ZERO HUNGER	-
5.2.3	 2 ZERO HUNGER	57
5.2.4	 2 ZERO HUNGER	14
5.3.1	 2 ZERO HUNGER	-
5.3.2	 2 ZERO HUNGER	3,000
5.3.3	 2 ZERO HUNGER	-
5.3.4	 2 ZERO HUNGER	3

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LEVEL 2: Results from Completed Operation

ADB Operations Overall





















Indicator	SDG	Results Achieved 2022
 Operational Priority 6: Strengthening Governance and Institutional Capacity		
6.1.1	Government officials with increased capacity to design, implement, monitor, and evaluate relevant measures (number)	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 861,000
6.1.2	Measures supported in implementation to improve capacity of public organizations to promote the private sector and finance sector (number)	17 PARTNERSHIPS FOR THE GOALS 68
6.1.3	Measures supported in implementation that promote resilience and responsiveness to economic shocks in a timely manner (number)	1 NO POVERTY 56
6.1.4	Transparency and accountability measures in procurement and financial management supported in implementation (number)	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 28
6.2.1	Service delivery standards adopted and/or supported in implementation by government and/or private entities (number)	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 51
6.2.2	Measures supported in implementation to strengthen subnational entities' ability to better manage their public finances (number)	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 18
6.2.3	Measures to strengthen SOE governance supported in implementation (number)	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 38
6.2.4	Citizen engagement mechanisms adopted (number)	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 13
 Operational Priority 7: Fostering Regional Cooperation and Integration		
7.1.1	Transport and ICT connectivity assets established or improved (number)	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 62
7.1.2	Measures to improve the efficiency and/or productivity of cross-border connectivity supported in implementation (number)	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10
7.1.3	Clean energy capacity for power trade installed or improved (megawatt equivalent)	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE -
7.1.4	Regional or subregional mechanisms created or operationalized to enhance coordination and cooperation among DMCs in energy, transport, or ICT connectivity (number)	17 PARTNERSHIPS FOR THE GOALS 2
7.2.1	Measures to improve execution of provisions in existing or new trade or investment agreements supported in implementation (number)	17 PARTNERSHIPS FOR THE GOALS 3
7.2.2	Measures to develop existing and/or new cross-border economic corridors supported in implementation (number)	17 PARTNERSHIPS FOR THE GOALS 2
7.2.3	Measures to improve regional financial cooperation supported in implementation (number)	17 PARTNERSHIPS FOR THE GOALS 1
7.2.4	Regional or subregional mechanisms created or operationalized to enhance coordination and cooperation among DMCs in trade, finance, or multisector economic corridors (number)	17 PARTNERSHIPS FOR THE GOALS 4
7.3.1	Measures to improve shared capacity of DMCs to mitigate or adapt to climate change supported in implementation (number)	13 CLIMATE ACTION -
7.3.2	Measures to expand cross-border environmental protection and sustainable management of shared natural resources supported in implementation (number)	12 RESPONSIBLE CONSUMPTION AND PRODUCTION -

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LEVEL 2: Results from Completed Operations



Operations Financed by Concessional OCR Loans and ADF Grants

Indicator	SDG	Results Achieved 2022
 Operational Priority 6: Strengthening Governance and Institutional Capacity		
6.1.1	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	32,000
6.1.2	 17 PARTNERSHIPS FOR THE GOALS	55
6.1.3	 1 NO POVERTY	32
6.1.4	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	24
6.2.1	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	34
6.2.2	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17
6.2.3	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	35
6.2.4	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	1
 Operational Priority 7: Fostering Regional Cooperation and Integration		
7.1.1	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	34
7.1.2	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	5
7.1.3	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	-
7.1.4	 17 PARTNERSHIPS FOR THE GOALS	0
7.2.1	 17 PARTNERSHIPS FOR THE GOALS	3
7.2.2	 17 PARTNERSHIPS FOR THE GOALS	-
7.2.3	 17 PARTNERSHIPS FOR THE GOALS	-
7.2.4	 17 PARTNERSHIPS FOR THE GOALS	1
7.3.1	 13 CLIMATE ACTION	-
7.3.2	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	-

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LEVEL 2: Results from Completed Operation



ADB Operations Overall

Indicator	SDG	Results Achieved 2022
7.3.3 Measures to improve regional public health and education services supported in implementation (number)		2
7.3.4 Regional or subregional mechanisms created or operationalized to enhance coordination and cooperation among DMCs on regional public goods (number)		1

ADB = Asian Development Bank, ADF = Asian Development Fund, DMC = developing member country, ICT = information and communication technology, OCR = ordinary capital resources, SDG = Sustainable Development Goal, SME = small and medium-sized enterprises, SOE = state-owned enterprise, STEM = science, technology, engineering, and math, TVET = technical and vocational education and training.

LEVEL 2: Results from Completed Operations

Operations Financed by Concessional OCR Loans and ADF Grants

Indicator	SDG	Results Achieved 2022
7.3.3 Measures to improve regional public health and education services supported in implementation (number)		2
7.3.4 Regional or subregional mechanisms created or operationalized to enhance coordination and cooperation among DMCs on regional public goods (number)		0

Notes:

1. “ADB Operations Overall” are ADB operations financed by regular and concessional OCR and/or ADF grants.
2. Results delivered as reported in project completion reports, extended annual review reports, and technical assistance completion reports circulated from 16 November 2021 to 15 November 2022 for regular projects, and 31 December 2022 for COVID-19 Pandemic Response Option (CPRO) projects.
3. Achieved results over 10,000 are rounded to the nearest 1,000. Values smaller than 10,000 are rounded to the nearest 100. Values smaller than 1,000 are rounded to the nearest 10. Values smaller than 99 are not rounded.
4. Gray shading in cells indicates the column heading does not apply.

LEVEL 2: Results from Completed Operations

ADB Operations Overall

Indicator	Period	2018	2019	2020	2021	2022
LEVEL 2B. QUALITY OF COMPLETED OPERATIONS						
1. Completed operations rated <i>successful</i> (%) (sovereign)						
a. Investment projects	3-year	75	70	68	70	67
b. Policy-based operations	3-year	89	82	84	71	73
c. Fragile and conflict-affected situations DMCs	3-year	75	56	56	62	52
d. Small island developing states	3-year	59	42	56	52	48
2. Completed operations rated <i>successful</i> (%) (sovereign)						
a. Relevance	3-year	88	82	82	83	85
b. Efficiency	3-year	74	75	72	70	66
c. Effectiveness	3-year	74	68	64	69	68
d. Sustainability	3-year	68	61	62	65	67
3. Completed operations rated <i>successful</i> (%) (nonsovereign)						
a. Development results	3-year	54	51	54	57	58
b. ADB's additionality	3-year	63	54	56	57	62
c. ADB's investment profitability	3-year	74	71	67	63	65
d. ADB's work quality	3-year	51	40	56	59	63
4. Web-distributed knowledge solutions (number of downloads)	Annual	725,000	834,900	978,229	1,368,368	1,467,445
5. Engagement on social media (number)						
a. Subscribers and followers	Annual	653,788	774,792	921,414	1,028,562	1,094,654
b. Active engagement	Annual	2,809,867	1,764,273	2,499,784	1,022,332	3,455,188
6. Event participants reporting increased knowledge and/or skills (number)^a	Annual					9,443
7. Clients satisfied with ADB's development effectiveness (%)	Every 2 years			75		78
8. Completed technical assistance projects rated <i>successful</i> (%) (sovereign and nonsovereign)	3-year	88	86	83	82	83
9. Completed country strategies and assistance programs rated <i>successful</i> (%) (sovereign and nonsovereign)	3-year	80	87	88	79	63
10. Impact evaluations completed (number)	Annual	2	2	2	2	8
11. Operations with meaningful civil society organization engagement (%)	Annual			79	76	85

ADB = Asian Development Bank, ADF = Asian Development Fund, DMC = developing member country, OCR = ordinary capital resources.

Notes:

1. "ADB Operations Overall" are ADB operations financed by regular and concessional OCR and/or ADF grants.
2. Success rates of completed operations and country strategies and assistance programs are ratings evaluated by the Independent Evaluation Department based on validations of project and/or program completion reports, project and/or program performance evaluations, country assistance program evaluations, and validations of country partnership final reviews.

LEVEL 2: Results from Completed Operations

Operations Financed by Concessional OCR Loans and ADF Grants

Indicator	Period	2018	2019	2020	2021	2022
LEVEL 2B. QUALITY OF COMPLETED OPERATIONS						
1. Completed operations rated <i>successful</i> (%) (sovereign)						
a. Investment projects	3-year	73	66	64	65	60
b. Policy-based operations	3-year	92	83	75	56	56
c. Fragile and conflict-affected situations DMCs	3-year	75	56	53	58	48
d. Small island developing states	3-year	62	47	53	48	42
2. Completed operations rated <i>successful</i> (%) (sovereign)						
a. Relevance	3-year	89	83	80	81	81
b. Efficiency	3-year	75	76	72	68	60
c. Effectiveness	3-year	73	64	56	60	58
d. Sustainability	3-year	66	59	59	61	64
3. Completed operations rated <i>successful</i> (%) (nonsovereign)						
a. Development results						
b. ADB's additionality						
c. ADB's investment profitability						
d. ADB's work quality						
4. Web-distributed knowledge solutions (number of downloads)						
5. Engagement on social media (number)						
a. Subscribers and followers						
b. Active engagement						
6. Event participants reporting increased knowledge and/or skills (number)^a						
7. Clients satisfied with ADB's development effectiveness (%)						
8. Completed technical assistance projects rated <i>successful</i> (%) (sovereign and nonsovereign)	3-year	88	86	87	86	88
9. Completed country strategies and assistance programs rated <i>successful</i> (%) (sovereign and nonsovereign)	3-year	67	71	71	67	50
10. Impact evaluations completed (number)	Annual	2	1	1	0	2
11. Operations with meaningful civil society organization engagement (%)						

Notes: (continued)

3. Technical assistance success ratings are from technical assistance project completion reports and are not validated by the Independent Evaluation Department.

4. Indicators 1–3 and 8–9 are reported by reporting year, which is based on the year completion reports are circulated, ending on 30 June. An operation with a completion report circulated on 1 July 2021 is in reporting year 2022. Indicators 4–6 and 10–11 are reported by calendar year.

5. Gray shading in cells indicates the column heading does not apply.

^a For 2022, a revised indicator definition was used to measure event participants to flagship and signature events that are open to DMC and external participants.

Sources: ADB (Strategy, Policy, and Partnerships Department; Department of Communications; Independent Evaluation Department; and Sustainable Development and Climate Change Department).

LEVEL 3: ADB's Operational Management

ADB Operations Overall

Indicator	SDG	Period	2018	2019	2020	2021	2022
LEVEL 3A. DESIGN AND IMPLEMENTATION QUALITY							
1. Performance of operations at implementation rated <i>satisfactory</i> (%) (sovereign) ^a		Annual		52	64	67	67
a. Output		Annual		84	86	90	89
b. Contract award		Annual		75	68	72	73
c. Disbursement		Annual		75	67	72	72
d. Financial management		Annual		65	88	88	86
e. Safeguards		Annual		73	81	85	85
LEVEL 3B. DEVELOPMENT FINANCE							
2. Time from concept approval to first disbursement (months) (sovereign)		Annual	31.8	30.5	28.3	28.2	30.5
a. From concept approval to loan fact-finding		Annual	14.3	10.8	10.9	10.5	11.2
b. From loan fact-finding to approval		Annual	8.3	7.2	7.5	6.6	7.4
c. From approval to commitment		Annual	3.5	3.3	2.1	2.8	1.9
d. From commitment to first disbursement		Annual	5.7	9.2	8.9	10.3	10.1
3. Time from concept approval to first disbursement (months) (nonsovereign)		Annual	16.4	16.3	14.7	14.0	16.8
a. From concept clearance to project approval		Annual	7.2	8.4	7.3	5.9	7.1
b. From approval to signing		Annual	5.6	3.8	2.6	3.2	4.3
c. From signing to first disbursement		Annual	3.7	4.1	4.7	4.9	5.4
4. Overall disbursement (\$ billion) (sovereign)		Annual	9.2	9.5	9.2	11.1	11.0
5. Disbursement ratio (%) (sovereign)		Annual	21.1	19.6	18.5	23.0	22.5
6. Approvals (\$ billion) (sovereign and nonsovereign)		Annual	19.3	19.4	27.9	20.3	17.8
7. Commitments (\$ billion) (sovereign and nonsovereign)		Annual	21.6	21.6	28.2	19.5	17.5
8. Commitments in concessional assistance countries (group A + group B) (%) (sovereign and nonsovereign)							
9. Commitments in FCAS DMCs and SIDS (%) (sovereign and nonsovereign)		Annual	8	8	10	6	9
10. Private direct mobilization (\$ billion) (sovereign and nonsovereign) ^b		Annual	0.8	1.7	1.3		
11. Sovereign cofinancing (\$ billion) (sovereign)		Annual		4.8	11.1	5.0	4.3

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LEVEL 3: ADB's Operational Management

Operations Financed by Concessional OCR Loans and ADF Grants







Indicator	SDG	Period	2018	2019	2020	2021	2022
LEVEL 3A. DESIGN AND IMPLEMENTATION QUALITY							
1. Performance of operations at implementation rated <i>satisfactory</i> (%) (sovereign) ^a		Annual		53	65	73	71
a. Output		Annual		84	85	89	88
b. Contract award		Annual		75	71	76	76
c. Disbursement		Annual		72	67	76	74
d. Financial management		Annual		67	90	91	90
e. Safeguards		Annual		75	81	84	85
LEVEL 3B. DEVELOPMENT FINANCE							
2. Time from concept approval to first disbursement (months) (sovereign)		Annual	33.2	29.6	28.2	25.8	26.9
a. From concept approval to loan fact-finding		Annual	15.7	10.6	12.1	11.9	11.5
b. From loan fact-finding to approval		Annual	8.7	7.0	7.1	6.1	6.7
c. From approval to commitment		Annual	2.9	2.9	2.0	2.3	1.7
d. From commitment to first disbursement		Annual	5.8	9.0	8.8	8.2	7.9
3. Time from concept approval to first disbursement (months) (nonsovereign)							
a. From concept clearance to project approval							
b. From approval to signing							
c. From signing to first disbursement							
4. Overall disbursement (\$ billion) (sovereign)		Annual	1.9	1.9	1.9	2.7	2.0
5. Disbursement ratio (%) (sovereign)		Annual	19.8	15.7	14.6	24.8	19.8
6. Approvals (\$ billion) (sovereign and nonsovereign)		Annual	5.2	3.5	5.5	3.1	4.0
7. Commitments (\$ billion) (sovereign and nonsovereign)		Annual	5.3	4.5	5.4	3.0	4.1
8. Commitments in concessional assistance countries (group A + group B) (%) (sovereign and nonsovereign)		Annual	45	40	36	37	47
9. Commitments in FCAS DMCs and SIDS (%) (sovereign and nonsovereign)		Annual	28	20	36	13	19
10. Private direct mobilization (\$ billion) (sovereign and nonsovereign) ^b							
11. Sovereign cofinancing (\$ billion) (sovereign)							

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LEVEL 3: ADB's Operational Management

ADB Operations Overall







Indicator	SDG	Period	2018	2019	2020	2021	2022
LEVEL 3C. STRATEGIC ALIGNMENT							
12. Committed operations that promote gender equality (%) (sovereign and nonsovereign)							
a1. GEN—sovereign operations		3-year	8	8	9	9	10
a2. GEN—nonsovereign operations		3-year	11	13	10	11	9
b1. EGM—sovereign operations		3-year	44	54	63	69	74
b2. EGM—nonsovereign operations		3-year	12	16	27	43	60
c1. SGE—sovereign operations		3-year	23	21	20	20	15
c2. SGE—nonsovereign operations		3-year	28	35	45	38	29
d1. NGE—sovereign operations		3-year	25	16	9	2	1
d2. NGE—nonsovereign operations		3-year	49	35	18	8	2
e. Nonsovereign operations rated GEN, EGM, or SGE that meet gender lens investing criteria ^c		3-year					57
13. Financing for gender equality (%) (sovereign and nonsovereign)		3-year	41	51	65	77	86
14. Committed operations supporting climate change (%) (sovereign and nonsovereign)							
a. Only mitigation		3-year	17	16	14	13	14
b. Only adaptation		3-year	28	26	22	16	14
c. Both mitigation and adaptation		3-year	12	17	22	27	36
15. Financing for climate change (\$ billion, cumulative) (sovereign and nonsovereign)							
a. Mitigation		Annual		5.1	8.6	10.9	14.9
b. Adaptation		Annual		1.4	2.2	3.4	6.1
16. Committed operations and financing aligned with Paris Agreement (%) (sovereign and nonsovereign)^d							
a1. Sovereign operations - % of operations		Annual					
a2. Sovereign operations - % of financing		Annual					
b1. Nonsovereign operations - % of operations		Annual					
b2. Nonsovereign operations - % of financing		Annual					
17. Nonsovereign operations as a share of total ADB operations (%,\$) (nonsovereign)		Annual	19.3	17.5	6.2	7.2	8.4
18. Operations or transactions supporting inclusive business (number) (nonsovereign)		Annual	6	8	6	10	7
19. Operations that are green, sustainable, inclusive, and resilient (%) (sovereign and nonsovereign)		Annual		100	100	100	

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LEVEL 3: ADB's Operational Management

Operations Financed by Concessional OCR Loans and ADF Grants





















Indicator	SDG	Period	2018	2019	2020	2021	2022
LEVEL 3C. STRATEGIC ALIGNMENT							
12. Committed operations that promote gender equality (%) (sovereign and nonsovereign)							
a1. GEN—sovereign operations		3-year	12	13	10	10	12
a2. GEN—nonsovereign operations							
b1. EGM—sovereign operations		3-year	50	60	66	66	73
b2. EGM—nonsovereign operations							
c1. SGE—sovereign operations		3-year	20	19	18	22	15
c2. SGE—nonsovereign operations							
d1. NGE—sovereign operations		3-year	18	9	6	1	1
d2. NGE—nonsovereign operations							
e. Nonsovereign operations rated GEN, EGM, or SGE that meet gender lens investing criteria ^c		3-year					
13. Financing for gender equality (%) (sovereign and nonsovereign)		3-year	67	71	67	68	79
14. Committed operations supporting climate change (%) (sovereign and nonsovereign)							
a. Only mitigation		3-year	10	8	7	7	7
b. Only adaptation		3-year	35	36	33	23	18
c. Both mitigation and adaptation		3-year	14	19	23	25	36
15. Financing for climate change (\$ billion, cumulative) (sovereign and nonsovereign)							
a. Mitigation		Annual		0.3	0.7	0.9	1.1
b. Adaptation		Annual		0.4	0.6	0.7	1.6
16. Committed operations and financing aligned with Paris Agreement (%) (sovereign and nonsovereign)^d							
a1. Sovereign operations - % of operations							
a2. Sovereign operations - % of financing							
b1. Nonsovereign operations - % of operations							
b2. Nonsovereign operations - % of financing							
17. Nonsovereign operations as a share of total ADB operations (%,\$) (nonsovereign)							
18. Operations or transactions supporting inclusive business (number) (nonsovereign)							
19. Operations that are green, sustainable, inclusive, and resilient (%) (sovereign and nonsovereign)							

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LEVEL 3: ADB's Operational Management

ADB Operations Overall



















Indicator	SDG	Period	2018	2019	2020	2021	2022
20. Operations contributing to each of the seven operational priorities (%) (sovereign and nonsovereign)							
 Priority 1: Addressing remaining poverty and reducing inequalities		Annual		[75]	[86]	[85]	78
 Priority 2: Accelerating progress in gender equality (Categories 1, 2, 3)		Annual		[92]	[98]	[100]	97
 Priority 3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability		Annual		[59]	[56]	[63]	81
 Priority 4: Making cities more livable		Annual		[23]	[23]	[25]	27
 Priority 5: Promoting rural development and food security		Annual		[27]	[23]	[25]	32
 Priority 6: Strengthening governance and institutional capacity		Annual		[68]	[73]	[56]	62
 Priority 7: Fostering regional cooperation and integration		Annual		[22]	[30]	[36]	24
21. Operations contributing to social protection (%) (sovereign and nonsovereign)		3-year	5	5	10	12	14
22. Disability-inclusive operations (%) (sovereign and nonsovereign)		Annual		5	8	15	18
23. Operations aligned with SDGs (sovereign and nonsovereign) (%)							
 SDG 1: No Poverty		Annual		34	56	59	68
 SDG 2: Zero Hunger		Annual		8	16	17	20
 SDG 3: Good Health and Well-being		Annual		12	27	24	16
 SDG 4: Quality Education		Annual		9	5	10	8
 SDG 5: Gender Equality		Annual		52	69	81	92
 SDG 6: Clean Water and Sanitation		Annual		13	14	12	13
 SDG 7: Affordable and Clean Energy		Annual		19	20	15	14
 SDG 8: Decent Work and Economic Growth		Annual		17	37	26	28
 SDG 9: Industry, Innovation and Infrastructure		Annual		30	31	35	35
 SDG 10: Reduced Inequalities		Annual		33	46	42	47
 SDG 11: Sustainable Cities and Communities		Annual		15	20	17	16

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LEVEL 3: ADB's Operational Management

Operations Financed by Concessional OCR Loans and ADF Grants







Indicator	SDG	Period	2018	2019	2020	2021	2022
<p>20. Operations contributing to each of the seven operational priorities (%) (sovereign and nonsovereign)</p> <ul style="list-style-type: none">  Priority 1: Addressing remaining poverty and reducing inequalities  Priority 2: Accelerating progress in gender equality (Categories 1, 2, 3)  Priority 3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability  Priority 4: Making cities more livable  Priority 5: Promoting rural development and food security  Priority 6: Strengthening governance and institutional capacity  Priority 7: Fostering regional cooperation and integration 							
21. Operations contributing to social protection (%) (sovereign and nonsovereign)		3-year	5	5	11	14	18
22. Disability-inclusive operations (%) (sovereign and nonsovereign)				3	5	17	23
<p>23. Operations aligned with SDGs (sovereign and nonsovereign) (%)</p> <ul style="list-style-type: none">  SDG 1: No Poverty  SDG 2: Zero Hunger  SDG 3: Good Health and Well-being  SDG 4: Quality Education  SDG 5: Gender Equality  SDG 6: Clean Water and Sanitation  SDG 7: Affordable and Clean Energy  SDG 8: Decent Work and Economic Growth  SDG 9: Industry, Innovation and Infrastructure  SDG 10: Reduced Inequalities  SDG 11: Sustainable Cities and Communities 							

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LEVEL 3: ADB's Operational Management







ADB Operations Overall

Indicator	SDG	Period	2018	2019	2020	2021	2022
 SDG 12: Responsible Consumption and Production		Annual		14	18	18	19
 SDG 13: Climate Action		Annual		66	53	61	82
 SDG 14: Life Below Water		Annual		1	1	0	2
 SDG 15: Life on Land		Annual		1	2	2	4
 SDG 16: Peace, Justice, and Strong Institutions		Annual		5	12	10	10
 SDG 17: Partnerships for the Goals		Annual		6	15	12	11
24. Operations using country procurement systems (%) (sovereign)		Annual	54	60	76	57	64
25. Contracts using government e-procurement systems (\$ billion) (sovereign)		Annual		4.5	4.6	3.6	4.1
26. Innovative operations and technical assistance projects (%) (sovereign and nonsovereign)^e							

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LEVEL 3: ADB’s Operational Management

Operations Financed by Concessional OCR Loans and ADF Grants

Indicator	SDG	Period	2018	2019	2020	2021	2022
 SDG 12: Responsible Consumption and Production							
 SDG 13: Climate Action							
 SDG 14: Life Below Water							
 SDG 15: Life on Land							
 SDG 16: Peace, Justice, and Strong Institutions							
 SDG 17: Partnerships for the Goals							
24. Operations using country procurement systems (%) (sovereign)		Annual	35	58	76	14	67
25. Contracts using government e-procurement systems (\$ billion) (sovereign)							
26. Innovative operations and technical assistance projects (%) (sovereign and nonsovereign)^e							

ADB = Asian Development Bank, ADF = Asian Development Fund, DMC = developing member country, EGM = effective gender mainstreaming, FCAS = fragile and conflict-affected situations, GEN = gender equity theme, NGE = no gender elements, OCR = ordinary capital resources, SDG = Sustainable Development Goal, SGE = some gender elements, SIDS = small island developing states.

Notes:

1. “ADB Operations Overall” are ADB operations financed by regular and concessional OCR and/or ADF grants.
2. “Concessional assistance countries” refers to a subset of ADB DMCs that have access to regular OCR loans, concessional OCR loans, and ADF grants.
3. Gray shading in cells indicates the column heading does not apply.
4. Values presented in square brackets ([x]) were calculated using interim methodologies that will be revised.
- ^a A new methodology for this indicator was introduced during the corporate results framework period. Data are reported starting from the first year that the new methodology was fully applied. In addition, in 2021 the methodology was enhanced and retroactively updated 2019 and 2020 scores.
- ^b Data were collected with a 1-year time lag.
- ^c Values reported in 2022 represents annual performance only.
- ^d Introduced in 2021. Data will be reported starting from 2023.
- ^e In 2021, ADB approved a Knowledge Management Action Plan for 2021–2025 that recommended the development and implementation of an innovation framework. Indicator methodology is currently under development.

Sources: ADB (Central and West Asia Department; Controller’s Department; East Asia Department; Pacific Department; Private Sector Operations Department; Procurement, Portfolio, and Financial Management Department; South Asia Department; Southeast Asia Department; Strategy, Policy, and Partnerships Department; Sustainable Development and Climate Change Department).

LEVEL 4: ADB's Organizational Effectiveness

ADB Operations Overall

Indicator	Period	2018	2019	2020	2021	2022
LEVEL 4A. ORGANIZATIONAL SYSTEMS AND PROCESSES						
1. Capital utilization ratio (%) (sovereign and nonsovereign)	Annual	54.6	62.1	69.1	74.0	84.0
2. Impaired loan ratio (%) (nonsovereign) ^a	Annual	4.7	4.8	4.2	4.8	4.6
3. Weighted average risk rating of the nonsovereign portfolio (nonsovereign) ^b	Annual	9.8 (B)	9.8 (B)	9.9 (B)	9.9 (B)	9.9 (B)
4. Internal administrative expenses per \$1 million disbursement ('000)	Annual	49.6	49.0	37.8	37.6	36.6
5. Internal administrative expenses per project under administration (\$ '000)	Annual	751	794	771	804	798
6. Internal administrative expenses per project approved (\$ '000) ^c	Annual	4,559	4,877	4,225	4,646	4,837
7. Procurement time from advertisement to contract signing, \$10 million or more (days) (sovereign)	Annual	269	265	285	313	304
8. Consulting services recruitment time for ADB-administered contracts, from consulting services recruitment notice to consultant contract signing (days) (sovereign)	Annual	178	163	185	167	183
9. Audited financial statements reviewed on time (%) (sovereign)	Annual		55	76	79	82
10. Clients satisfied with ADB's responsiveness (%)	Every 2 years			63		75
11. Stakeholders satisfied with ADB's collaboration with development partners (%)	Every 2 years			63		76
LEVEL 4B. ORGANIZATIONAL CAPACITY						
12. Digital products completed (number, cumulative)	Annual		27	77	172	231
13. Staff training budget (average \$ per staff)	Annual		887	621	506	694
14. Departments with documented and tested business continuity plans in place (number)	Annual		7	4	7	7
15. Budgeted international and national staff positions in FCAS DMCs and SIDS field offices (number)	Annual	82	84	86	97	96
16. Operations administered in field offices (%) (sovereign)	Annual		53	57	53	57
17. Share of operational expenses for operations departments and direct operations support departments (%)	Annual	83.7	83.8	82.9	83.0	83.2

ADB = Asian Development Bank, ADF = Asian Development Fund, DMC = developing member country, FCAS = fragile and conflict-affected situations, OCR = ordinary capital resources, SIDS = small island developing states.

Notes:

1. "ADB Operations Overall" are ADB operations financed by regular and concessional OCR and/or ADF grants.
2. Concessional assistance is the subset of ADB's overall operations financed by concessional OCR loans and ADF grants.
3. Gray shading in cells indicates the column heading does not apply.

LEVEL 4: ADB's Organizational Effectiveness

Operations Financed by Concessional OCR Loans and ADF Grants

Indicator	Period	2018	2019	2020	2021	2022
LEVEL 4A. ORGANIZATIONAL SYSTEMS AND PROCESSES						
1. Capital utilization ratio (%) (sovereign and nonsovereign)						
2. Impaired loan ratio (%) (nonsovereign) ^a						
3. Weighted average risk rating of the nonsovereign portfolio (nonsovereign) ^b						
4. Internal administrative expenses per \$1 million disbursement ('000)						
5. Internal administrative expenses per project under administration (\$ '000)						
6. Internal administrative expenses per project approved (\$ '000) ^c						
7. Procurement time from advertisement to contract signing, \$10 million or more (days) (sovereign)	Annual	378	322	332	377	328
8. Consulting services recruitment time for ADB-administered contracts, from consulting services recruitment notice to consultant contract signing (days) (sovereign)						
9. Audited financial statements reviewed on time (%) (sovereign)	Annual		55	76	83	90
10. Clients satisfied with ADB's responsiveness (%)						
11. Stakeholders satisfied with ADB's collaboration with development partners (%)						
LEVEL 4B. ORGANIZATIONAL CAPACITY						
12. Digital products completed (number, cumulative)						
13. Staff training budget (average \$ per staff)						
14. Departments with documented and tested business continuity plans in place (number)						
15. Budgeted international and national staff positions in FCAS DMCs and SIDS field offices (number)						
16. Operations administered in field offices (%) (sovereign)	Annual		55	47	53	50
17. Share of operational expenses for operations departments and direct operations support departments (%)						

^a The 2018 value has been recalculated.

^b The methodology for this indicator was updated, i.e., new updated set of Probability of Default was applied retroactively to previous years.

^c The updated value for 2020 and 2021 are 4,225 and 4,646, instead of the 4,242 and 4,645 reported last year.

Sources: ADB (Budget, People and Management Systems Department; Controller's Department; Corporate Services Department; Information Technology Department; Office of Risk Management; Procurement, Portfolio, and Financial Management Department; Strategy, Policy, and Partnerships Department; and Sustainable Development and Climate Change Department).

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- 41 Commitment volumes used by corporate results framework indicators include operations financed by regular and concessional ordinary capital resources and Asian Development Fund grants and exclude financing for nonsovereign revolving programs, technical assistance, cofinancing, special funds, investment facilities, and loans and grants supporting project preparation and design. ADB's total commitments from its own resources for loans, grants, guarantees, equity investments, and technical assistance reached \$20.5 billion in 2022. For sovereign and nonsovereign operations, "commitment" refers to financing approved by the ADB Board of Directors or Management, for which the legal agreement has been signed by ADB and the borrower, recipient, or investee company. The date of commitment is the date of signature. A commitment amount refers to the signed amount.
- 42 Among all 137 ADB operation commitments in 2022, 100 were sovereign, including 7 project readiness financing facilities, and 37 were nonsovereign.
- 43 Overall sovereign disbursement was \$18.2 billion in 2022, comprising \$11.0 billion for projects and results-based lending (including \$1.2 billion from ADB's Asia Pacific Vaccine Access Facility), \$5.0 billion for policy-based lending, and \$2.2 billion for countercyclical support facilities. The 2021 and 2022 disbursement ratios exclude Afghanistan and Myanmar. ADB placed its regular assistance to Afghanistan on hold effective 15 August 2021, but in 2022 supported the economic and social development of the Afghan people through a special arrangement with the United Nations to address basic human needs. Effective 1 February 2021, ADB placed a temporary hold on sovereign project disbursements and new contracts in Myanmar. The bank continues to closely monitor the situation in the country and remains committed to supporting its people.

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- 60 The count includes eight projects with completion reports circulated in 2022 but with publication dates in December 2021. These reports were not included in this indicator for 2021.
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2022 Development Effectiveness Review

The *2022 Development Effectiveness Review* is the 16th in a series of yearly reports by the Asian Development Bank on its performance in achieving the goals of Strategy 2030, the institution's long-term strategic framework. It tracks recent development progress in Asia and the Pacific, assesses ADB's development effectiveness, and identifies areas where ADB's performance needs to be strengthened.

About the Asian Development Bank

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 68 members —49 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.



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