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Multitranche Financing Facility Annual Report 2017

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Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
MFF	–	multitranche financing facility
OCR	–	ordinary capital resources
SPD	–	Strategy, Policy, and Review Department

NOTE

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

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I. INTRODUCTION

1. The Multitranche Financing Facility Annual Report 2017 consolidates the key findings on MFF performance that were reported in the annual multitranche financing facility (MFF) progress reports by the five regional departments. As required by the MFF policy paper,¹ these progress reports provide, for all approved MFFs in each country, (i) progress made on each of the physical and nonphysical components; (ii) risks and issues, and actions being taken to mitigate the risks and resolve the issues; (iii) updated design and monitoring frameworks; (iv) the status of compliance with clients' commitments to take or maintain certain undertakings over the term of the MFF; and (v) any changes in circumstance or material facts relating to the investment program or plan.² The coverage and focus of the MFF annual reports were significantly revised in 2017 and each annual MFF progress report was significantly improved in 2018. This has been done to strictly comply with the reporting requirements of the MFF policy (footnote 1).

II. 2017 OVERVIEW

2. **Multitranche financing facility approvals.** In 2017, the Asian Development Bank (ADB) approved seven new MFFs totaling about \$5.1 billion (Appendix 2, Table A2.1), which is the same number of MFFs approved in 2016 totaling about \$4.5 billion. As of 31 December 2017, ADB had approved 104 MFFs totaling \$51 billion since 2005 when this modality was introduced. In 2017, ADB approved 18 new tranches, comprising seven first and 11 subsequent tranches.³ As of 31 December 2017, the cumulative number of approved regular ordinary capital resources (OCR) loans, concessional OCR loans, and Asian Development Fund (ADF) grants provided as tranches since 2005 had reached 300 and totaled \$33 billion (after cancellations).

3. **Conversion of multitranche financing facility amount.** As of 31 December 2017, ADB had converted 64% of the cumulative approved MFF amount since 2005 to regular OCR loans, concessional OCR loans, and ADF grants as tranches; and had disbursed 60% of these loans and grants (Appendix 2, Table A2.2).

4. **Financing partnerships.** Approved cofinancing for MFFs in 2017 was \$524 million. Consequently, the cumulative amount for approved cofinancing for MFF tranches reached \$9.4 billion during 2005–2017 (Appendix 2, Table A2.3).

III. 2017 PERFORMANCE HIGHLIGHTS

A. Tranche Performance

5. **Rating methods.** Tranche performance is assessed based on scorecard systems using the following criteria:

- (i) **Financial management:** compliance with audit and/or account covenants and the acceptability of the audit report.
- (ii) **Procurement:** the difference between the cumulative actual and the projected contract award values starting at loan effectiveness over the life of the tranche.

¹ ADB. 2008. [Mainstreaming the Multitranche Financing Facility](#). Manila (R121-08) para. 89.

² Annual MFF progress reports for 2017 are available from the list of linked documents in Appendix 1.

³ Some 25 loans and grants were approved in 2017 (Appendix 2, Table A2.1). These were provided through 18 tranches (e.g., in some cases, a tranche may comprise an Asian Development Fund [ADF] grant and a concessional ordinary capital resources [OCR] loan, or a regular OCR loan and a concessional OCR loan) The figure excludes tranches that were wholly financed by ADB-administered cofinancing.

- (iii) **Disbursement:** the difference between the cumulative actual and the projected disbursements starting at loan effectiveness over the life of the tranche.
- (iv) **Safeguards:** compliance with safeguard covenants on the environment, resettlement, and indigenous peoples.
- (v) **Technical:** management of a problem identified by a review mission, if any.

6. The performances for each of these five areas are rated *actual problem*, *potential problem*, or *on track* based on criteria provided in Table 1.

Table 1: Tranche Performance Ratings Criteria

Rating	Five Areas and Criteria				
	Financial Management	Procurement ^a	Disbursement ^a	Safeguards Compliance	Technical ^b
■ Actual problem	Not complied with	Below 75% of original projection		unsatisfactory	less than 0.7
■ Potential problem	Not applicable ^c	75% or more but below 90% of original projection		partially satisfactory	0.7 or more but less than 0.9
■ On track	Complied with	Exceeds 90% of original projection		satisfactory	0.9 or more

^a Refers to the figures for either actual disbursement or contract award.

^b Refers to the average technical rating.

^c Financial management does not have a *potential problem* rating; it is either *on track* or *actual problem*.

Source: Asian Development Bank. 2011. Project Performance Monitoring. *Project Administration Instructions*. PAI. No. 5.08. Manila.

7. The five ratings are aggregated into a single rating by generating an average rating score for the project. A numerical value is assigned to each rating: *on track* is 1 point, *potential problem* is 0.5 point, and *at risk* is 0 point. The assigned values for each of the five indicators are summed and divided by 5 to produce an overall project rating score between 0 and 1. A tranche with a total rating score of 0.9 or more is *on track*, 0.7 or more but below 0.9 is a *potential problem*, and below 0.7 is an *actual problem*. The aggregated rating for each tranche becomes the basis for determining the MFF performance as described in paras. 9–12.

8. **Rating results.** Table 2 provides an overview of tranche performance regarding the five assessment areas (para. 5) as of 31 December 2017. Out of 183 tranches being implemented, 145 (79%) were rated *on track* for overall performance, 25 (14%) were rated *potential problem*, and 13 (7%) were rated *actual problem*.⁴ Disbursements are proxies for the progress in physical and nonphysical investments.⁵ While 139 tranches (76%) were rated *on track* for disbursement, 22 tranches (12%) were rated *potential problem* and 22 (12%) were rated *actual problem*. Five tranches (3%) were given *actual problem* ratings for safeguards compliance. Details on key implementation issues and actions being taken to resolve issues are in the annual MFF progress reports (footnote 2).

⁴ Appendix 2, Table A2.4 lists tranches that were rated *actual problem* on overall performance.

⁵ The updated design and monitoring frameworks in the MFF progress report provide the status of output delivery under each of the MFFs.

Table 2: Number of Tranches by Rating and Country, 2017

Country	Overall Performance			Financial Management		Contract Award			Disbursement			Safeguards			Technical Criteria	
	■ T	■ P	■ A	■ T	■ A	■ T	■ P	■ A	■ T	■ P	■ A	■ T	■ P	■ A	■ T	■ A
	T	P	A	T	A	T	P	A	T	P	A	T	P	A	T	A
Afghanistan	12	1	2	15	0	13	0	2	10	2	3	13	1	1	15	0
Armenia	5	0	0	5	0	5	0	0	4	1	0	5	0	0	5	0
Azerbaijan	10	0	0	10	0	10	0	0	10	0	0	10	0	0	10	0
Bangladesh	8	0	1	8	1	8	1	0	9	0	0	9	0	0	8	1
PRC	6	0	0	6	0	5	1	0	6	0	0	6	0	0	6	0
Georgia	10	1	2	13	0	9	2	2	11	0	2	13	0	0	12	1
India	43	11	1	54	1	49	4	2	37	13	5	53	1	1	55	0
Indonesia	1	0	0	1	0	1	0	0	1	0	0	1	0	0	1	0
Kazakhstan	2	0	0	2	0	2	0	0	2	0	0	2	0	0	2	0
Mongolia	4	0	0	4	0	3	1	0	4	0	0	4	0	0	4	0
Pakistan	16	4	1	21	0	18	2	1	13	5	3	20	0	1	21	0
PNG	7	1	1	9	0	8	0	1	8	0	1	8	0	1	9	0
Sri Lanka	6	3	0	9	0	8	0	1	7	0	2	9	0	0	9	0
Uzbekistan	7	2	1	9	1	9	0	1	9	0	1	9	0	1	10	0
Viet Nam	7	1	4	11	1	7	1	4	6	1	5	12	0	0	12	0
Regional	1	1	0	2	0	1	0	1	2	0	0	2	0	0	2	0
Total	145	25	13	179	4	156	12	15	139	22	22	176	2	5	181	2

PNG = Papua New Guinea, PRC = People's Republic of China, ■A = actual problem, ■P = potential problem, ■T = on track.

Note: The table does not include tranches for which legal agreements were closed or not made effective on or before 31 December 2017, since they do not have ratings.

Source: Asian Development Bank estimates.

B. Multitranche Financing Facility Performance Ratings

9. **Rating methods.** Each MFF is also rated based on the three parameters in Table 3: the timeliness of new tranche processing, compliance with undertakings, and tranche performance. The tranche performance rating reflects the results shown in para. 8.

10. Once the three parameters are rated (para. 9), an MFF is then rated⁶
- (i) *at risk*, if all three parameters are rated *at risk*—this may lead to its suspension and possible cancellation;
 - (ii) *potential problem*, if two of the three parameters are rated *at risk*—this requires the regional department to draw an action plan to rectify the MFF performance; or
 - (iii) *on track*, if items (i) and (ii) above are not applicable.

⁶ The regional departments may choose to assign a lower MFF rating to accurately reflect the nature of the issue.

Table 3: Multitranche Financing Facility Ratings Criteria

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

ADB = Asian Development Bank, MFF = multitranche financing facility, PCP = ADB's public communication policy, RRP = report and recommendation of the President.

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

Source: ADB. 2011. Project Performance Monitoring. *Project Administration Instructions*. PAI. No. 5.08. Manila.

11. Table 4 provides an overview of the overall MFF performance for each of the 81 ongoing MFFs based on the (i) timeliness of their subsequent tranches, (ii) status of compliance with undertakings, and (iii) performance of the tranche as of 31 December 2017. This does not include the 23 MFFs that were not subject to performance rating because their first tranches were not made effective or their last tranches were closed on or before 31 December 2017.

Table 4: Multitranche Financing Facility by Rating and Country, 2017

Country	No. of MFFs	Rating for Three MFF Parameters											
		MFF performance			Timeliness			Undertakings Compliance			Tranche Performance		
		■T	■P	■A	■T	■P	■A	■T	■P	■A	■T	■P	■A
Afghanistan	5	5	0	0	5	0	0	5	0	0	3	2	0
Armenia	2	2	0	0	0	2	0	2	0	0	2	0	0
Azerbaijan	4	4	0	0	4	0	0	4	0	0	4	0	0
Bangladesh	5	5	0	0	4	1	0	5	0	0	5	0	0
PRC	2	2	0	0	2	0	0	2	0	0	2	0	0
Georgia	3	3	0	0	3	0	0	3	0	0	2	1	0
India	29	29	0	0	20	2	7	27	1	1	20	9	0
Kazakhstan	2	2	0	0	2	0	0	2	0	0	2	0	0
Mongolia	2	1	1	0	2	0	0	2	0	0	1	1	0
Pakistan	9	9	0	0	5	3	1	8	0	1	6	2	1
PNG	4	4	0	0	1	0	3	4	0	0	1	1	2
Sri Lanka	4	4	0	0	4	0	0	4	0	0	2	2	0
Uzbekistan	4	4	0	0	3	0	1	4	0	0	2	1	1
Viet Nam	5	3	2	0	2	2	1	3	2	0	3	1	1
Regional	1	0	1	0	0	1	0	1	0	0	0	1	0
Total	81	77	4	0	57	11	13	76	3	2	55	21	5

MFF = multitranche financing facility, PNG = Papua New Guinea, PRC = People's Republic of China, ■A = at risk, ■P = potential problem, ■T = on track.

Source: Asian Development Bank estimates.

12. The results show that MFF performance ratings were generally *on track* except for the following four MFFs that were rated *potential problem*. The MFF details are in the annual MFF progress report.

- (i) **Western Regional Road Corridor Investment Program.** The investment program in Mongolia has converted 98% of its MFF amount into two tranches (\$167 million) since 2011.⁷ Tranche performance was rated *potential problem*. Tranche 2 experienced delays in contract award and disbursement as the rebidding of a contract package was canceled by the government in November 2017. The contract package is no longer for ADB financing.
- (ii) **Civil Aviation Development Investment Program.** The investment program in Papua New Guinea has converted 97% of its MFF amount into three tranches (\$466 million) since 2009.⁸ Timeliness and tranche performance were rated *at risk*. The delay in tranche 1 implementation caused the start of subsequent tranches to be delayed. Tranche 3 project performance rating was *actual problem* because contract awards and disbursements were lower than the projections. While the implementing agency aims to recover the delays, extension of the MFF availability period may become necessary.
- (iii) **Ho Chi Minh City Urban Mass Rapid Transit Line 2 Investment Program.** The investment program in Viet Nam has converted 100% of its MFF amount into two tranches (\$540 million) since 2010.⁹ All three parameters were rated *potential problem* or below. Implementation of the investment program has been delayed for more than 4 years because of substantial modifications to the fundamental designs and development of bidding documents customized for design–build civil works contracts. As a result, tranche 1 and 2 project performance ratings were *actual problem* because of the lack of submission of a financial audit report (tranche 1) and low contract awards and disbursements. Significant cost overruns were envisaged. ADB has planned additional financing in the Country Operations Business Plan covering 2018–2020.¹⁰
- (iv) **Water Sector Investment Program.** The investment program in Viet Nam has converted 60% of its MFF amount into four tranches (\$596 million) since 2011. Tranche performance was rated *potential problem*.¹¹ The tranche 1 project performance rating was *potential problem* and the tranche 2 project performance rating was *actual problem* because of low contract awards and disbursements. A special review mission will be fielded and prepare realistic timelines for implementation in 2018.

C. Significant Changes to the Investment Programs

13. In 2017, there was no approval for a major change in an MFF and/or extension of the MFF availability period beyond 10 years.

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

14. At the request of some Board members, this report made an attempt, as a separate exercise from paras. 9–12, to identify MFFs that were likely to face challenges in completing the

⁷ The [MFF](#) was approved on 9 December 2011 in an amount up to \$170 million.

⁸ The [MFF](#) was approved on 24 November 2009 in an amount up to \$480 million.

⁹ The [MFF](#) was approved on 14 December 2010 in an amount up to \$540 million.

¹⁰ ADB. 2017. [Country Operations Business Plan: Viet Nam, 2018-2020](#). Manila.

¹¹ The [MFF](#) was approved on 22 February 2011 in an amount up to \$1,000 million.

MFF scope before the end of their maximum MFF availability period (10 years from the MFF approval dates). The selection criteria are based on an assumption that the percentage of the MFF amount already converted to tranches should be close to the percentage of the time lapsed toward the end of the maximum MFF availability period. The following two criteria were applied, and six ongoing MFFs (meeting both criteria) have been identified (Table 6).¹²

- (i) **Time lapsed**, i.e., the MFF is in its 9th or 10th year of implementation by 31 December 2017; and
- (ii) **multitranche financing facility amount converted**, i.e., the MFF amount converted to tranches is 70% or less.

Table 6: Multitranche Financing Facility Meeting Two Criteria

MFF Title	Approval Year	Years Lapsed	MFF Amount (\$ million)	Tranches Approved (\$ million)	MFF Amount Converted to Tranches
PAK: Renewable Energy Development Sector Investment Program	Dec 2006	11th year ^a	510	315	62%
IND: Uttarakhand State-Road Investment Program	Dec 2006	11th year ^a	550	340	62%
PAK: National Trade Corridor Highway Investment Program	Dec 2007	10th year	900	629	70%
IND: Uttarakhand Urban Sector Development Investment Program	Jan 2008	10th year	350	160	46%
PAK: Sindh Cities Improvement Investment Program	Dec 2008	9th year	300	137	46%
PNG: Highlands Region Road Improvement Investment Program	Dec 2008	9th year	539	338	63%

MFF = multitranche financing facility.

^a Some of the multitranche financing facilities (MFFs) approved during the initial MFF pilot period of 2005–2008 provided the MFF availability period up to 10.9 years in the respective MFF proposals.

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

Source: Asian Development Bank estimates.

15. The main explanations for the bigger gap between the MFF amount converted and time lapsed was project implementation delays. When the ongoing tranches are facing implementation delays, ADB generally advises that implementing agencies achieve reasonable progress before seeking new tranches. This slows down the pace of converting the MFF amount into subsequent tranches. Implementation delays are generally attributed to four key causes:

- (i) **implementing agency's capacity constraints**, such as slow internal approvals and clearances, and frequent change in the government staff;
- (ii) **low readiness of the investment under the initial tranches**, such as lack of detailed designs and bidding documents, and in some cases, errors found in the detailed designs, and slow implementation of safeguard measures;
- (iii) **procurement issues under the ongoing tranche(s)**, such as lack of qualified bids, failed contract negotiations, unsatisfactory performance of contractors, and contract cancellation; and

¹² These criteria are not absolute and cannot capture some unique cases of the MFF implementation. For example, an MFF, which was in its 9th year in December 2017 with 69% of the MFF amount converted to tranches, will be selected, even if the additional 1% or more of the MFF amount will be converted to a new tranche in the 1st quarter of 2018. Likewise, an MFF in its 9th year in 2017 with 100% of the MFF amount converted into multiple tranches will not be selected even if the aggregated disbursement amount under these tranches is only 10% of the MFF amount.

- (iv) **the government's priority changes**, such as a change in the leadership and investment focus.

16. Since MFFs support sequential investments, a delay in one tranche will have a knock-on effect on the timing of the subsequent tranches. If delays are repeated in subsequent tranches and cannot be recovered, the implementing agencies face difficulty in implementing the scope of the MFF within the 10-year limit. This results in leaving behind more than 30% of the MFF amount that may not be converted to tranches. The remaining MFF amount tends to be bigger, when the original MFF scope and amount were ambitiously designed based on an optimistic assumption that the implementing agency would achieve higher absorptive and implementation capacity through longer-term capacity development and on-the-job training.

17. Three key lessons can be drawn from this:

- (i) The implementation delays faced under the MFFs are not unique to MFFs but may happen regardless of the lending modality. As ADB does for conventional project and sector loans, it is important to continue putting efforts toward building sufficient capacity and achieving higher project readiness before MFF approval.
- (ii) The MFF amount should be commensurate with the absorptive and implementation capacity, based on a reasonable assessment of the past project performance records, and should not include an optimistic projection of a drastic increase in absorptive and implementation capacity.
- (iii) MFFs are more suitable when the risk to the continuity of longer-term investments and partnership between ADB and the government is low. When there are unmitigated security, political, governance and/or integrity concerns or uncertainty, a smaller project loan followed by additional financing may be more appropriate.

E. Improving Multitranche Financing Facility Proposals

18. In 2017, the Strategy, Policy, and Review Department (SPD) enhanced its quality assurance function by reviewing all MFF concepts to help identify whether (i) an MFF was the most suitable modality for the proposed investments, and (ii) the proposals complied with the MFF preconditions. Since January 2018, reflecting the lessons (para. 17), SPD also assesses at the project concept stage the problems–solutions–results linkages and the design and monitoring framework, as well as five key aspects that have been common weaknesses in the past draft MFF proposals:

- (i) **justification for the multitranche financing facility as the modality of choice**, focusing on why up-front approval of a large amount is necessary;
- (ii) **performance** of past or ongoing ADB-financed projects under the same implementing agency;
- (iii) **fulfillment of the multitranche financing facility preconditions**, including the road map, policy framework, investment program, and strategic context;
- (iv) **risks to continuity** of ADB's longer-term engagement (e.g., security, political, governance, and integrity concerns); and
- (v) **clear scope** of the future tranches, especially toward the later tranches.

19. To help staff address these key aspects, SPD issued detailed guidance on how to process an MFF and each tranche, and updated the related documentation templates in January 2018.

IV. CONCLUSIONS

20. The Multitranche Financing Facility Annual Report 2017 and the regional departments' respective annual MFF progress reports show that (i) progress made on the physical and nonphysical investments was *on track* for 76% of the tranches (using disbursement performances as proxies); (ii) actions were being taken to address (a) the four MFFs that were rated *potential problem*; and (b) the two MFFs that were rated *at risk* for status of compliance with undertakings, including safeguard compliance; and (iii) there was no change in circumstance or material fact that necessitated a change to an MFF. SPD will continue playing a proactive role to help improve the overall quality of MFF proposals in 2018.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=2017-MFF> Annual Report

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

KEY FINANCIAL TABLES

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

Year	Amount (\$ million)				Number			
	MFFs ^a	Tranches Approved ^b			MFFs ^c	Tranches Approved ^d		
	Approved	Loans	Grants	Total	Approved	Loans	Grants	Total
2005	1,520	0	0	0	2	0	0	0
2006	3,610 ^e	792	0	792	8	9	0	9
2007	3,902 ^f	1,440	0	1,440	7	18	0	18
2008	5,658	1,603	218	1,821	12	19	2	21
2009	6,190	3,169	168 ^g	3,337	12	24	2	26
2010	4,436	2,914	130	3,004	12	28	1	29
2011	6,116 ^h	3,759	231	3,990	13	32	2	34
2012	2,735	2,951	349	3,300	7	25	2	27
2013	2,060	3,182	369	3,551	5	28	3	31
2014	3,305	2,715	109	2,824	9	28	1	29
2015	2,193	2,664	200	2,864	3	26	1	27
2016	4,493	2,561	188	2,749	7	23	1	24
2017	5,106	2,845	45	2,890	7	24	1	25
Total	51,324	30,596	2,007	32,602	104	284	16	300

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

Notes: Numbers are based on the inputs gathered in the year of the report subject to the final closing of the books of accounts, and may not sum precisely because of rounding.

^a Yearly MFF approval amounts net of cumulative cancellations as of 31 December 2017 include regular and concessional OCR loans and ADF grants. Cofinanced loans and grants are not included.

^b Amounts relate to regular and concessional OCR loan and ADF grant approvals under tranches related to MFF that are not necessarily in the same year the facility was approved. Loan and grant amounts are stated in US dollars or their US dollar equivalent using the period end booking rate, net of cumulative cancellations, as of 31 December 2017.

^c Total number of MFF approvals per year funded by regular OCR, concessional OCR, and ADF. Cofinanced loans and grants are not included.

^d Number of loan and grant approvals under tranches related to MFF, not necessarily in the same year the facility was approved.

^e Net of \$200 million reduction in OCR facility amount.

^f Net of a \$121.6 million reduction in OCR to be financed by the Department for International Development of the United Kingdom.

^g Net of unutilized portion under the first tranche of the Road Network Development Investment Program in Afghanistan totaling \$6.4 million after it was financially completed in September 2013.

^h Net of an \$88 million reduction in the ADF portion to be financed by the Afghanistan Infrastructure Trust Fund.

Source: Asian Development Bank. [Loan and Grant Financial Information Services](#) (accessed 16 January 2018) and Grant Financial Information System (GFIS) as of 11 January 2018.

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

Country	MFFs	Tranches	MFF	Cumulative	Disbursed from
	Approved ^a (\$ million)	Approved ^{a,b} (\$ million)	Converted to Tranches ^{a,b} (%)	Disbursements ^c (\$ million)	Tranches ^{b,c} (%)
Afghanistan	2,656 ^d	2,007	76%	750	37%
Armenia	900	485	54%	238	49%
Azerbaijan	2,350	1,730	74%	1,298	75%
Bangladesh	5,461	2,449	45%	1,109	45%
China, People's Republic of	1,600	1,280	80%	1,063	83%
Fiji	153	42	27%	0	0%
Georgia	1,300	997	77%	508	51%
India	14,991	10,427	70%	7,059	68%
Indonesia	500	42	8%	42	100%
Kazakhstan	2,000	1,700	85%	1,560	92%
Mongolia	546	340	62%	92	27%
Pakistan	8,048	3,650	48%	2,347	64%
Papua New Guinea	1,680	1,198	71%	408	34%
Sri Lanka	2,753	1,654	60%	393	24%
Uzbekistan	1,900	1,476	78%	1,213	82%
Viet Nam	4,467	3,108	70%	1,516	49%
Regional	19	19	99%	4	22%
Total	51,324	32,602	64%	19,601	60%

ADF = Asian Development Fund, MFF = multitranche financing facility.

Note: Numbers include closed loans for reporting purposes, exclude cofinancing, and are based on the inputs gathered in the year of the report subject to the final closing of the books of accounts.

^a MFF and tranche approvals net of cumulative cancellations as of 31 December 2017 and funded by regular OCR, concessional OCR, and ADF. Cofinanced loans and grants are not included.

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

^c Percentage disbursed of approved net tranche.

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

Source: Asian Development Bank Loan Financial Information System (LFIS) as of 16 January 2018 and Grant Financial Information System (GFIS) as of 11 January 2018.

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

Country	2005–2016	2017	Total (2005–2017)
Afghanistan	509.5	75.0	584.5
Armenia	237.1	0.0	237.1
Bangladesh	1,425.0	417.6	1,842.6
Fiji	57.6	0.0	57.6
Georgia	170.0	0.0	170.0
India	1,827.9	0.0	1,827.9
Kazakhstan	2,363.0	0.0	2,363.0
Mongolia	33.6	19.6	53.2
Pakistan	229.1	0.0	229.1
Papua New Guinea	24.8	11.5	36.3
Sri Lanka	180.0	0.0	180.0
Uzbekistan	100.0	0.0	100.0
Viet Nam	1,676.0	0.0	1,676.0
Regional	1.5	0.0	1.5
Total	8,835.1	523.7	9,358.7

Source: Asian Development Bank's Office of Cofinancing Operations Cofinancing Database.

Table A2.4: Tranches with Actual Problem Rating on Overall Performance

Country	Project Name	Financial Management	Contract Award	Disbursement	Safeguards	Technical Criteria
Afghanistan	Energy Supply Improvement Investment Program, Tranche 1	■T	■A	■A	■T	■T
Afghanistan	Water Resources Development Investment Program, Tranche 2	■T	■A	■A	■A	■T
Georgia	Road Corridor Investment Program, Tranche 2	■T	■A	■A	■T	■A
Georgia	Urban Services Improvement Investment Program, Tranche 6	■T	■A	■A	■T	■T
Pakistan	Second Power Distribution Enhancement Investment Program, Tranche 1	■T	■A	■A	■T	■T
Uzbekistan	Second Central Asia Regional Economic Cooperation Corridor 2 Road Investment Program, Tranche 3	■T	■A	■A	■T	■T
PNG	Civil Aviation Development Investment Program, Tranche 3	■T	■A	■A	■T	■T
Bangladesh	Power System Expansion and Efficiency Improvement Investment Program, Tranche 3	■A	■T	■T	■T	■A
India	Rajasthan State Highway Investment Program, Tranche 1	■T	■A	■A	■T	■T
Viet Nam	Ho Chi Minh City Urban Mass Rapid Transit Line 2 Investment Program, Tranche 1	■A	■A	■A	■T	■T
Viet Nam	Ho Chi Minh City Urban Mass Rapid Transit Line 2 Investment Program, Tranche 2	■T	■A	■A	■T	■T
Viet Nam	Water Sector Investment Program, Tranche 2	■T	■A	■A	■T	■T
Viet Nam	Power Transmission Investment Program, Tranche 3	■T	■A	■A	■T	■T

PNG = Papua New Guinea; ■A = actual problem; ■T = on track; ■P = potential problem; ... = data not available.

Source: Asian Development Bank estimates.