

**AFRICAN DEVELOPMENT BANK
AFRICAN DEVELOPMENT FUND**



2008 ANNUAL PORTFOLIO PERFORMANCE REVIEW

**Quality Assurance and Results Department
Results Reporting Division**

ACRONYMS & ABBREVIATIONS

ADB	African Development Bank
ADOA	Additionality and Development Outcome Assessment
ADF	African Development Fund
AFCR	African Food Crisis Response
APPR	Annual Portfolio Performance Review
DO	Development Objectives
DRC	Democratic Republic of Congo
ESAP	Environmental & Social Assessment Procedures
FSF	Fragile States Facility
HIPC	Heavily Indebted Poor Country
IP	Implementation Progress
KPI	Key Performance Indicator
LIC	Low Income Country
MDRI	Multilateral Debt Relief Initiative
MIC	Middle Income Countries
NTF	Nigerian Trust Fund
OPEV	Operations Evaluation Department
PAR	Projects at Risk
PBA	Performance-Based Allocation
PCR	Project Completion Report
PP	Problem Projects
PPF	Project Preparation Facility
PPP	Potential Problem Projects
RMC	Regional Member Country
RPG	Regional Public Good
RWSI	Rural Water & Sanitation Initiative
UA	Unit of Account

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TABLE OF CONTENTS

EXECUTIVE SUMMARY	V
I. STRATEGIC ALIGNMENT	1
A. Introduction.....	1
B. Portfolio size and trends	1
C. Core operational sectors	2
D. Other operational priorities	4
E. Financing instruments	6
F. Subregions	6
II. PORTFOLIO PERFORMANCE	8
A. Operations at risk.....	8
B. Operations eligible for cancellation	9
C. Ageing operations	11
D. Disbursement ratios	12
E. Portfolio performance in fragile states	14
III. STRENGTHENING PORTFOLIO PERFORMANCE.....	16
A. Quality at entry.....	16
B. Supervision of operations	16
C. Project Completion Reporting.....	18
D. Accelerating decentralisation.....	19
E. Improving data and systems for supervising portfolio	19
IV. RECOMMENDATIONS.....	20
ANNEXES.....	22

LIST OF FIGURES

Figure 1.1: Portfolio Volume and Average Size of Operations, 2004-2008.....	2
Figure 1.2: Average Size of Operations, 2008	2
Figure 1.3: Portfolio by Sector, 2008.....	3
Figure 1.4: Regional Operations, 2002-2008.....	5
Figure 1.5: Portfolio by Financial Instrument, 2008	6
Figure 1.6: Portfolio by Subregion, 2008	6
Figure 2.1: Trend in Share of Projects at Risk, 2004-2008.....	7
Figure 2.2: Problem Projects, 2008	8
Figure 2.3: Portfolio Eligible for Cancellation, 2008	9
Figure 2.4: Volume of Operations Eligible for Cancellation by Reason (End of year 2008)	10
Figure 2.5: Trend in Ageing Operations, 2004-2008.....	11
Figure 2.6: Trend in Bank Group's Disbursement Ratio for Investment Projects, 2004-2008	12
Figure 2.7: Disbursement Ratios, 2008.....	13
Figure 2.8: Portfolio Performance in Fragile States, 2008	14
Figure 3.1: Supervision Frequency, 2008.....	16

EXECUTIVE SUMMARY

The Annual Portfolio Performance Review (APPR) provides an annual assessment of the Bank's performance in supervising the portfolio and the prospects of it achieving its development objectives. Since 2007, and at the request of the Board, the APPR examines both public and private sector operations. This year's APPR is set against the backdrop of the global economic and financial crisis that has taken its toll on many countries in the continent. This report shows that the Bank has demonstrated flexibility in responding to the crisis by, amongst other things, restructuring the on-going portfolio and reallocating resources to areas where they were most needed.

STRATEGIC ALIGNMENT OF THE PORTFOLIO. By the end of 2008, the Bank's portfolio was composed of 697 approved and ongoing operations totalling UA 14.3 billion (USD 22.7 billion). In between 1 January and 31 December 2008, *122 new operations were approved increasing the size of the portfolio by 15% with regard to 2007.* In recent years, the Bank has deliberately increased the size of its operations as part of its strategy to leverage its limited resources more effectively, and earn a position of leadership at the country level. This report shows that the Bank has pursued this strategy with success. *The average size of Bankwide operations increased by 40% over the last two years.* It grew from UA 14.7 in 2006 to UA 20.6m in 2008 (UA 36.3m for ADB and UA 15.4m for ADF).

This year's APPR also suggests that the *Bank has taken measurable action to align its portfolio with its five-year strategy.* Indeed, the Bank's portfolio and operations are increasingly focused in five strategic areas:

Infrastructure. In 2008, the Bank approved UA 1.4bn (40% of 2008 approvals) in support of infrastructure projects across the continent reflecting the priority given to this sector by the medium-term strategy as a key driver of growth and poverty reduction. Broken-down by sub-sector, transport took the largest share (45% of infrastructure approvals), followed by power supply (38%) and water supply & sanitation (17%).

Governance. After infrastructure, the next largest recipient of approvals in 2008 was MultiSector/Governance. In 2008, interventions in this sector (UA 729m) increased eightfold, reflecting the Bank's heightened focus on strengthening transparency and accountability while responding—in the context of the global economic crisis—to increasing demand for budget support by RMCs.

Regional Operations. Consistent with the objectives set out in the medium-term strategy an increasing share of resources was allocated to regional operations. Approvals were multiplied by three with regard to 2007, increasing from UA 222m in 2007 to UA 703m in 2008 (20% of approvals).

Fragile States. In 2008, the Bank significantly scaled up its support to fragile states by establishing the Fragile States Facility (FSF) as an operationally autonomous entity within the Bank's group.

Private Sector Development. Private sector approvals in 2008 stood at UA 952m representing 27% of all Bank approvals. Forty-two percent of the Bank's private sector financing went to low-income ADF countries, exceeding the 40% target the Bank had set itself.

PROGRESS IN PORTFOLIO PERFORMANCE. A key message of this year's APPR is that the Bank is making sustained progress in improving the performance of its portfolio. Positive developments in this year's review include:

A reduction in effectiveness delays. The lapse of time between approval and first disbursement decreased from 16 months in 2007 to less than 14 months in 2008.

A decline in the share of ageing operations. The Bank is increasingly vigilant about timely implementation and cancelling ageing operations. As a result, the number of ageing operations in the portfolio has dropped from 20% in 2004 to 12% in 2008.

A smaller share of projects at risk. Likewise, the share of operations that Task Managers have flagged as problematic (PP), or potentially problematic (PPP), has declined from nearly 50% of

all operations in 2003 to 40% in 2008. In 2008, Problem Projects (PP) and Potential Problem Projects (PPP) represented respectively only 7% and 33% of the portfolio.

On the other hand, this report also signals persistent issues with regard to cancellation of operations. While the *value* of operations eligible for cancellation is in net decrease with regard to 2007, the *number* of cancellable operations remains high at 29%. Nearly half of these are accounted for by operations that have never disbursed. To address this challenge the Bank will need to continue its efforts to improve readiness of operations and promote assertive and proactive action on portfolio cancellation. In a similar vein, while the Bank has made progress on the frequency of supervision, the quality and coverage of supervisions leaves much to be desired. In average, one out of two operations was still not supervised and those that are do not focus on risky operation. There are also persistent issues with regard of the credibility of the current project performance ratings.

STRENGTHENED PORTFOLIO SUPERVISION & REPORTING. Effective management of portfolio performance depends critically on sound mechanisms for improving the quality at entry, supervision and completion of operations. In this connection, in 2008 and in early 2009, the Bank introduced some important reforms aimed at improving the quality and performance of the portfolio. These include:

Quality at entry. A new readiness review was developed on a pilot basis end of 2008 to improve the quality-at-entry of operations. It was piloted for investment projects in 2009.

Supervisions. The Bank is reviewing its supervision process with a view to improving the frequency and quality of supervision in particular for projects at risk.

Increasing PCR coverage. The Bank achieved a 96% timely completion reporting rate for 2008 public sector exits. An increasing share of PCRs (about 60%) involved staff from the field.

Accelerating decentralisation. Increased delegation of authority to field offices, as noted above, is contributing to improving the quality of portfolio supervision and reporting.

RECOMMENDATIONS. In recent years, the Bank has made considerable progress in its efforts to improve the alignment of its portfolio on its strategic priorities as well as its quality and performance. These measurable improvements are very encouraging, and should further strengthen the Bank's resolve to address remaining key challenges. To address these challenges this report recommends actions along the following lines:

Strengthened support in weak countries. The findings presented in this report clearly suggest the need for the Bank to strengthen the quality of its support in countries in fragile situations or with weak implementation capacity.

Further strengthening the review process and quality at entry. It is recommended to develop and test a revised logical framework for operations in order to promote a focus on results throughout the project cycle. It is also recommended to roll out the Readiness Review to all operations, including policy-based loans, and to develop a new readiness review tool for country strategies on a pilot basis.

Revising supervision reporting to focus on progress towards results and facilitate field-based supervision. It is recommended that the Bank fast tracks the development of a new project supervision template that is increasingly evidence-based and is anchored in the results reporting system currently under development. In doing so, careful consideration will need to be given to managing risk more effectively.

Enhanced Results Reporting System. It is recommended that the Bank scales up its efforts in developing and implementing a results reporting systems that provides task managers and management with readily available and more agile information on progress in achieving outputs and intermediate outcomes. The system should also improve real time reporting on key performance indicators including delays in procurement, disbursement, ageing, intensified risk monitoring.

I. STRATEGIC ALIGNMENT

A. Introduction

1.1. This Annual Portfolio Performance Review (APPR) presents the Board and Senior Management with a strategic overview of the size and composition of the Bank's portfolio in 2008 (Chap. 1). It provides management with feedback on the performance of the Bank's portfolio (Chap. 2), assesses Bank's progress in improving supervision of portfolio performance (Chap. 3), and makes recommendations aimed at enhancing over time its quality and performance (Chap. 4).

1.2. The APPR reviews all public and private sector operations that were approved or on-going from 1 January to 31 December 2008. The information presented in this report is based on information included in the Bank's Information Technology system as well as information provided by Bank staff.

1.3. This year's APPR is cast against the backdrop of the *food and fuel crisis* which has taken a severe toll on economies across the African continent. Low-income countries eligible for the African Development Fund (ADF) in particular have been hit by the crisis: average growth rates have fallen from 5.8% in 2008 to less than 3% in 2009, well below the rate of population growth. For the first time in more than a decade, income per capita is contracting in ADF countries.

1.4. The Bank has demonstrated flexibility in responding to the crisis by, among other things, increasing its disbursements and commitments in 2008 and frontloading allocations.¹ The Fund has also relaxed its restructuring rules in order to allow resources within a country portfolio to be shifted to areas outside the original scope of the project or to new areas on the basis of a three-day circulation to the Board. In addition, the Bank has facilitated the reprogramming of resources in support of sectors beyond the scope of the country assistance strategy.

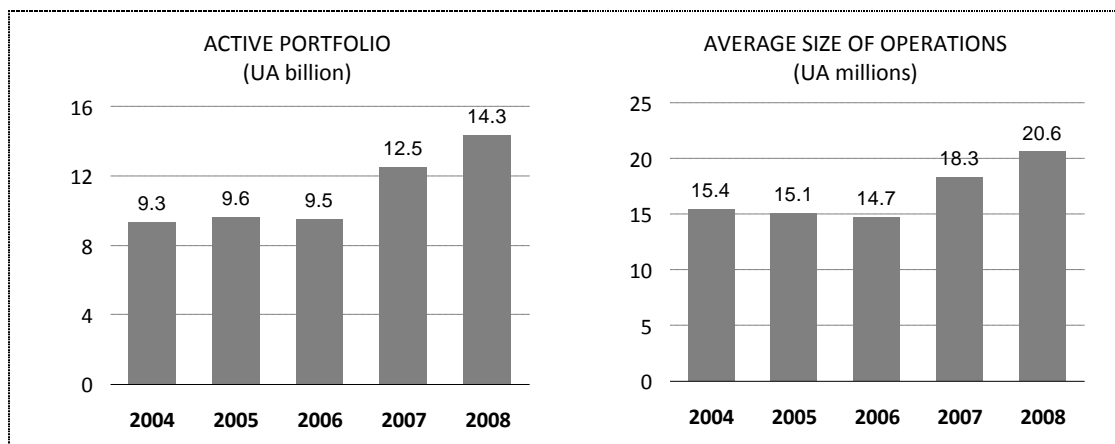
B. Portfolio size and trends

1.5. PORTFOLIO SIZE. At the end of 2008, the Bank's portfolio was composed of 697 approved and ongoing operations totalling UA 14.3bn (USD 22.7 billion²) compared to UA 12.5bn in 2007—an increase of 15% (Fig. 1.1 below). With respect to the distributional split by Bank windows, the ADB accounted for 52% of approvals (UA 1.8bn), the ADF for 48% (UA 1.6bn) and the NTF for 1% (UA 28m).

¹ In addition, the Board adopted in March 2009 two quick disbursing initiatives using ADB resources as a way of offsetting the negative impact of the crisis. The emergency liquidity facility: a fund directed at countries suffering from lack of liquidity due to the crisis (USD 1.5 billion). The trade finance initiative: a line of credit to allow eligible African commercial Banks to support trade finance operations (USD 1 billion).

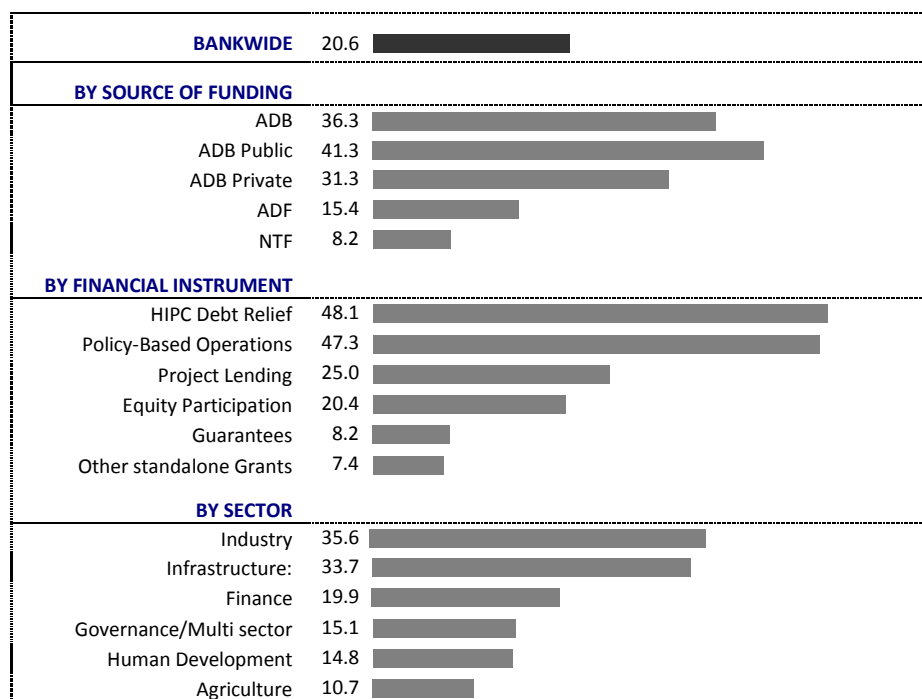
² The average annual exchange rate for 2008 is UA 1= USD 1.568

Fig. 1.1—Portfolio Volume and Average Size of On-Going Operations, 2004-08



1.6. **AVERAGE SIZE OF OPERATIONS.** As part of its strategy to leverage its limited resources more effectively and earn a position of leadership at the country level, the Bank has deliberately sought to increase the size of its operations. This report demonstrates that the Bank has pursued this policy with success. Fig. 1.1 shows that the average size of Bankwide operations increased by 40% since 2006, growing from UA 14.7 in 2006 to UA 20.6m in 2008—respectively UA 36.3m for ADB and UA 15.4m for ADF (Fig. 1.2).

1.7. The average size of operations approved in 2008 was UA 28.7m. Focus on ADF operations shows an increase in average size of operations approved from UA 25.4m in 2007 to UA 26.9m in 2008.

Fig. 1.2—Average Size of Operations, 2008
(UA millions)

C. Core operational sectors

1.8. The Bank's medium-term strategy for 2008-2012 sets out a clear objective—focus more

selectively in three areas: infrastructure, governance and private sector development. Adjustments to the structure of the portfolio take time: today's portfolio has been shaped by yesterday's policies and practices. Nonetheless, the 2008 APPR shows that the Bank's portfolio has been flexible in its ability to adapt responsively to the policy priorities set out in the medium-term strategy: operations are more strategically focused (Fig. 1.3), larger in volume and have been flexible in responding to RMCs demands in a context of crisis.

1.9. **INFRASTRUCTURE.** With 40% of approvals (UA 1.4bn) in support of infrastructure projects, the Bank is demonstrating increased selectivity and continued focus on projects aimed at bridging the continent's infrastructure gap. The special emphasis on infrastructure reflects the priority given to this sector by the medium term strategy as a key driver of growth and poverty reduction.

- *Transport.* In 2008, the Bank approved 11 operations worth UA 641m in the transport sector—the largest share of infrastructure operations. This contributed to building close to 1,800 km of roads including major inter-regional transport connections.
- *Power.* Power was the second largest sub-sector in infrastructure with UA 533m in approvals (average size of operations: UA 48m). Eleven operations were approved to support power generation, transmission and distribution of electricity as well as the creation of regional power pools.
- *Water & Sanitation.* The Bank has sought to accelerate access to improved rural water and sanitation services in particular through the Rural Water and Sanitation Initiative (RWSI). The Bank approved nine operations worth UA 237m in this area (average size of operations: UA 26m).

Fig. 1.3— Portfolio by Sector, 2008

	ACTIVE PORTFOLIO		2008 APPROVALS	
	UA m	% of active portfolio	UA m	% of approvals
Infrastructure	6,032	42%	1,411	40%
Industry	2,527	18%	274	8%
Agriculture	2,434	17%	234	7%
Human development	1,869	13%	224	6%
Governance/Multi.	1,283	9%	729	30%
Finance	180	1%	298	9%

1.10. **GOVERNANCE.** In 2008, the Bank's contributions to improve governance increased eightfold. Approvals went from UA 92m in 2007 to UA 729m in 2008. Support was provided mainly through policy-based operations, particularly budget support, as well as through capacity building projects at both the national and the regional level.

1.11. The very significant growth reflects two of the Bank's top priorities. The first is to heighten its focus on strengthening transparency and accountability in RMCs. The second priority—set in the context of the global financial crisis—is to increase the Bank's ability to successfully respond to short-term demand for budget support as a way of offsetting the economic and social penalties created by shrinking commodity earnings, exports and remittances. The governance strategy is being implement at three levels:

- *Country level.* At the country level, a large segment of the Bank's support for governance activities is provided through policy-based loans and grants used to improve public financial management including in fragile states (see section below on fragile states).
- *Sector level.* At the sector level, the Bank has stepped up its work on governance mainly through special initiatives, non-lending work, analytical and advisory services. In this context the Bank has focused on improving the enabling environment including by

mitigating the risk of corruption in key sectors such as infrastructure and natural resource management. One good example is the Extractive Industries Transparency Initiative (EITI) which seeks to enable mineral rich countries to achieve greater benefits from their mineral resources by improving governance and transparency. The initiative focuses, in particular, on the verification and full publication of company payments and government revenues from oil, gas and mining.

- *Regional level.* At the regional level the Bank has increased its support for standards and codes of good governance by promoting a regional agenda for good financial governance through support to organisations such as the West African Economic and Monetary Union.

1.12. **PRIVATE SECTOR DEVELOPMENT.** The Bank's private sector strategy sets out specific commitments to promote private sector led growth in the context of agreed country strategies. In January 2008, the Board approved a Strategy Update for the Bank's private sector operations for 2008-2010. As part of this strategy, the Bank decided to direct a greater proportion of private sector operations to low income countries. To achieve this objective, it was agreed that at least 40% of private sector financing would go to low-income countries (LIC).

1.13. In 2008 the Bank approved 32 private sector operations worth UA 952m (27% of Bankwide approvals). Forty-two percent of the Bank's private sector financing went to low-income ADF countries exceeding the 40% target. Private sector operations included nine project loans, nine lines of credit, 11 private equity participations, and three private guarantees. The finance sector attracted the bulk of private sector approvals followed by industry, mining and quarrying; infrastructure; agriculture and rural development and multisector. The top three private sector approvals in 2008 were: a line of credit to Standard Bank of South Africa (UA 140m), Guinea Alumina Project (UA 134m) and Hasdrubal Oil and Gas Field Development in Tunisia (UA 96m).

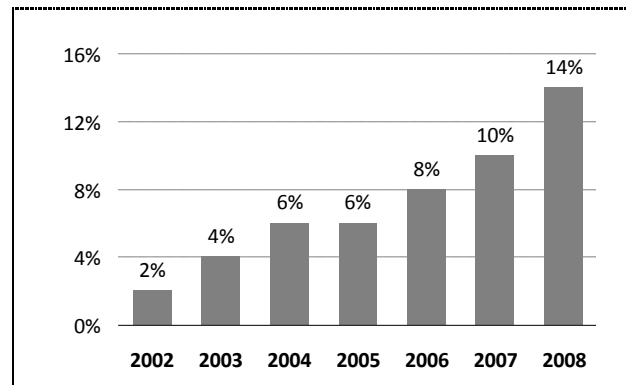
1.14. **OTHER KEY SECTORS.** The Bank continues to provide targeted support to strategic areas in agriculture, industry, natural resources management and social and human development. As part of the Bank's response to the food crisis, it approved the African Food Crisis Response (AFCR) in July 2008. The AFCR provides a framework for accelerating support to RMCs affected by increased food prices and is expected to make available around UA 500m over the next few years to the African agriculture sector. Interventions are targeted to i) reduce the vulnerability of Africa's poor to high food prices, ii) catalyse broad-based growth through increased agricultural productivity and iii) strengthen capacity for sustainable agricultural development.

D. Other operational priorities

1.15. The Bank, as part of its medium-term strategy, is committed to increasing its support for regional operations and fragile states.

1.16. **REGIONAL OPERATIONS.** Recognising the importance of regional cooperation and economic integration, the Bank has significantly stepped up its support to regional operations (Fig. 1.4). *In 2008, approvals in support of regional operations increased threefold (UA 703m).* This trend reflects increased strategic attention to regional operations and a total envelope of resources that has steadily increased in size over time. ADF deputies have scaled up ADF replenishment resources earmarked for regional operations over and above resources allocated as part of the Performance-Based Allocations (PBA). The envelope for regional operations rose from 5% under ADF-8 to 17.5% under ADF-11.

Fig. 1.4—Regional Operations, 2002-08
(% of regional operations in Bankwide portfolio by value)



1.17. ADF Deputies have also guided the strategic orientation of ADF's regional operations. In March 2008, the Board approved the Bank's Strategic and Operational Framework for regional operations—it focuses on infrastructure, regional public goods (RPG) and institutional capacity building. In 2008, the Bank approved 27 regional operations worth UA 743m in key areas such as:

- *Transport.* Operations targeted the development and upgrade of regional transport corridors to improve connections and promote interregional trade by reducing transport costs as well as time spent to cross borders.
- *Power.* Operations focused on establishing large and more robust regional power systems that contribute to increasing households' access to energy while decreasing the cost of doing so.
- *Regional Public Goods.* Eight regional operations qualifying as Regional Public Goods were approved in 2008. These included, for example, the Lake Chad Basin Natural Resources Protection and Development Project (UA 30m), the Congo Basin Project (UA 36m) and the West African Payment System (UA 14m).

1.18. **FRAGILE & CONFLICT AFFECTED COUNTRIES.** In 2008, the Bank significantly scaled up its support to fragile and conflict affected countries by establishing the Fragile States Facility (FSF) as an operationally autonomous entity within the Bank Group. It provides resources in the context of a three-pillar strategy:

- *Pillar I: Supplemental Support.* In 2008, nine countries were assessed as eligible for support under this pillar. The pillar provides supplemental resources to fund vital operations that cannot otherwise be financed through the regular PBA determined country allocation. Under ADF-11, UA 254 million was allocated to the pillar and is being used to support governance reforms, rehabilitate infrastructure and to support the agricultural sector.
- *Pillar II: Arrears Clearance.* The pillar assists in the clearance of arrears to eligible countries, thus enabling them to normalise their relationship with the Bank Group and to open up opportunities for such countries to gain access to debt relief under the Highly Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI). Togo and Côte d'Ivoire were the only two countries that benefited from the arrears clearance window of the FSF in the ADF 11 cycle amounting to a total of UA 255m (of which UA 232m were ADF resources). The support enabled Togo and Cote d'Ivoire to join the list of other needy countries that have benefited from the arrears clearance program of the Bank: Burundi (2004); Republic of the Congo (2004); Central Africa Republic (2005); Comoros (2007); and Liberia (2007).
- *Pillar 3: Targeted Support.* This pillar provides a limited pool of grant resources to fund

operations in fragile and conflict-affected countries that cannot be addressed through the traditional operations instruments of the Bank. During the ADF 11 cycle, the pillar was allocated grant resources in the amount of UA 25 million to support technical assistance (TA), institutional and human capacity development and knowledge management across seventeen fragile and conflict-affected countries. The ADF resources were augmented by the allocation of UA 60 million from the 2008 ADB Net Income. Total resources allocated to the pillar were therefore UA 85 million, and a quarter of these resources were committed by end-2009.

E. Financing instruments

1.19. While the Bank has at its disposal a relatively broad range of financial instruments, it relies mainly on three financing instruments (project lending, policy-based lending and stand-alone grants) to deliver resources and provide support to RMCs (Fig. 1.5).

Fig. 1.5—Portfolio by Financing Instrument, 2008

	ACTIVE PORTFOLIO		2008 APPROVALS	
	UA m	% of active portfolio	UA m	% of new approvals
ADB /ADF Project Lending	11,316	79%	2,054	59%
ADB/ADF Policy-Based Lending	662	5%	549	16%
ADF Grants	1,402	10%	566	16%
HIPC Debt relief	385	3%	160	5%
Equity participation	511	4%	145	4%

Note — **Project Lending** includes: project loans, sector investment and rehabilitation loans and, loans for Lines of Credit. **Policy-Based Lending** includes: loans for Sector Adjustment, structural adjustment and Budget Support. **ADF Grants**: Standalone grants only (Projects, Budget Support, African Food Crisis response, Fragile States Facility, Special relief Fund).

1.20. The Bank Group participated in the Highly Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief Initiative (MDRI) and to date has mobilised over USD 4.3 billion towards debt relief assistance for 33 regional member countries that are eligible for assistance under HIPC Initiative and over UA 4.3 billion under MDRI debt cancellation.

F. Subregions

1.21. Figure 1.6 below shows how total approvals were allocated to the five subregions where the Bank provides support including multinational operations that cover more than one country. One striking feature highlighted by the figure is the relatively low level of approvals in the Central Africa region.³ This reflects in part the large share of regional operations that involve one or more countries in this region. In 2008, this included five regional operations amounting to UA 364m. In the case of four countries in Central Africa—Burundi, DRC, Republic of Congo & Gabon—no approvals were made in 2008. Three of these countries were preparing Country Strategy Papers.

³ Seven countries make up the Central Africa subregion, namely Cameroon, Central African Republic, Chad, Congo, DRC, Congo, Republic, Equatorial Guinea and Gabon. Two countries in the subregion — Gabon and Equatorial Guinea — can borrow from the ADB window, while the five others are only eligible for ADF resources.

Fig. 1.6—Portfolio by Subregion 2008

	ACTIVE PORTFOLIO		2008 APPROVALS	
	UA m	% of active portfolio	UA m	% of new approvals
North	3,332	23%	820	23%
West	3,046	21%	865	25%
East	2,807	20%	625	18%
Multinational	1,978	14%	703	20%
South	1,768	12%	409	12%
Centre	1,393	10%	79	2%

II. PORTFOLIO PERFORMANCE

2.1. This chapter examines performance of the Bank's portfolio in a range of areas including projects at risk, portfolio eligible for cancellation, ageing operations, disbursements ratios. It also reviews portfolio performance in fragile states. The chapter generally confirms progress made by the Bank in recent years and identifies areas where there are persistent challenges.

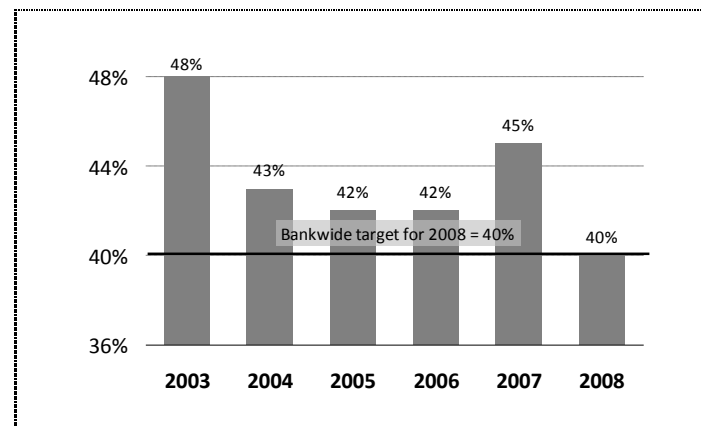
A. Projects at risk

2.2. An important measure of the performance and the health of the portfolio is determined by the share of projects at risk (PAR). In other words, operations that task managers have flagged as problematic or potentially problematic. These are defined as follows:

- *Problem Project (PP)*—Are projects that have been rated as problematic by task managers, either because progress is not being made in implementation—Low Implementation Progress rating (IP)—or because the project is not making progress towards its intended development objective—Low Development Objective rating (DO).
- *Potential Problem Projects (PPP)*—Are projects that are currently rated satisfactory for IP and DO ratings, but could have problems in the future because Task Managers have flagged at least two warning signs out of a total of ten.⁴

2.3. Projects at risk are, therefore, the sum of Problem Projects and Potential Problem Projects. In 2008, *the share of operations projects at risk, while relatively volatile, declined from 48% in 2003 to 40% in 2008—thereby achieving the Bank's target* (Fig. 2.1).

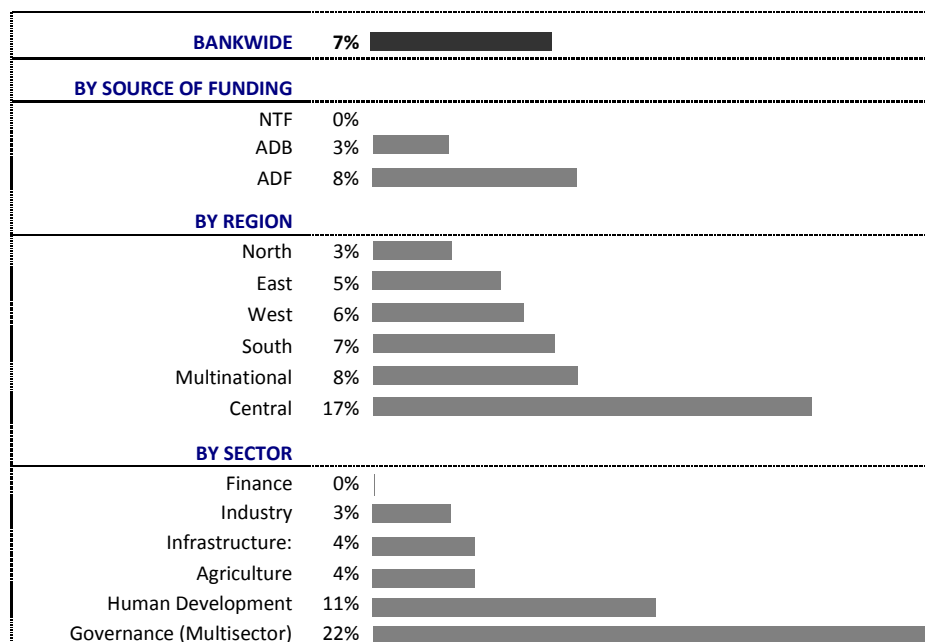
Fig. 2.1—Trend in Share of Projects at Risk, 2003-2008
(Number of operations at risk as % of operations supervised)



⁴ The ten areas reviewed by Task Managers are: i) Period between approval and effectiveness exceeds 12 months; ii) Conditions precedent to effectiveness and first disbursement have not been met; iii) Performance of procurement of goods and works is low; iv) Availability of Counterpart Funds is low; v) Project Management Performance is low; vi) Country has a high failure rate as measured by the Post Project Performance Evaluation Reports (PPERs); vii) IP or DO ratings are less than satisfactory for two years in a row; viii) Less than 10% of the loan has been disbursed two years after loan effectiveness *or* less than 50% of the loan has been disbursed five years after loan effectiveness; ix) Project has not been completed eight years after the date of approval (five years for studies and institutional support operations); x) Grant-financed capacity building operations have less than 50% of resources disbursed three years after loan effectiveness.

2.4. The share of problem projects (7% in 2008) has declined as the Bank has become more vigilant about canceling ageing operations, which are disproportionately problem projects (Fig. 2.2). However, the very low rate of problem projects (especially with respect to potential problem projects) likely also reflects a lack of realism in ratings by task teams, particularly when confronted with an ambitious corporate target for problem projects. Creating incentives for greater candor in performance rating will be necessary, as will increasing the frequency and quality of supervision for actual and potential problem projects, particularly by transferring greater supervision responsibility to field offices and requiring managerial sign-off on supervisions.

Fig. 2.2—Problem Projects, 2008
(Number of problem projects as % of operations supervised)



2.5. The Share of PPP have also declined in 2008 to 33% in 2008. While both PPs and PPPs declined, there was a surprisingly large gap between both ratings. One possible explanation for this is that *task managers are unrealistically optimistic* that operations will satisfactorily achieve their intended development objectives even when they experience serious implementation difficulties. In other words, the issue is whether PP ratings are realistic given the higher rate of PPPs. Another explanation is that the DO and IP ratings do not reflect actual risks well enough.

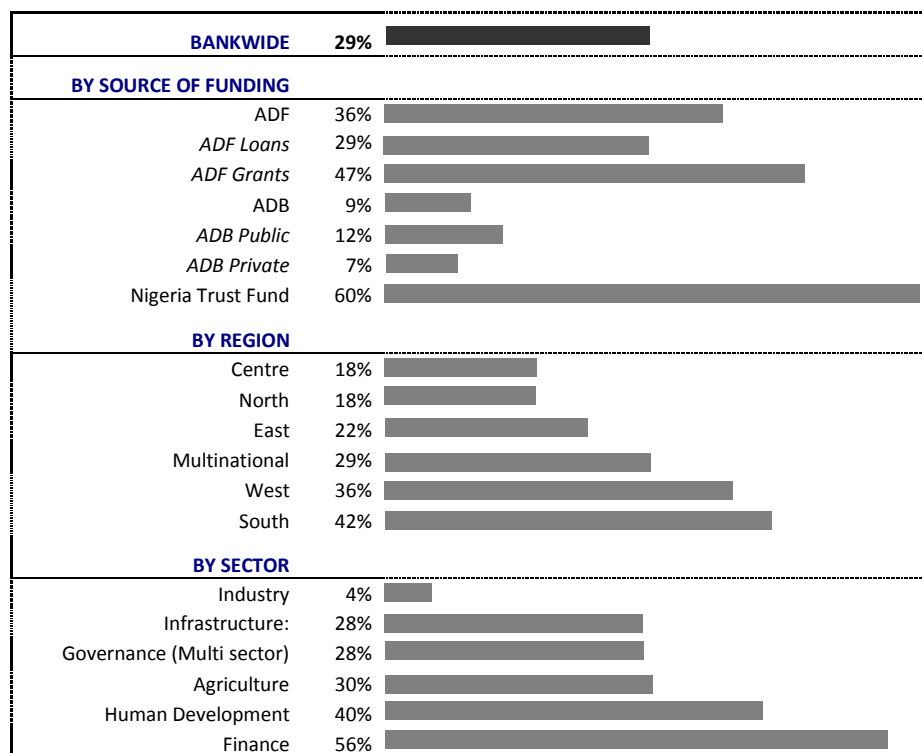
2.6. In any event, both the high level of potential problem projects and the divergence between actual and potential problem projects are cause for concern. *These findings clearly suggest a need to review the current supervision process and to improve the early warning system to detect projects at risk.* This is discussed in greater detail in the next chapter of this report.

B. Operations eligible for cancellations

2.7. In an effort to improve the performance of the portfolio and make better use of available resources, the Bank is committed to reducing the balance of cancellable activities and ensuring that non-disbursing resources become available for high priority uses. In this connection, the Bank as part of its ADF-11 commitments, has set a target for reducing the number of *ADF operations* qualifying for cancellation from 27% (2006) to 15% (2009) of the total active portfolio. As of 31 December 2008, this proportion had increased to 36%—falling well short of

the Bank's ADF commitments of 15% (Fig. 2.3).

Fig. 2.3—Portfolio Eligible for Cancellation, 2008
(Share of operations of the portfolio eligible for cancellation)



2.8. The Bank Group's guidelines on cancellation⁵ address ADB loans as well as ADF loans and grants. They provide Bank staff, and regional member countries, with a set of standard procedures and criteria for loan and grant cancellation. As of 31 December 2008, the volume of operations that were identified as eligible for cancellations totalled UA 758m (Fig. 2.4 below)—in net decrease with regard to 2007. Analysis shows that:

- Nearly half (48%) of overall volume of cancellables is accounted for by operations that have never disbursed.
- Expiration of closing date is the single largest reason for cancellable operations (42% of volume of cancellable operations).⁶
- Infrastructure and Agriculture account for 98% of total pool of loans that signed but undisbursed for two years.

2.9. Taken together, the evidence suggests serious issues with regard to the readiness of operations (the proportion of cancellable operations that were not signed for more than 180 days increased from 11% to 19% between 2007 and 2008). Readiness of operations may have suffered as a result of increasing pressure for expedient processing and increasing volumes of approvals.

⁵ Please see ADF/BP/IF/93/130/ADD.1

⁶ It should be noted that there is a strong cyclical element to these data.

Fig. 2.4— Volume of Operations Eligible for Cancellation by Reason (End of year 2008)

REASONS	UAm	As a % of total portfolio eligible for cancellation
Approved and not signed for more than 180 days	147	19%
Signed and undisbursed for more than 2 years	221	29%
No disbursement for 2 years or more	72	9%
Undisbursed balance below minimum	0	0%
Expiration of disbursement deadline	318	42%
TOTAL	758	

2.10. It is important to note that not all projects that are eligible for cancellation necessarily should be cancelled. In some cases, for example, projects need to be restructured in order to facilitate achievement of objectives. The key point, however, is that all operations eligible for cancellation require assertive action by the Bank. *A high proportion of cancellable operations suggest a low degree of proactivity by task teams and their managers.*

2.11. Operationally, loan cancellation is part of a program of active portfolio management and should be a regular process. In doing so, it is important to consider both the incentives and disincentives for cancelling operations.

2.12. *Disincentives*—Country Program Departments and Task Managers do not have strong incentives to cancel loans or grants that would shrink the size of their portfolios and strain relations with client countries.

2.13. *Incentives*—Many countries have experienced lower portfolio performance ratings due to the presence of non-disbursing, cancellable operations; this in turn decreases the volume of their final allocation amount and constrains their and the Bank's options for future programming.

2.14. Against this background, this report strongly suggests that sustained action is required at various levels if the Bank is to achieve its target on cancellable operations:

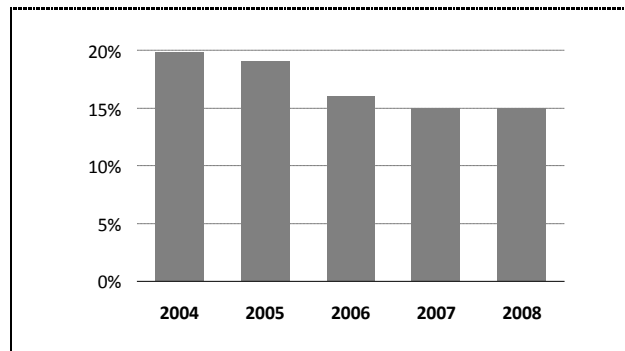
- Strengthening staff incentives for taking proactive action to cancel eligible loans and grants.
- Reviewing the guidelines for cancellation of operations (this was completed in March 2009 following an Ops Com recommendation) and the Delegation of authority matrix with a view to guiding a more rigorous means of managing project closing dates and extensions.
- Improving coordination between regional and sector departments.
- Strengthening readiness of operations.

C. Ageing operations

2.15. While ageing operations are not automatically eligible for cancellation, the share of the portfolio that is ageing is a good indication of the health of the portfolio. A large proportion of ageing operations suggests problems at various levels: delays in operation inception, protracted implementation problems, difficulties in reaching a decision on cancellation.

2.16. The Bank considers operations to be ageing eight years after approval for investments and five years after approval for institutional support. While the Bank no longer has a target on ageing operations it has taken action to diminish the share of the portfolio that is ageing. Figure 2.5 (below) shows that since 2004 the share of ageing operations has declined regularly from 20% in 2004 to 15% in 2008. The average age of projects in the portfolio is 4.2 years.

Fig. 2.5—Trend in Ageing Operations, 2004-08
(Share of the portfolio that is ageing)



2.17. The analysis on ageing confirmed that ADF operations take longer to implement and this is due in part to relatively weak public administration systems in these countries. The problem is most prevalent in the South (25%) and West (21%) in the health, education (human development), and agriculture operations. Unsurprisingly, these sectors have historically dominated public sector investments in ADF countries. Conversely, the more recently introduced quick-disbursing private sector instruments (lines of credit, equity guarantees, etc.) and single-tranche governance related policy-based lending initiatives tend to be executed within a shorter period of time.

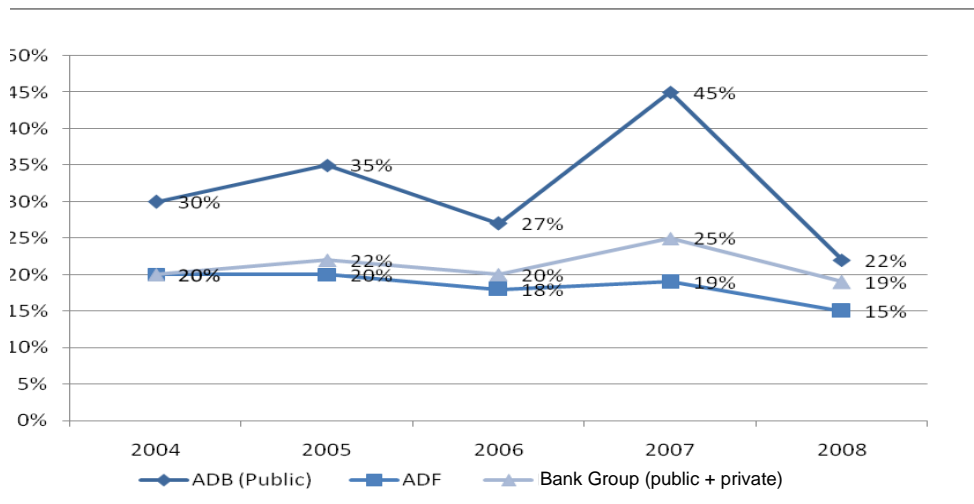
D. Disbursement ratios

2.18. The Bank is working towards improving its ability to disburse swiftly and effectively. The lapse of time between approval of an operation and first disbursement has decreased from 22 months in average before 2006 to 14 months in 2008—within reach of its 2010 target of 12 months. This reflects in part the increasing volume of Policy-Based Lending (especially from single-tranche operations) over the last two years as well as a trend to reduce the number of conditions for disbursement.

2.19. Another important indicator is the Bank's ability to disburse operations within a reasonably short timeframe. This is measured by the disbursement ratio: the volume of disbursements made during the current year as a percentage of the undisbursed balance at the end of the previous year. A ratio of 100% means that an operation has been entirely disbursed within the first year. The Bank Group's target is to achieve a disbursement ratio of 25%. In other words, this means that there is an expectation that all operations should be disbursed, on average, within a period of four years.

2.20. Figure 2.6 below shows that in 2008 the Bank Group average disbursement ratio of 19% falls short of the Bank's 25% target. Between 2004 and 2008 Bank averages remained within relatively narrow bracket (19% to 25%).

Fig. 2.6— Trend in Bank Group’s Disbursement Ratio for Investment Projects Only, 2004-08
 (Volume of disbursements made during the current year as a % of undisbursed balance at the end of the previous year)



2.21. While the overall bank target for disbursement was not met in 2008, Fig. 2.7 below shows that when looked in greater detail there is a significant difference in disbursement ratios between windows, regions and sectors:

- *Windows.* While the Bank Group’s target is to achieve a disbursement ratio of 25%, different targets have been set for ADB Public (20%), ADB Private (50%) and ADF (20%). In 2008, only ADB Public with a disbursement ratio of 22% achieved, and exceeded, its 20% target. Both ADF (15%) and ADB Private (39%) fell short of their respective targets.
- *Subregions.* Regional analysis shows a stark contrast between the Central region with an 8% disbursement ratio and other regions with ratios between 16% (East) and 29% (South). These findings more generally suggest weak implementation capacity in low income countries and the need for the Bank to strengthen the quality of its support in these countries.
- *Sectors.* There is a difference between the two sectors that rely on quick-disbursing modalities such as lines of credit (Finance & Industry) and those that tend to disburse against specific expenditures such as agriculture and human development.

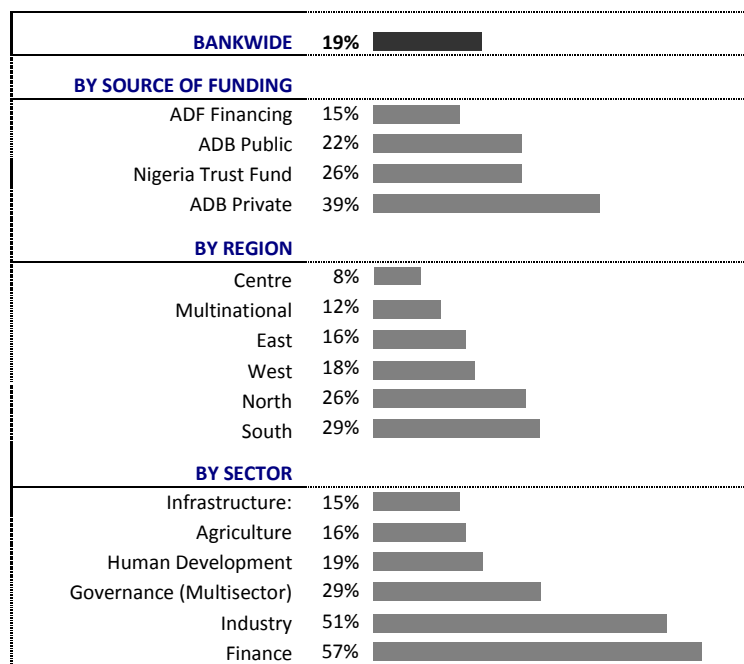
2.22. While progress has been made, the Bank must do more to overcome challenges with regard to its ability to disburse efficiently, including:

- Delays in project start-up as a result of inadequate attention to readiness or difficulties in fulfilling conditions of effectiveness or disbursement;
- Delays in implementation due to the Bank’s historically cumbersome procurement processes, lengthy disbursement procedures and inadequate supervision of operations (see below).

2.23. In recent years, these challenges have been addressed through a number of reforms such as the ambitious procurement processes aimed at increasing the Bank’s ability to disburse swiftly.

Fig. 2.7—Disbursement Ratios, 2008

(Volume of disbursements made during the current year as a % of undisbursed balance at the end of the previous year)



E. Portfolio performance in fragile and conflict affected countries











2.24. Given the importance of fragile states in the Bank's agenda, the following section examines the performance of the Bank's portfolio in the nine countries that qualify for support under the first pillar of the Bank's Fragile States Facility (see previous chapter for more information).

2.25. Figure 2.8 below compares portfolio performance of these nine fragile and conflict affected countries with all other countries against five indicators of portfolio performance: projects at risk, problem projects, operations eligible for cancellation, ageing operations and disbursement ratios.

2.26. The results show that fragile states perform less well than other countries in four out five areas. In one area, ageing operations, fragile states do better—typically reflecting the Bank's recent re-engagement in these countries.

2.27. These findings demonstrate weak implementation capacity in fragile states and the need for the Bank to strengthen the quality of its dialogue and its implementation support and portfolio supervision in these countries. This underscores the importance of a Bank presence on the ground in fragile states to overcome the daily challenges in implementation and speed Bank processes which tend to be poorly understood by clients who are re-engaging with the Bank after a prolonged hiatus.

Fig. 2.8— Portfolio Performance in Fragile States, 2008

OPERATIONS AT RISK		
Fragile States (9 countries)	47%	
All other countries	39%	
PROBLEM PROJECTS		
Fragile States (9 countries)	21%	
All other countries	6%	
OPERATIONS ELIGIBLE FOR CANCELLATION		
Fragile States (9 countries)	17%	
All other countries	5%	
AGEING OPERATIONS		
Fragile States (9 countries)	10%	
All other countries	12%	
DISBURSEMENT RATIO		
Fragile States (9 countries)	7%	
All other countries	19%	

III. STRENGTHENING PORTFOLIO PERFORMANCE

3.1. In July 2008 the Bank established a Department for Quality Assurance and Results with a view to strengthening the Bank's focus on development results and improving portfolio performance. To achieve these goals an Action Plan on Quality Assurance and Results was adopted as part of the Bank's Medium-Term Strategy 2008-2012. It focuses on five areas of reform that impact on the performance of the Bank's portfolio: i) quality at entry; ii) supervision of operations; iii) project completion; iv) decentralisation and v) data and systems for results. This chapter reviews progress made in these areas with a particular focus on reforms that affect portfolio performance and Bank supervision of the on-going portfolio.

A. Quality at entry

3.2. Some persistent portfolio problems signalled in the previous chapter are a consequence of insufficient quality at entry (QaE) and readiness of operations for implementation. A number of issues have also been flagged by a recent OPEV evaluation of the quality at entry of ADF operations and strategies. While the evaluation found that QaE is relatively strong and steadily improving over time, weaknesses commonly found in project appraisal reports include insufficient results orientation, little evidence of consultation, and deficient or declining quality of the environmental and social dimensions. In order to address these challenges, the Bank has embarked on three main courses of action:

3.3. *Simplifying results frameworks.* An assessment of the Bank's project logical frameworks showed these frameworks to be unnecessarily complicated and insufficiently applied as a design and monitoring tool. Consultations are taking place to develop simplified and results-oriented logical frameworks for operations. These frameworks will more systematically contain a set of measurable output and outcome indicators, including the Bank's core sector indicators, for which baseline data are available. The emphasis will be put on the clarity of the results chain from initial inputs to outcomes and development objectives.

3.4. *Strengthening the review process.* In late 2008, the Bank revised its review process for the preparation of strategies, operations and analytic work in order to shift responsibility toward multi-sectoral Country Teams for review at the concept and appraisal stages. The goal was to enhance alignment with country priorities, encourage strategic selectivity and facilitate knowledge-sharing and collaboration across sector teams. To further strengthen QaE, a new readiness review tool was developed on a pilot basis at the end of 2008. The readiness review assesses generic quality dimensions at project concept and appraisal stages, providing structured comments and ratings for task teams to strengthen quality at entry. For private sector operations, the Bank has introduced its Additionality and Development Outcomes Assessment (ADOA) during the review process. This assessment aims at complementing the assessment of commercial viability and enhancing the focus on development outcomes in line with the Bank's broader mandate.

3.5. *Addressing QaE gaps in social and environmental aspects.* While social and environmental aspects are part of the review process, their coverage will be improved through the new readiness review instrument. Furthermore, as the Bank will be revising its Environmental and Social Assessment Procedures (ESAP), compliance with safeguard policies will be a particular emphasis of the review process.

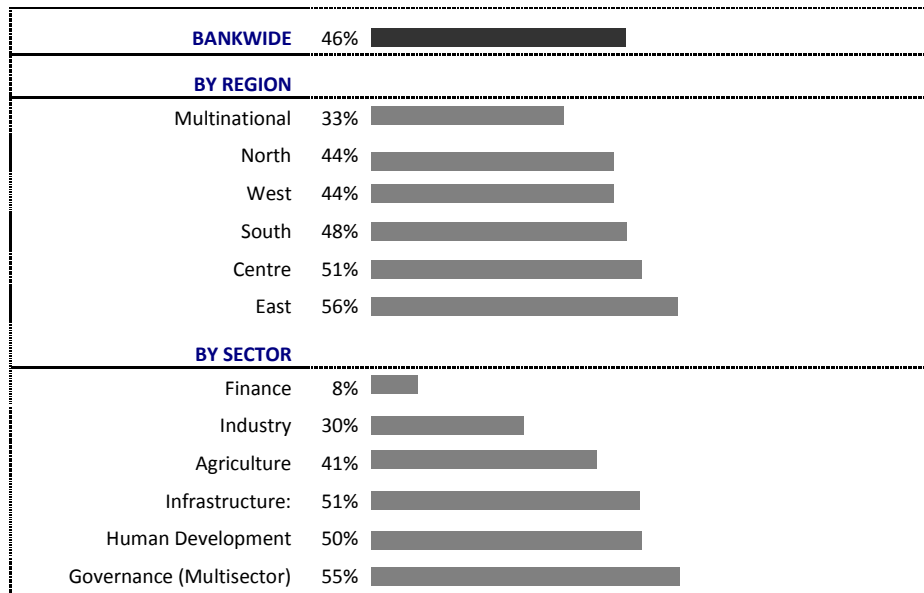
B. Supervision of operations

3.6. The Bank is committed to supervising operations twice a year. In 2008 the Bankwide

target for supervising operations at least twice a year was 33%⁷. In previous Annual Portfolio Performance Reviews, the frequency and quality of the Bank's supervision was found to be insufficient. This report finds that good progress has been made in recent years on the rate of supervisions. The share of operations supervised at least twice a year has been 46% in 2008 thereby exceeding the Bank's 2008 target. Two factors have contributed to the overall progress in supervision frequency:

- Sectors have been encouraged to budget for supervisions, and;
- The share of operations supervised at least twice a year has risen through the use of field-led missions, often aimed at addressing or preventing problem projects.

Fig. 3.1—Supervision Frequency, 2008
(Share of operations supervised at least twice a year)



3.7. While encouraging progress has been made, more efforts will be needed in the future. Frequency of supervisions is still insufficient since one out of two operations did not get any supervision in 2008. The factors that continue to affect supervision performance at the Bank include:

- *Focus.* Management does not give supervision the attention it deserves. Focus and resources are inordinately oriented towards approval of operations, all too often, to the detriment of supervision.
- *Resources and skills mix.* Supervision is clearly under resourced. The task of supervising operations rests on too few shoulders putting a heavy burden on task managers. In addition, task managers receive insufficient team support and administrative support. An increasing share of supervisions needs to be led by field offices with a greater focus on interdepartmental integration and team work.

3.8. The frequency of supervision matter, the quality of supervisions is equally important. The standards of quality for supervision are not sufficiently well defined, monitored and enforced. In addition, the Bank would gain in focusing supervisions as a matter of priority on large and risky operations.

⁷ It should be noted that a significant number of operations do not require regular supervisions. These include studies, emergency relief, project preparation facility and equity participation for the private sector. For more information on these please refer to table A3.1 in the annexes.

3.9. Recognising the need to improve the frequency and the quality of supervisions, the Bank has initiated a review of the supervision process that will:

- *Lead to increased focus on development results.* Careful attention will be given to establishing incentives that encourage greater candour in rating operations. The new system will also enable the task teams to monitor progress towards development outcomes.
- *Move towards evidence-based ratings.* It will promote more candid evidence-based performance rating. The first component in this effort is the strengthening results based supervision reporting, including evidence-based ratings and guidelines.
- *More effective management of risk.* It will be designed to elicit the main issues requiring management attention. Additional focus will be given to identifying important issues, recommending follow up action and its timing and provide managers a tool for managing the frequency and intensity of supervision in relation to the condition of the project.
- *Integrated data management system that provides management with real time information on performance of operations.*

3.10. The second aspect will build on Bank-wide decentralisation by shifting more supervision responsibility to field offices to ensure at least semi-annual supervision of actual and potential problem projects.

C. Project Completion Reporting

3.11. Another crucial determinant of the quality of the Bank's operations and portfolio is its ability to learn, record and share lessons. The preparation of Project Completion Reports (PCRs) for all exiting projects is one important way of enhancing learning and accountability. In effect, failure to enforce timely completion reporting, for example, has contributed to a tendency to not apply lessons of recent projects to the preparation of new operations; and has slowed down the transition from an approval culture to a results culture. Despite policies calling for a PCR within six months of closing, PCRs were not being prepared or were prepared with multi-year delays, creating an accumulated backlog. To improve the quality, value and timeliness of PCRs, the Bank has taken action on three fronts concurrently:

3.12. *Revamping completion reporting procedures.* In December 2008, the Bank revised its completion reporting procedures so that reports would be prepared earlier and jointly with the borrower. Instead of waiting for a separate borrower's report, PCRs are prepared jointly any time after an operation is 85% disbursed and become mandatory at 98% disbursement. Teams were asked to prioritise newly exiting projects in order to ensure timely feedback before addressing the historic backlog.

3.13. *Focusing on results achieved and lessons learned.* A simplified format for project completion reporting was introduced to replace an earlier format that was descriptive and process-oriented and often resulted in reports of 40 pages or more. The new shorter (8-10 page) format makes rating easier and more consistent, and has been designed to be fully integrated into the planned automated results reporting system.

3.14. *Transferring responsibility to the field.* New procedures envision a major role for Field Offices in completion reporting. Field staff is uniquely positioned to work jointly with the borrower to evaluate implementation challenges and progress toward results. A targeted PCR Fund was established to support field staff in conducting completion reports in countries lacking Bank offices. 60% of completion reports for 2008 exits were conducted from the field.

3.15. As a result of these Bankwide efforts, in 2008 and in early 2009, the Bank has made exceptional progress in raising the coverage of timely completion reporting—it achieved a 96% timely completion reporting rate for 2008 public sector operations. Going forward, the

challenges will be to sustain this breakthrough performance, enhance the quality of PCRs, and mainstream lessons learned into the preparation of new operations. A focus on lessons learned from prior operations within the Readiness Review will help in this regard.

D. Accelerating decentralisation

3.16. The Bank's decentralisation process is an important part of its medium-term strategy. The vision for decentralisation is that, over time: i) the Bank's major products and services are planned, prepared and delivered at country or sub-regional level; ii) decision-making is increasingly delegated to field offices, and iii) most of Bank staff will be expected to be posted for significant periods in the field.

3.17. By the end of 2008, the Bank counted 23 Field Offices operating across the continent, with three more Field Offices opening in 2009. The Bank's medium-term strategy and its action plan on quality and results call for an acceleration of decentralization and the empowering of Field Offices by delegating decision-making authority.

3.18. *Accelerating the decentralisation process.* Through local recruitment and the transfer of international staff to the field, the share of professional staff based in Field Offices has increased from 5.0% in 2006 to 15.4% by end-2008, exceeding the ADF-11 target. This share will rise in the future.

3.19. *Empowering field offices with decision-making authority.* Institutional reforms and the delegation of authority to Field Offices are speeding up business processes which are critical to portfolio implementation. Summary indicators confirm an increasing annual disbursement rate and the acceleration of project effectiveness and the procurement process, the latter being a particular concern among client countries. A push to decentralise qualified procurement officers to regional hubs is a major step forward in implementing the new streamlined procurement policies.

E. Improving data and systems for supervising portfolio

3.20. Task teams currently lack management systems that provide information on progress in achieving outputs and intermediate outcomes and real time reporting on key performance indicators (e.g., delays in procurement, disbursement, ageing, intensified risk monitoring, etc.). To remedy this work was initiated in 2008 in two key areas:

3.21. *Adopting core sector indicators.* The Bank began in late 2008 to define a set of core output and outcome indicators for all main sectors: agriculture and natural resource management, education, health, social protection, water supply and sanitation, energy, transport and governance. Core indicators reflect each sector's strategic priorities and make standardised measurements of the most common outputs and outcomes of Bank operations. These outputs and outcomes will be tracked from project design through supervision and completion as part of a comprehensive results reporting system, and can be complemented by country and project-specific indicators.

3.22. *Developing a web-based results reporting system.* The Bank will implement an automated results reporting system that creates a link from expected results (as per the logframe in Project Appraisal Reports) through progress towards results (as documented in supervision reports) to results achieved (as reported in PCRs). The business requirements of such a system have been assessed, technical solutions identified and a prototype developed.

IV. RECOMMENDATIONS

ACHIEVEMENTS & CHALLENGES. In recent years, the Bank has made considerable progress in its efforts to improve the alignment of its portfolio on its strategic priorities as well as its quality and performance. These measurable improvements are encouraging, and should further the Bank's resolve to address remaining challenges. Four important challenges that require additional attention are:

- *Quality at entry*—A persistent set of challenges identified in this report are related to the need to further enhance quality at entry and readiness of operations.
- *Implementation support*—to avoid delays in early implementation, assurances must be provided that conditions for loan effectiveness and first disbursement will be completed in a timely manner. Procurement and disbursement procedures must be simplified, relying more on country systems where appropriate and increasingly harmonised.
- *Realism*—the divergence between actual and potential problem projects (the two categories that constitute operations at risk) suggest persistent issues related to the realism of performance ratings.
- *Information systems*—the management information systems currently in place must be strengthened to better understand, capture and report Bank's contributions to the achievement of outputs and outcomes on the ground.

ACTIONS LOOKING AHEAD. To address these challenges this report recommends actions on the following fronts:

- *Further strengthening the review process and quality at entry.* It is recommended to develop and pilot a revised logical framework for operations and to formally incorporate the new readiness review as part of the Bank's operation review process. The readiness review will be rolled out to all operations, including policy-based loans, and piloted for Country Strategies in the second half of 2009 and early 2010. Orientation and training on new quality assurance and results tools will be developed and delivered to task managers as a matter of priority.
- *Revising supervision reporting to focus on progress toward results and facilitate field-based supervision.* It is recommended that the Bank fast tracks the development of a new project supervision template that is increasingly evidence-based and is anchored in the results reporting system currently under development. This will be used as the main tool for project progress monitoring and reporting.
- *Strengthened support in weak countries.* The findings presented in this report clearly suggest the need for the Bank to strengthen the quality of its support in countries in fragile situations or with weak implementation capacity.
- *Project Completion and Enhanced Results Reporting System.* Building on significant progress accomplished in the area of project completion reporting the Bank will need to sustain these efforts. It is also recommended that the Bank scales up its efforts in developing and implementing a results reporting systems that provides Task Managers and management with readily available and more agile information on progress in achieving outputs and intermediate outcomes and real time reporting on key performance indicators (e.g., delays in procurement, disbursement, ageing, intensified risk monitoring, etc.).

The Board is invited to approve the 2008 APPR.

ANNEXES

LIST OF ANNEXES:

- 1. OVERVIEW OF THE PORTFOLIO**
 - 1.1. The Bank Group's Portfolio 2007-08.
 - 1.2. Net commitments, 2007-08;
 - 1.3. Net commitments by Country 2007-08
 - 1.4. Average Size of Operations, 2007-08.
 - 1.5. Approvals, 2007-08

- 2. PORTFOLIO PERFORMANCE**
 - 2.1. Loans & Grants Eligible for Cancellation, 2008
 - 2.2. Ageing Operations, 2008
 - 2.3. Disbursement Ratios, 2007-08
 - 2.4. Operations at Risk by Sector & Region, 2008
 - 2.5. Operations at Risk by Country, 2008
 - 2.6. Problem projects 2008
 - 2.7. Potentially Problem projects, 2008
 - 2.8. Achievement of Development objectives, 2008

- 3. PORTFOLIO MANAGEMENT**
 - 3.1. Supervision Reporting, 2008

Table A1.1: **The Bank Group's Portfolio 2007-08** (UAm)

	2007		2008	
	Number	Amount	Number	Amount
OPENING BALANCE	656	10,378	680	12,451
ADF	527	6,506	528	7,298
ADB	126	3,859	149	5,141
<i>Public</i>	65	2,694	78	2,979
<i>Private</i>	61	1,165	71	2,162
Nigeria Trust Fund	3	13	3	13
APPROVALS	83	3,052	122	3,501
ADF	54	1,382	62	1,665
ADB	29	1,670	58	1,807
<i>Public</i>	12	669	26	856
<i>Private</i>	17	1,001	32	952
Nigeria Trust Fund	0	0	2	28
CANCELLATIONS		145		21
ADF	..	15	..	20
ADB	..	130	..	1
<i>Public</i>	..	126	..	1
<i>Private</i>	..	4	..	0
Nigeria Trust Fund	..	0	..	0
EXITS	59	833	105	1,432
ADF	53	575	72	971
ADB	6	258	33	635
<i>Public</i>	6	258	18	278
<i>Private</i>	0	0	15	357
Nigeria Trust Fund	0	0	0	0
NET COMMITMENTS	680	12,451	697	14,324
ADF	528	7,298	518	7,971
ADB	149	5,141	174	6,312
<i>Public</i>	78	2,979	86	3,556
<i>Private</i>	71	2,162	88	2,756
Nigeria Trust Fund	3	13	5	41
ACTIVE PORTFOLIO	680	12,451	697	14,324

Table A1.2: **Net commitments 2007-08 (UAm)**

	2007			2008		
	Number (number)	Amount (UAm)	%	Number (number)	Amount (UAm)	%
BY SOURCE OF FUNDING						
ADF	528	7,298	41%	518	7,971	44%
ADB	149	5,141	59%	174	6,312	56%
<i>Public</i>	78	2,979	24%	86	3,556	25%
<i>Private</i>	71	2,162	17%	88	2,756	19%
Nigeria Trust Fund	3	13	0.1%	5	41	0.3%
TOTAL	680	12,451	100%	697	14,324	100%
BY REGION						
Centre	89	1,461	12%	84	1,393	10%
East	115	2,479	20%	122	2,807	20%
North	58	3,072	25%	57	3,332	23%
South	93	1,669	13%	91	1,768	12%
West	212	2,562	21%	211	3,046	21%
Multinational	113	1,208	10%	132	1,978	14%
TOTAL	680	12,451	100%	697	14,324	100%
BY FINANCIAL INSTRUMENT						
Project Lending	446	9,578	77%	453	11,316	79%
Policy-Based lending	28	1,296	10%	14	662	5%
Other standalone Grants	183	1,125	9%	189	1,402	10%
HIPC Debt Relief	5	183	1%	8	385	3%
Equity Participation	13	252	2%	25	511	4%
Guarantees	2	16	0%	4	33	0%
Other (PPF, PCCF...)	3	1	0%	4	15	0%
TOTAL	680	12,451	100%	697	14,324	100%
BY SECTOR						
Infrastructure:	176	5,092	41%	179	6,032	42%
<i>Transport</i>	82	2,490	20%	80	3,027	21%
<i>Power</i>	42	1,385	11%	45	1,674	12%
<i>Water Sup/Sanitation</i>	50	1,183	9%	52	1,297	9%
<i>Communications</i>	1	33	0%	1	33	0.2%
<i>Urban Development</i>	1	2	0%	1	2	0%
Industry	58	1,881	15%	71	2,527	18%
Agriculture	233	2,509	20%	227	2,434	17%
Human Development	134	1,816	15%	126	1,869	13%
Multi sector (Governance)	78	804	6%	85	1,283	9%
Finance	1	347	3%	9	180	1%
TOTAL	680	12,451	100%	697	14,324	100%

Table A1.3: Net commitments by Country 2007-08

	2007			2008		
	Number (number)	Amount (UAm)	Avg size (UAm)	Number (number)	Amount (UAm)	Avg size (UAm)
Algeria	1	0.6	0.6	1	0.6	0.6
Angola	8	51.2	6.4	7	50.3	7.2
Benin	18	204.2	11.3	17	206.2	12.1
Botswana	5	19.0	3.8	6	56.2	9.4
Burkina Faso	25	301.9	12.1	19	276.9	14.6
Burundi	8	62.2	7.8	7	60.5	8.6
Cameroon	21	332.2	15.8	16	286.5	17.9
Cape Verde	6	21.3	3.6	6	21.3	3.6
Centrafrique	2	9.8	4.9	3	19.3	6.4
Chad	17	149.8	8.8	14	123.0	8.8
Comoros	0	0	-	1	1.5	1.5
Congo CG	3	17.9	6.0	4	18.9	4.7
Côte d'Ivoire	9	110.6	12.3	7	54.0	7.7
Dem Rep Congo	13	407.2	31.3	14	407.9	29.1
Djibouti	10	32.1	3.2	11	86.2	7.8
Egypt	10	1,061.9	106.2	7	1,299.6	185.7
Eritrea	3	40.5	13.5	3	40.5	13.5
Ethiopia	22	609.0	27.7	22	648.5	29.5
Gabon	7	275.4	39.3	5	269.1	53.8
Gambia	11	54.4	4.9	10	77.0	7.7
Ghana	30	492.0	16.4	32	561.2	17.5
Guinea	13	97.5	7.5	13	236.9	18.2
Guinea Bissau	6	36.2	6.0	7	38.2	5.5
Guinée Équatoriale	0	0	-	3	67.1	22.4
Kenya	16	393.4	24.6	20	419.3	21.0
Lesotho	8	46.2	5.8	6	39.4	6.6
Liberia	2	18.2	9.1	7	184.9	26.4
Madagascar	20	333.1	16.7	16	347.6	21.7
Malawi	14	149.1	10.7	11	140.8	12.8
Mali	23	235.4	10.2	22	255.6	11.6
Mauritania	10	90.3	9.0	14	108.1	7.7
Mauritius	6	51.0	8.5	6	51.0	8.5
Morocco	17	1,063.3	62.5	16	952.6	59.5
Mozambique	25	440.6	17.6	22	402.9	18.3
Multinational	113	1,207.6	10.7	132	1,978.1	15.0
Namibia	5	80.0	16.0	5	80.0	16.0
Niger	18	162.5	9.0	15	168.5	11.2
Nigeria	21	498.3	23.7	22	550.5	25.0
Rwanda	16	198.4	12.4	18	198.5	11.0
Sao Tome	2	8.0	4.0	2	8.0	4.0
Senegal	15	191.6	12.8	16	221.6	13.9
Seychelles	0	0	-	1	0.6	0.6
Sierra Leone	11	117.7	10.7	10	92.1	9.2
South Africa	8	666.0	83.3	9	729.9	81.1
Sudan	2	10.0	5.0	1	9.6	9.6
Swaziland	6	64.7	10.8	6	64.7	10.8
Tanzania	18	506.9	28.2	19	571.8	30.1
Togo	4	19.8	5.0	5	34.4	6.9
Tunisia	18	846.0	47.0	18	961.9	53.4
Uganda	20	513.1	25.7	24	641.2	26.7
Zambia	13	152.1	11.7	18	203.0	11.3
Zimbabwe	1	0.4	0.4	1	0.4	0.4
TOTAL	680	12,450.8	18.3	697	14,324.4	20.6

Table A1.4: **Average Size of Operations 2007-08 (UAm)**

	2007			2008		
	Number (number)	Amount (UAm)	Avg (UAm)	Number (number)	Amount (UAm)	Avg (UAm)
BY SOURCE OF FUNDING						
ADF	528	7,298	13.8	518	7,971	15.4
ADB	149	5,141	34.5	174	6,312	36.3
<i>Public</i>	78	2,979	38.2	86	3,556	41.3
<i>Private</i>	71	2,162	30.4	88	2,756	31.3
Nigeria Trust Fund	3	13	4.3	5	41	8.2
TOTAL	680	12,451	18.3	697	14,324	20.6
BY REGION						
Central	89	1,461	16.4	84	1,393	16.6
East	115	2,479	21.6	122	2,807	23.0
North	58	3,072	53.0	57	3,332	58.5
South	93	1,669	17.9	91	1,768	19.4
West	212	2,562	12.1	211	3,046	14.4
Multinational	113	1,208	10.7	132	1,978	15.0
TOTAL	680	12,451	18.3	697	14,324	20.6
BY FINANCIAL INSTRUMENT						
Project Lending	446	9,578	21.5	453	11,316	25.0
Policy-Based Lending	28	1,296	46.3	14	662	47.3
Other standalone Grants	183	1,125	6.1	189	1,402	7.4
HIPC Debt Relief	5	183	36.6	8	385	48.1
Equity Participation	13	252	19.4	25	511	20.4
Guarantees	2	16	7.8	4	33	8.2
Other (PPF, PCCF...)	3	1	0.4	4	15	3.8
TOTAL	680	12,451	18.3	697	14,324	20.6
BY SECTOR						
Infrastructure:	176	5,092	28.9	179	6,032	33.7
<i>Transport</i>	82	2,490	30.5	80	3,027	37.8
<i>Power</i>	42	1,385	33.0	45	1,674	37.2
<i>Water Sup/Sanitation</i>	50	1,183	23.7	52	1,297	24.9
<i>Communications</i>	1	33	33.0	1	33	33.0
<i>Urban Development</i>	1	2	1.9	1	2	1.9
Industry	58	1,881	32.4	71	2,527	35.6
Agriculture	233	2,509	10.8	227	2,434	10.7
Human Development	134	1,816	13.6	126	1,869	14.8
Governance (Multi sector)	78	804	10.3	85	1,283	15.1
Finance	1	347	347.4	9	180	19.9
TOTAL	680	12,451	18.3	697	14,324	20.6

Table A1.5: **Approvals 2007-08 (UAm)**

	2007			2008		
	Number (number)	Amount (UAm)	%	Number (number)	Amount (UAm)	%
BY SOURCE OF FUNDING						
ADF	54	1,382	45%	62	1,665	48%
ADB	29	1,670	55%	58	1,807	52%
<i>Public</i>	12	669	21.9%	26	855	24.4%
<i>Private</i>	17	1,001	32.8%	32	952	27.2%
Nigeria Trust Fund	0	0	0%	2	28	1%
TOTAL	83	3,052	100%	122	3,501	100%
BY REGION						
Central	12	579	19%	6	79	2%
East	24	745	24%	21	625	18%
North	8	602	20%	13	820	23%
South	9	484	16%	14	409	12%
West	15	420	14%	36	865	25%
Multinational	15	222	7%	32	703	20%
TOTAL	83	3,052	100%	122	3,501	100%
BY FINANCIAL INSTRUMENT						
Project Lending	42	2,217	73%	47	2,054	59%
Policy-Based Lending	3	52	2%	12	549	16%
Other standalone Grants	26	307	10%	41	566	16%
HIPC Debt Relief	3	153	5%	6	160	5%
Equity Participation	6	185	6%	11	145	4%
Guarantees	0	0	0%	3	25	1%
Other (PPF, PCCF...)	3	137	4%	2	1	0%
TOTAL	83	3,052	100%	122	3,501	100%
BY SECTOR						
Infrastructure:	35	1,931	63%	31	1,411	40%
<i>Transport</i>	14	790	26%	11	641	18%
<i>Power</i>	13	930	30%	11	533	15%
<i>Water Sup/Sanitation</i>	8	211	7%	9	237	7%
<i>Communications</i>	0	0	0%	0	0	0%
<i>Urban Development</i>	0	0	0%	0	0	0%
Industry	2	163	5%	4	274	8%
Agriculture	14	189	6%	18	234	7%
Human Development	11	120	4%	14	224	6%
Governance (Multi sector)	9	92	3%	26	729	21%
Finance	1	88	3%	9	298	9%
Other (HIPC,equity,Guarrantee)	11	469	15%	20	331	9%
TOTAL	83	3052	100%	122	3501	100%

Table A2.1: **Loans & Grants Eligible for Cancellation 2008**

	2007			2008		
	Operations Eligible for Cancellation (UAm)	Total Commitments (UAm)	Ratio (%)	Operations Eligible for Cancellation (UAm)	Total Commitments (UAm)	Ratio (%)
BY SOURCE OF FUNDING						
ADF	485.8	7,298	7%	510.2	7,971	6%
ADB	378.9	5,141	7%	243.0	6,312	4%
<i>Public</i>	251.5	2,979	8%	80.9	3,556	2%
<i>Private</i>	127.4	2,162	6%	162.1	2,756	6%
Nigeria Trust Fund	9.6	13	75%	5.0	41	12%
TOTAL	874.3	12,451	7%	758.1	14,324	5%
BY REGION						
Central	36.0	1,461	2%	26.0	1,393	2%
East	143.0	2,479	6%	102.0	2,807	4%
North	224.0	3,072	7%	93.1	3,332	3%
South	112.0	1,669	7%	155.0	1,768	9%
West	220.0	2,562	9%	183.0	3,046	6%
Multinational	139.3	1,208	12%	199.0	1,978	10%
TOTAL	874.3	12,451	7%	758.1	14,324	5%
BY SECTOR						
Infrastructure:	356.2	5,092	7%	436.4	6,032	7%
<i>Transport</i>	137.2	2,490	6%	302.8	3,027	10%
<i>Power</i>	165.9	1,385	12%	30.6	1,674	2%
<i>Water Sup/Sanitation</i>	53.2	1,183	4%	27.0	1,297	2%
<i>Communications</i>	0.0	33	0%	0.0	33	0%
<i>Urban Development</i>	0.0	2	0%	0.0	2	0%
Industry	1.0	1,881	0%	76.0	2,527	3%
Agriculture	175.5	2,509	7%	160.9	2,434	7%
Human Development	202.8	1,816	11%	137.9	1,869	7%
Multi sector (Governance)	37.3	804	5%	18.0	1,283	1%
Finance	101.5	347	29%	5.0	180	3%
TOTAL	874.3	12,451	7%	758.1	14,324	5%
BY FINANCIAL INSTRUMENT						
Lines of credit	112.7	949	12%	1.0	686	0%
Project loans	687.9	9,552	7%	676.8	11,061	6%
ADF Grants	73.7	1,563	5%	80.3	1,402	6%
Other (PPF, MIC ,...)	0.0	387	0%	0.0	1,174	0%
TOTAL	874.2	12,451	7%	758.1	14,324	5%

Table A2.2: **Ageing Operations 2008**

	NUMBER			NET AMOUNT		
	Ageing Operations (Number)	Total Portfolio (Number)	Ratio (%)	Ageing Operations (UAm)	Total Portfolio (UAm)	Ratio (%)
BY SOURCE OF FUNDING						
ADB	6	174	3%	149	6,312	2%
<i>Public</i>	6	174	3%	149	6,312	2%
<i>Private</i>	0	0	-	0	0	-
ADF	73	518	14%	754	7,971	9%
Nigeria Trust Fund	2	5	40%	7.9	41	19%
TOTAL	81	697	12%	911	14,324	6%
BY REGION						
Centre	12	84	14%	110	1,393	8%
East	15	122	12%	174	2,807	6%
North	6	57	11%	138	3,332	4%
South	16	91	18%	213	1,768	12%
West	27	211	13%	240	3,046	8%
Multinational	5	132	4%	35	1,978	2%
TOTAL	81	697	12%	911	14,324	6%
BY SECTOR						
Infrastructure:	8	179	4%	157	6,032	3%
<i>Transport</i>	5	80	6%	118	3,027	4%
<i>Power</i>	0	45	0%	0	1,674	0%
<i>Water Sup/Sanitation</i>	3	52	6%	38	1,297	3%
<i>Communications</i>	0	1	0%	0	33	0%
<i>Urban Development</i>	0	1	0%	0	2	0%
Industry	0	71	0%	0	2,527	0%
Agriculture	35	227	15%	368	2,434	15%
Human Development	27	126	21%	361	1,869	19%
Multi sector (Governance)	11	85	13%	26	1,283	2%
Finance	0	9	0%	0	180	0%
TOTAL	81	697	12%	911	14,324	6%

Table A2.3: Disbursement Ratios 2007-08

	2007			2008		
	Disbursed (UAm)	Undisbursed (UAm)	Ratio (%)	Disbursed (UAm)	Undisbursed (UAm)	Ratio (%)
BY SOURCE OF FUNDING						
ADB	317	993	32%	454	1,738	26%
<i>Public</i>	236	798	30%	161	1,058	15%
<i>Private</i>	81	195	42%	293	680	43%
ADF	496	3,294	15%	683	4,411	15%
Nigeria Trust Fund	6	17	36%	8	32	26%
TOTAL	819	4,304	19%	1,146	6,182	19%
BY REGION						
Centre	36	381	9%	62	797	8%
East	187	1,132	16%	262	1,598	16%
North	277	874	32%	283	1,077	26%
South	104	496	21%	224	763	29%
West	182	1,229	15%	241	1,345	18%
Multinational	35	193	18%	73	602	12%
TOTAL	819	4,304	19%	1,146	6,182	19%
BY SECTOR						
Infrastructure:	358	1,562	23%	482	3,169	15%
<i>Transport</i>	164	696	24%	196	1,740	11%
<i>Power</i>	85	301	28%	152	635	24%
<i>Water Sup/Sanitation</i>	108	559	19%	134	754	18%
<i>Communications</i>	0	5	0%	1	41	2%
<i>Urban Development</i>	0	0	83%	0	0	-
Industry	26	43	61%	64	126	51%
Agriculture	166	1,347	12%	231	1,446	16%
Human Development	147	988	15%	204	1,073	19%
Multi sector (Governance)	47	169	28%	49	166	29%
Finance	76	195	39%	116	202	57%
TOTAL	819	4,304	19%	1,146	6,182	19%
BY FINANCIAL INSTRUMENT						
Lines of credit	210	91	44%	156	259	60%
Project loans	3,333	633	19%	821	4,867	17%
ADF Grants	759	95	13%	168	1,054	16%
Other (PPF, MIC..)	1.0	0.2	0.2	0.4	1.2	37%
TOTAL	819	4304	19%	1,146	6,182	19%

METHODOLOGICAL NOTES

Policy based loans and grants: the table above DOES NOT include disbursements made in the context of policy-based loans and grants.

Disbursed: is the amount disbursed by the Bank since 1 January on all on-going operations signed prior to 1 January of the current fiscal year. For fiscal year 2008, for example, this includes all disbursements made to operations since 1 January 2008 on operations approved prior to 1 January 2008.

Undisbursed balance: is the amount scheduled to be disbursed for all on-going operations signed before the beginning of the current fiscal year.

Disbursement ratio: measures the disbursements as a percentage of the undisbursed balance (as defined above).

Table A2.4: **Operations at Risk by Sector & Region, 2008**

	NUMBER			NET AMOUNT		
	Operations at Risk (Number)	Operations supervised (Number)	Ratio (%)	Operations at Risk (UAm)	Operations supervised (UAm)	Ratio (%)
BY SOURCE OF FUNDING						
ADB	8	70	11%	323	3,413	9%
<i>Public</i>	7	56	13%	264	2,810	9%
<i>Private</i>	1	28	4%	59	603	10%
ADF	178	393	45%	2,468	5,897	42%
Nigeria Trust Fund	1	3	33%	5	17	29%
TOTAL	187	466	40%	2,796	9,328	30%
BY REGION						
Central	31	66	47%	477	1,188	40%
East	31	86	36%	657	2,222	30%
North	6	40	15%	243	2,257	11%
South	25	58	43%	313	910	34%
West	67	144	47%	777	1,883	41%
Multinational	27	72	38%	330	869	38%
TOTAL	187	466	40%	2,796	9,328	30%
BY SECTOR						
Infrastructure:	43	117	37%	1,056	3,955	27%
<i>Transport</i>	21	59	36%	611	2,116	29%
<i>Power</i>	6	21	29%	70	913	8%
<i>Water Sup/Sanitation</i>	16	37	43%	375	926	40%
<i>Communications</i>	0	0	–	0	0	–
<i>Urban Development</i>	0	0	–	0	0	–
Industry	3	35	9%	72	1,392	5%
Agriculture	64	160	40%	817	1,899	43%
Human Development	59	104	57%	728	1,576	46%
Multi sector (Governance)	18	49	37%	123	496	25%
Finance	0	1	0%	0	9	0%
TOTAL	187	466	40%	2,796	9,328	30%

Table A2.5: **Operations at Risk by Country, 2008**

	NUMBER			NET AMOUNT		
	Operations at Risk	Operations supervised	Ratio	Operations at Risk	Operations supervised	Ratio
	(number)	(number)	(%)	(UAm)	(UAm)	(%)
Algeria	0	0	-	0	0	-
Angola	3	5	60.0%	19.9	44.1	45.1%
Benin	11	15	73.3%	124.2	180.8	68.7%
Botswana	0	0	-	-	-	-
Burkina Faso	5	14	35.7%	58.4	199.1	29.3%
Burundi	2	6	33.3%	20.2	48.5	41.7%
Cameroon	8	13	61.5%	114.9	220.2	52.2%
Cape Verde	2	3	66.7%	7.0	11.1	62.7%
Centrafrique	0	2	0.0%	-	9.8	0.0%
Chad	8	12	66.7%	86.2	122.2	70.5%
Comoros	0	0	-	-	-	-
Congo CG	5	10	50.0%	150.2	305.4	49.2%
Côte d'Ivoire	2	4	50.0%	23.8	52.5	45.4%
Dem Rep Congo	1	3	33.3%	2.6	17.9	14.3%
Djibouti	4	6	66.7%	16.6	24.6	67.4%
Egypt	0	5	0.0%	-	918.6	0.0%
Eritrea	1	2	50.0%	18.6	38.5	48.4%
Ethiopia	8	16	50.0%	215.3	498.1	43.2%
Gabon	1	4	25.0%	16.1	26.9	59.9%
Gambia	2	8	25.0%	12.9	50.2	25.7%
Ghana	13	21	61.9%	218.1	308.8	70.6%
Guinea	5	9	55.6%	46.1	87.6	52.6%
Guinea Bissau	4	6	66.7%	29.0	36.2	80.2%
Guinée Équatoriale	0	0	-	0	0	-
Kenya	3	10	30.0%	74.2	306.0	24.2%
Lesotho	3	5	60.0%	13.4	32.5	41.3%
Liberia	0	1	0.0%	-	3.0	0.0%
Madagascar	7	15	46.7%	125.4	332.6	37.7%
Malawi	4	9	44.4%	36.7	100.9	36.4%
Mali	5	14	35.7%	54.3	172.1	31.5%
Mauritania	4	10	40.0%	43.3	90.3	47.9%
Mauritius	0	3	0.0%	-	35.1	0.0%
Morocco	0	9	0.0%	-	537.1	0.0%
Mozambique	11	20	55.0%	210.0	312.8	67.1%
Multinational	27	72	37.5%	330.1	1,110.7	29.7%
Namibia	0	4	0.0%	-	79.9	0.0%
Niger	4	11	36.4%	55.6	126.2	44.1%
Nigeria	3	14	21.4%	37.0	374.1	9.9%
Rwanda	5	14	35.7%	82.3	186.9	44.0%
Sao Tome	1	2	50.0%	4.0	8.0	50.0%
Senegal	6	15	40.0%	56.8	191.6	29.6%
Seychelles	0	0	..	-	-	-
Sierra Leone	4	6	66.7%	42.8	69.8	61.3%
South Africa	0	3	0.0%	-	147.8	0.0%
Sudan	0	1	0.0%	-	9.6	0.0%
Swaziland	0	3	0.0%	-	63.3	0.0%
Tanzania	5	15	33.3%	121.7	511.4	23.8%
Togo	1	3	33.3%	11.1	19.5	57.0%
Tunisia	2	15	13.3%	199.4	701.5	28.4%
Uganda	3	19	15.8%	85.6	475.1	18.0%
Zambia	4	9	44.4%	32.7	128.8	25.4%
Zimbabwe	0	0	NA	-	-	NA
TOTAL	187	466	40.1%	2796	9328	30.0%

Table A2.6: Problem projects, 2008

	NUMBER			NET AMOUNT		
	Problem projects (Number)	Operations supervised (Number)	Ratio (%)	Problem projects (UAm)	Operations supervised (UAm)	Ratio (%)
BY SOURCE OF FUNDING						
ADB	2	70	3%	53	3,413	2%
<i>Public</i>	2	56	3%	53	2,810	2%
<i>Private</i>	0	14	0%	0	603	0%
ADF	32	393	8%	294	5,897	5%
Nigeria Trust Fund	0	3	0%	0	17	0%
TOTAL	34	466	7%	347	9,328	4%
BY REGION						
Centre	11	66	17%	146	1,188	12%
East	4	86	5%	14	2,222	1%
North	1	40	3%	10	2,257	0%
South	4	58	7%	52	910	6%
West	8	144	6%	70	1,883	4%
Multinational	6	72	8%	56	869	6%
TOTAL	34	466	7%	347	9,328	4%
BY SECTOR						
Infrastructure:	5	117	4%	79	3,955	2%
<i>Transport</i>	1	59	2%	28	2,116	1%
<i>Power</i>	1	21	5%	10	913	1%
<i>Water Sup/Sanitation</i>	3	37	8%	41	926	4%
<i>Communications</i>	0	0	—	0	0	0%
<i>Urban Development</i>	0	0	—	0	0	0%
Industry	1	35	3%	25	1,392	2%
Agriculture	6	160	4%	42	1,899	2%
Human Development	11	104	11%	110	1,576	7%
Multi sector (Governance)	11	49	22%	91	496	18%
Finance	0	1	—	0	9	0%
TOTAL	34	466	7%	347	9,328	4%

Table A2.7: **Potential Problem Projects, 2008**

	NUMBER			NET AMOUNT		
	PPP (Number)	Operations supervised (Number)	Ratio (%)	PPP (UAm)	Operations supervised (UAm)	Ratio (%)
BY SOURCE OF FUNDING						
ADB	6	70	9%	270	3,413	8%
<i>Public</i>	5	56	9%	211	2,810	8%
<i>Private</i>	1	14	7%	59	603	10%
ADF	146	393	37%	2,174	5,897	37%
Nigeria Trust Fund	1	3	33%	5	17	29%
TOTAL	153	466	33%	2,449	9,328	26%
BY REGION						
Centre	20	66	30%	331	1,188	28%
East	27	86	31%	643	2,222	29%
North	5	40	13%	233	2,257	10%
South	21	58	36%	261	910	29%
West	59	144	41%	707	1,883	38%
Multinational	21	72	29%	275	869	32%
TOTAL	153	466	33%	2,449	9,328	26%
BY SECTOR						
Infrastructure:	38	117	32%	977	3,955	25%
<i>Transport</i>	20	59	34%	583	2,116	28%
<i>Power</i>	5	21	24%	61	913	7%
<i>Water Sup/Sanitation</i>	13	37	35%	334	926	36%
<i>Communications</i>	0	0	—	0	0	—
<i>Urban Development</i>	0	0	—	0	0	—
Industry	2	35	6%	47	1,392	3%
Agriculture	58	160	36%	775	1,899	41%
Human Development	48	104	46%	618	1,576	39%
Multi sector (Governance)	7	49	14%	32	496	7%
Finance	0	1	—	0	9	—
TOTAL	153	466	33%	2,449	9,328	26%

Table A2.8: **Achievement of Development Objectives, 2008**

	NUMBER			NET AMOUNT		
	Satisfactory DO (Number)	Operations supervised (Number)	Ratio (%)	Satisfactory DO (UAm)	Operations supervised (UAm)	Ratio (%)
BY REGION						
Centre	56	65	86%	793	959	83%
East	78	88	89%	2,158	2,225	97%
North	39	40	98%	2,229	2,257	99%
South	49	59	83%	781	897	87%
West	132	142	93%	1,720	1,833	94%
Multinational	69	72	96%	849	1,158	73%
TOTAL	423	466	91%	8,530	9,328	91%
BY SECTOR						
Infrastructure:	107	115	93%	3,549	3,696	96.0%
<i>Transport</i>	55	58	95%	1,830	1,887	97.0%
<i>Power</i>	20	21	96%	902	913	98.8%
<i>Water Sup/Sanitation</i>	32	36	89%	817	896	91.2%
<i>Communications</i>	0	0	–	0	0	–
<i>Urban Development</i>	0	0	–	0	0	–
Industry	35	39	90%	1,362	1,403	97.1%
Agriculture	146	159	92%	1,749	1,877	93.2%
Human Development	94	103	91%	1,473	1,556	94.7%
Multi sector (Governance)	40	49	82%	389	785	50%
Finance	1	1	100%	9	9	100%
TOTAL	423	466	91%	8,530	9,328	91%

Table A3.1: **Supervision Reporting, 2008**

	Number of supervisions	Operations requiring Supervision	Supervision Ratio	Operations Supervised Twice or more	Operations Supervised Twice or more
	(Number)	(Number)		(Number)	(%)
BY REGION					
Centre	110	68	1.62	35	52%
East	144	85	1.69	48	57%
North	60	41	1.46	18	44%
South	94	63	1.49	30	48%
West	233	156	1.49	68	44%
Multinational	114	85	1.34	28	33%
TOTAL	755	498	1.52	227	46%
BY SECTOR					
Infrastructure:	218	136	1.60	70	52%
<i>Transport</i>	100	63	1.59	30	48%
<i>Power</i>	45	29	1.55	14	48%
<i>Water Sup/Sanitation</i>	73	44	1.66	26	59%
<i>Communications</i>	0	0	-	0	-
<i>Urban Development</i>	0	0	-	0	-
Industry	13	10	1.30	3	30%
Agriculture	235	164	1.43	67	40%
Human Development	169	109	1.55	55	51%
Multi sector (Governance)	94	55	1.71	30	55%
Finance	26	24	1.08	2	8%
TOTAL	755	498	1.52	227	46%