



June 2017

Multitranche Financing Facility Annual Report 2016

This document is being disclosed to the public in accordance with ADB's Public Communications Policy 2011.

Asian Development Bank

ABBREVIATIONS

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

NOTE

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

Director General	I. Bhushan, Strategy, Policy and Review Department (SPD)
Deputy Director General	T. Kimura, Office of the Director General, SPD
Director	V. Hill, Strategy, Policy and Business Process Division (SPBP), SPD
Team leader	H. Ikemoto, Principal Planning and Policy Economist, SPBP
Team member	C.O. Mercado, Senior Strategy and Policy Officer, SPBP

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

CONTENTS

	Page
I. INTRODUCTION	1
II. 2016 OVERVIEW	1
III. 2016 PERFORMANCE HIGHLIGHTS	2
A. Tranche Performance Ratings	2
B. Multitranche Financing Facility Performance Ratings	3
C. Significant Changes to the Investment Programs	6
D. Improving Multitranche Financing Facility Proposals	6
IV. CONCLUSIONS	6
 APPENDIXES	
1. List of Linked Documents	8
2. Key Financial Tables	9

I. INTRODUCTION

1. The Asian Development Bank (ADB) introduced the multitranche financing facility (MFF) in 2005 as a new pilot lending modality.¹ The MFF became a regular ADB lending modality in 2008 through the policy paper on Mainstreaming the Multitranche Financing Facility.² The MFF policy paper requires ADB's regional departments to prepare a consolidated annual report for all MFFs approved in each country to give the Board of Directors an opportunity to seek early clarification of the performance of each approved MFF.

2. As required by the MFF policy paper, the Multitranche Financing Facility Annual Report, 2016 analyzes MFF performance in terms of (i) the progress made on physical and nonphysical investments, (ii) key implementation risks and issues with mitigative actions undertaken, (iii) the status of compliance with clients' commitments to take or maintain certain undertakings over the term of the MFF, and (iv) key substantive changes to the MFF. The annual report focuses on the MFF performance ratings, and the annual portfolio performance report focuses on general quantitative and comparative analyses on the overall MFF portfolio performance.³

3. The information in this annual report is based on the annual MFF progress reports, which provide details on the status of each approved MFF and its individual tranches, prepared by ADB's five regional departments.⁴ These progress reports include URLs to each of the project data sheets, which present progress toward outcomes and the delivery of outputs.

II. 2016 OVERVIEW

4. **Multitranche financing facility approvals.** In 2016, ADB approved seven new MFFs totaling about \$4.5 billion (Appendix 2, Table A2.1), which is nearly double the three MFFs approved in 2015 totaling about \$2.2 billion.⁵ As of 31 December 2016, ADB had approved 97 MFFs totaling \$46 billion since 2005. In 2016, ADB approved 18 new tranches, comprising 6 first and 12 subsequent tranches.⁶ As of 31 December 2016, the cumulative number of approved ordinary capital resources and Asian Development Fund (ADF) loans and grants provided as tranches since 2005 had reached 275 and totaled \$31 billion (after cancellations).

5. **Conversion of multitranche financing facility amount.** As of 31 December 2016, ADB had converted 67% of the cumulative approved MFF amount since 2005 to ordinary capital resources and ADF loans and grants as tranches and had disbursed 54% of these loans and grants (Appendix 2, Table A2.2).

6. **Financing partnerships.** The newly approved administration of cofinancing under MFFs in 2016 was \$1.9 billion (Appendix 2, Table A2.3). Consequently, the cumulative amount for approved cofinancing under MFF tranches reached \$8.8 billion during 2005–2016.⁷

¹ ADB. 2005. [Innovation and Efficiency Initiative: Pilot Financing Instruments and Modalities](#). Manila (R194-05).

² ADB. 2008. [Mainstreaming the Multitranche Financing Facility](#). Manila (R121-08).

³ ADB. 2017. [2016 Annual Portfolio Performance Report](#). Manila.

⁴ Annual MFF progress reports for 2016 are available from the list of linked documents in Appendix 1.

⁵ ADB. 2016. [Multitranche Financing Facility Annual Report 2015](#). Manila (IN.91-16).

⁶ There were 24 loans and grants approved in 2016 (Appendix 2, Table A2.1). These were provided through 18 tranches (e.g., in some cases, a tranche may comprise an ADF grant and an ADF loan, or an OCR loan and an ADF loan).

⁷ The financing partnership figure under the MFFs was reduced by \$500 million from the Multitranche Financing Facility Annual Report 2015 because a tranche under policy-based lending operations was erroneously included as an MFF tranche.

III. 2016 PERFORMANCE HIGHLIGHTS

A. Tranche Performance Ratings

7. **Rating methods.** After approval of an MFF and a tranche, the regional department regularly updates project performance information and rates each tranche following the project administration instruction on project performance monitoring.⁸ Five areas are assessed.

- (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.
- (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 people.
- (v) **Technical:** management of a problem identified by a review mission, if any.⁹

8. 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. The rating calculation method is in footnote 9.

^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.

9. 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 points, and *at risk* is 0 points. 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. 12–16.

10. **Rating results.** Table 2 provides an overview of tranche performance regarding the five assessment areas (para. 7) as of 31 December 2016. It does not include tranches for which legal agreements were closed or not made effective on or before 31 December 2016, since they do not have ratings.

⁸ ADB. 2011. Project Performance Monitoring. [Project Administration Instructions](#). PAI. No. 5.08. Manila.

⁹ Each problem is rated as either being addressed (Yes) or not (No). To calculate the overall technical indicator rating, a Yes rating is given a value of 1 and a No rating a value of 0, and all values are summed and divided by the number of the problems.

11. Out of 169 tranches being implemented, 146 (86%) are rated *on track* for overall performance, 18 (11%) are rated *potential problem*, and 5 (3%) are rated *actual problem*.¹⁰ Disbursements are proxies for the progress in physical and nonphysical investments. While 141 tranches (83%) are rated *on track* for disbursement, 21 tranches (12%) are rated *potential problem* and 7 (4%) are rated *actual problem*. There were no *actual problem* ratings for safeguards compliance. The key implementation issues and actions being taken to resolve issues are in the annual MFF progress reports prepared by each regional department (footnote 4).

Table 2: Number of Tranches by Rating and Country, 2016

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	P	A
Afghanistan	10	1	2	13	0	10	0	3	11	0	2	13	0	0	12	0	1
Armenia	5	0	0	5	0	5	0	0	5	0	0	5	0	0	5	0	0
Azerbaijan	9	0	0	9	0	8	1	0	9	0	0	9	0	0	9	0	0
Bangladesh	7	3	0	10	0	7	0	3	8	2	0	10	0	0	10	0	0
China, People's Republic of	5	0	0	5	0	5	0	0	5	0	0	5	0	0	5	0	0
Georgia	10	1	0	11	0	10	1	0	9	2	0	11	0	0	11	0	0
India	51	5	1	56	1	52	3	2	44	11	2	56	1	0	56	0	1
Indonesia	0	1	0	1	0	0	1	0	0	1	0	1	0	0	1	0	0
Kazakhstan	2	0	0	2	0	2	0	0	2	0	0	2	0	0	2	0	0
Mongolia	3	1	0	4	0	3	0	1	4	0	0	4	0	0	4	0	0
Pakistan	15	0	1	16	0	14	1	1	12	3	1	16	0	0	14	2	0
Papua New Guinea	4	0	0	4	0	4	0	0	4	0	0	4	0	0	4	0	0
Sri Lanka	7	1	0	8	0	8	0	0	6	1	1	8	0	0	8	0	0
Uzbekistan	9	2	0	9	2	10	1	0	11	0	0	11	0	0	11	0	0
Viet Nam	8	3	1	12	0	10	2	0	10	1	1	12	0	0	11	0	1
Regional	1	0	0	1	0	1	0	0	1	0	0	1	0	0	1	0	0
Total	146	18	5	166	3	149	10	10	141	21	7	168	1	0	164	2	3

■ T = *on track*, ■ P = *potential problem*, ■ A = *actual problem* (The rating criteria and calculation method are in Table 1 and para. 9 respectively).

Note: Excludes tranches for which the legal agreements were closed or not made effective on or before 31 December 2016 because they do not have ratings.

Source: Asian Development Bank estimates.

B. Multitranche Financing Facility Performance Ratings

12. **Rating methods.** Each MFF is also rated based on the three parameters in Table 3: the timeliness of new tranche processing, compliance with undertakings (para. 2), and tranche performance. The tranche performance rating reflects the results shown in para. 10.

13. Once the three parameters are rated (para. 12), an MFF is then rated¹¹
- (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.

¹⁰ Appendix 2, Table A2.4 lists MFF tranches that are rated *actual problem* on overall performance.

¹¹ 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.

14. Table 4 provides an overview of the overall MFF performance for each of the 83 MFFs approved since 2005 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 2016. The table does not include the 14 MFFs for which either their first tranches were not made effective or their last tranche was closed on or before 31 December 2016 because they do not have a rating.

15. The results show that MFF performance ratings are generally *on track* except for the following three MFFs that were rated *potential problem*.

- (i) **Sindh Cities Improvement Investment Program.** The program in Pakistan has converted 13% of its MFF amount into a tranche (\$38 million) since 2008.¹² It faced a delay in the implementation of the first tranche and reforms, limiting the time left to request subsequent tranches. ADB approved the second tranche in 2012. The overall rating for the second tranche is *actual problem*, mostly because of the delay in procurement that resulted in low contract awards and disbursement ratios. ADB also flagged a potential technical problem. ADB has engaged a procurement specialist to help the executing agency in procurement and consultant recruitment. Program details are in the annual MFF progress report of ADB's Central and West Asia Department.¹³
- (ii) **Urban Transport Development Investment Program.** The program in Mongolia has converted 28% of its MFF amount into a tranche (\$60 million) since 2012.¹⁴ The MFF's performance was rated *potential problem*. There was a delay

¹² The MFF was approved on 3 December 2008 in an amount up to \$300 million.

¹³ Annual Multitranche Financing Facility Progress Report: Central and West Asia Department (accessible from the list of linked documents in Appendix 1).

¹⁴ The MFF was approved on 18 November 2012 in an amount up to \$216 million. The Global Environment Facility cofinanced \$1.5 million.

in establishing the project steering committee, which was further delayed by the establishment of the project implementation unit. The recruitment process to staff the project implementation unit has commenced. Program details are in the annual MFF progress report of ADB's East Asia Department.¹⁵

- (iii) **Ho Chi Minh City Urban Mass Rapid Transit Line 2 Investment Program.** The program in Viet Nam has converted 7% of its MFF amount into a tranche (\$40 million) since 2010.¹⁶ Implementation was delayed by more than 4 years because of systemic redesigns before the bidding documents were issued. The design changes, coupled with price escalations, led to a significant increase in the estimated total cost. The government is complying with the undertakings and has been discussing an extension of the MFF availability period to 2020. Program details are in the annual MFF progress report of ADB's Southeast Asia Department.¹⁷

Table 4: Multitranche Financing Facility by Rating and Country, 2016

Country	No. of MFFs ^a	MFF performance			Rating for Three MFF Parameters								
					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	5	0	0
Armenia	2	2	0	0	1	1	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	5	0	0	5	0	0	5	0	0
China, People's Republic of	1	1	0	0	1	0	0	1	0	0	1	0	0
Georgia	3	3	0	0	3	0	0	3	0	0	3	0	0
India	31	31	0	0	27	2	2	31	0	0	31	0	0
Indonesia	1	1	0	0	1	0	0	1	0	0	1	0	0
Kazakhstan	2	2	0	0	2	0	0	2	0	0	2	0	0
Mongolia	3	2	1	0	2	1	0	2	1	0	2	1	0
Pakistan	8	7	1	0	7	0	1	8	0	0	7	0	1
Papua New Guinea	3	3	0	0	3	0	0	3	0	0	3	0	0
Regional	1	1	0	0	1	0	0	1	0	0	1	0	0
Sri Lanka	4	4	0	0	4	0	0	4	0	0	3	1	0
Uzbekistan	4	4	0	0	4	0	0	4	0	0	4	0	0
Viet Nam	6	5	1	0	5	1	0	6	0	0	5	1	0
Total	83	80	3	0	75	5	3	82	1	0	79	3	1

■ T = on track, ■ P = potential problem, ■ A = at risk, MFF = multitranche financing facility. (The rating criteria are in Table 3).

^a The table excludes 14 MFFs for which either their first tranches were not made effective or their last tranche was closed on or before 31 December 2016.

Source: Asian Development Bank estimates.

16. No MFF was reported to be *at risk* on the status of compliance with undertakings.

¹⁵ Annual Multitranche Financing Facility Progress Report: East Asia Department (accessible from the list of linked documents in Appendix 1).

¹⁶ The MFF was approved on 14 December 2010 in an amount up to \$540 million. KfW provided \$313 million in cofinancing and the European Investment Bank provided \$195 million.

¹⁷ Annual Multitranche Financing Facility Progress Report: Southeast Asia Department (accessible from the list of linked documents in Appendix 1).

C. Significant Changes to the Investment Programs

17. During 2016, the Board was requested to approve changes to two MFFs because of changes in circumstance or material facts.

- (i) **Power Transmission Enhancement Investment Program.** ADB extended the MFF availability period for the program in Pakistan from the original closing date of 31 December 2016 to 31 December 2019.¹⁸ The change enabled the completion of the activities under the fourth and last tranches exclusively using cofinancing from Agence Française de Développement. All ADB loans under the MFF were closed on 31 December 2016.
- (ii) **Green Power Development and Energy Efficiency Improvement Investment Program.** ADB changed the borrowing arrangements for the program in Sri Lanka in October 2016.¹⁹ Under the original MFF design, Sri Lanka was to be the borrower for both planned tranches under the MFF. However, because of a change in policy on direct borrowing by state-owned enterprises, the government requested that the loan financing under the second and final tranche of the MFF be provided directly to Ceylon Electricity Board, as the borrower, with a sovereign guarantee from Sri Lanka.

D. Improving Multitranche Financing Facility Proposals

18. Beginning in 2017, ADB will include an additional measure in the review process for all new MFF proposals. When a regional department is conceptualizing an MFF proposal, the Strategy, Policy and Review Department (SPD) will participate in the interdepartmental review of the MFF concepts. This will help regional departments identify whether (i) an MFF is the most suitable modality for the proposed program, and (ii) the program would comply with key MFF preconditions (e.g., a road map, policy framework, and strategic context) by the time the proposal is submitted to the Board for consideration.

19. SPD is also preparing templates for MFF proposals and updated guidance materials. These will help staff assess at an earlier stage of MFF preparation (i) the adequacy of the sector road map and policy framework; (ii) the strategic context, focusing on whether ADB's longer-term partnership under the MFF fits into the country partnership strategy; and (iii) the MFF's merits over other lending modalities.

IV. CONCLUSIONS

20. The Multitranche Financing Facility Annual Report, 2016 and the five annual MFF progress reports show that (i) progress made on the physical and nonphysical investments is *on track* for 86% of the tranches (using disbursement performances as proxies); (ii) actions are

¹⁸ ADB. 2016. [Proposed Extension of Facility Availability Period in Pakistan for the Power Transmission Enhancement Investment Program](#). Manila (R144-16). Board approval for this change was required as it extended the availability period beyond 10 years from the date of Board approval of the MFF, which was 12 December 2006.

¹⁹ ADB. 2016. [Major Change in Facility: Democratic Socialist Republic of Sri Lanka: Green Power Development and Energy Efficiency Improvement Investment Program in the Democratic Socialist Republic of Sri Lanka](#). Manila (R88-16). Board approval was required because the change in borrowing arrangements for the MFF from a direct sovereign loan to a sovereign-guaranteed structure was a major change to the MFF design originally presented to the Board.

being taken to resolve the key issues in the MFF that were rated *potential problem*; (iii) no MFF is reported to be *at risk* for status of compliance with undertakings, including safeguard compliance; and (iv) changes in circumstance or material facts resulted in changes to two MFFs. SPD will continue playing a proactive role to help improve the overall quality of MFF proposals in 2017.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=2016-MFF> Annual Report

1. Annual Multitranche Financing Facility Progress Report: Central and West Asia Department
2. Annual Multitranche Financing Facility Progress Report: East Asia Department
3. Annual Multitranche Financing Facility Progress Report: Pacific Department
4. Annual Multitranche Financing Facility Progress Report: South Asia Department
5. Annual Multitranche Financing Facility Progress Report: Southeast Asia Department

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	797	0	797	8	9	0	9
2007	3,902 ^e	1,454	0	1,454	7	18	0	18
2008	5,658	1,612	218	1,830	12	19	2	21
2009	6,190	3,194	168 ^f	3,362	12	24	2	26
2010	4,436	2,920	310	3,230	12	28	1	29
2011	6,116 ^g	3,999	231	4,230	13	32	2	34
2012	2,735	3,219	349	3,568	7	25	2	27
2013	2,060	3,241	369	3,610	5	28	3	31
2014	3,305	2,974	109	3,083	9	28	1	29
2015	2,193	2,908	200	3,108	3	26	1	27
2016	4,493	2,653	188	2,841	7	23	1	24
Total	46,218	28,971	2,142	31,113	97	260	15	275

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.

^a Yearly MFF approval amounts net of cumulative cancellations as of 31 December 2016 include OCR loans and ADF loans and grants. Cofinanced loans and grants are not included.

^b Amounts relate to OCR and ADF loan and 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 2016.

^c Total number of MFF approvals per year funded by 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 a \$121.6 million reduction in OCR to be financed by the Department for International Development of the United Kingdom.

^f 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.

^g 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 7 January 2017).

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

Country	MFFs Approved ^a (\$ million)	Tranches Approved ^{a,b} (\$ million)	MFF converted to Tranches ^{a,b} (%)	Cumulative Disbursements ^c (\$ million)	Disbursed from Tranches ^{b,c} (%)
Afghanistan	2,656 ^d	2,142	81%	582	27%
Armenia	900	484	54%	192	40%
Azerbaijan	2,350	1,838	78%	972	53%
Bangladesh	3,735	1,933	52%	811	42%
China, People's Republic of	1,600	1,280	80%	813	64%
Fiji	153	42	27%	0	0%
Georgia	1,300	975	75%	411	42%
India	13,991	9,685	69%	6,322	65%
Indonesia	500	50	10%	42	84%
Kazakhstan	2,000	1,700	85%	1,497	88%
Mongolia	546	270	49%	66	24%
Pakistan	7,248	3,448	48%	2,074	60%
Papua New Guinea	1,000	830	83%	324	39%
Regional	19	18	95%	3	17%
Sri Lanka	1,853	1,135	61%	222	20%
Uzbekistan	1,900	1,695	89%	1,150	68%
Viet Nam	4,467	3,589	80%	1,370	38%
Total	46,218	31,114	67%	16,851	54%

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 2016 and funded by ordinary capital resources loans 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 and Grant Financial Information Services](#) (accessed 7 January 2017).

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

Country	2005–2015	2016	Total (2005–2016)
Afghanistan	282.7	226.8	509.5
Armenia	237.1	0.0	237.1
Bangladesh	1,201.8 ^a	223.2	1,425.0
Fiji	0.0	57.6	57.6
Georgia	170.0	0.0	170.0
India	852.8	975.1	1,827.9
Kazakhstan	2,363.0	0.0	2,363.0
Mongolia	33.6	0.0	33.6
Pakistan	146.6	82.5	229.1
Papua New Guinea	4.8	20.0	24.8
Sri Lanka	150.0	30.0	180.0
Uzbekistan	100.0	0.0	100.0
Viet Nam	1,370.5	305.5	1,676.0
Regional	0.0	1.5	1.5
Total	6,912.9	1,922.2	8,835.1

MFF = multitranche financing facility.

^a The total cofinancing amount was reduced by \$500 million from the MFF Annual Report 2015 because a tranche under policy-based lending operations was erroneously included as an MFF tranche.

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

Table A2.4: Multitranche Financing Facility Tranches with *Actual Problem* Rating on Overall Performance

Country	Project name	Financial Management	Contract Award	Disbursement	Safeguards	Technical Criteria
Afghanistan	Water Resources Development Investment Program, project 2	■T	■A	■A	■T	■A
Afghanistan	Energy Sector Development Investment Program, tranche 4	■T	■A	■A	■T	■T
India	Assam Power Sector Investment Program, tranche 2	■T	■A	■A	■T	■T
Pakistan	Sindh Cities Improvement Investment Program, tranche 2	■T	■A	■A	■T	■P
Viet Nam	Power Transmission Investment Program, tranche 3 ^a

■T = on track, ■P = potential problem, ■A = actual problem, ... = data not available

^a The loan was made effective on 29 December 2016. As of 31 December 2016, there was no data provided for each rating criterion, and the overall rating automatically became *actual problem*.

Source: Asian Development Bank estimates.