

CATEGORY 4: PROJECTS

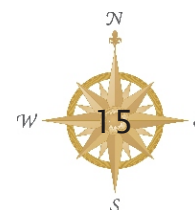
Subcategory  
4a  
IMPROVING THE  
OVERALL  
QUALITY OF  
PROJECT DESIGN

<b>MDB</b>	<b>(i) Number (%) of projects approved in the previous 2 years whose design quality was reviewed on an arms' length basis<sup>5</sup> (e.g., quality-at-entry –Q@E– reviews)</b>	<b>(ii) Number (%) of projects in (i) which received “satisfactory or better” ratings</b>
AsDB	<p>The Q@E of a randomly selected sample<sup>6</sup> of 31 projects (30%) from 103 approved in 2004 and 2005 was assessed (154 loans were approved but the quality review excluded private sector loans, TA loans, emergency loans and a credit line).</p> <p>OED has also conducted an independent assessment of the quality of Design and Monitoring Frameworks (DMFs, which focus on the overall quality of a project's or program's design). OED rated the DMFs from a total of 163 loans, 284 advisory TAs, and 142 regional TAs approved over a period of 4 years (2000, 2002, 2004, and 2005).</p>	<p>Of the 31 projects, 25 (81%) received an overall Q@E rating of satisfactory or better.</p> <p>71% and 83% of the loans in 2004 and 2005, respectively, had DMFs that were rated as at least satisfactory overall. In terms of advisory TAs, 35% and 64% were assessed as satisfactory or better in 2004 and 2005, respectively, while for regional TAs, the relevant figures were 44% and 56%, respectively.</p>
AfDB	<p>The AfDB initiated the Quality at-Entry Assessment (QEA) review in 2005 to enhance the Bank Group's quality assurance procedures and to complement the existing review and policy compliance measures. The 2005 QEA exercise entailed a review of a sample of 27 (35%) projects /programs approved by the Board of Directors during fiscal year 2004.</p>	<p>All 27 projects reviewed obtained a 'satisfactory' overall rating. However, a post review found that only 67% of projects were satisfactory.</p>
EBRD	<p>100% . By policy, all projects are scrutinized by, among others, the Credit Department with regard to sound banking and the Office of the Chief Economist with regard to transition impact. EBRD has a continuous compliance and control mechanism.</p>	<p>100% . EBRD's policy requires 100% compliance and the control systems do not allow diverting from this policy. EBRD has a continuous compliance and control mechanism.</p>
IADB	<p>In 2005 and 2006, the following projects were subject to Q@E reviews: 27 out of the 37 (73% of) Investment Projects approved in 2004; and 6 (100% of) Policy-Based Loans (PBLs) approved in 2005.</p> <p>OVE has conducted 2 reviews of project evaluability, one in 2002 and another one in 2006 (still under preparation).</p>	<p>Share of projects mentioned in the left column that had an overall rating of satisfactory or better: 23 out of 27 (85% of) of Investment Projects approved in 2004; and 4 out of 6 (67% of) PBLs approved in 2005.</p>
WB	<p>23% (150 of 571) of projects approved in FY04-05 were randomly selected for the seventh Q@E review (QEA VII).</p>	<p>92 % of projects in the QEA VII sample received a moderately satisfactory or better rating and 64 % received satisfactory or better or rating. (10 projects were rated Highly Satisfactory, 70 were rated Satisfactory, and 39 of the total sample of 130 were rated as moderately satisfactory. 119 of 130 = 92% of the reviewed projects were rated satisfactory or better.)</p>
<b>MDB</b>	<b>(i) Number (%) of projects approved in the previous 2 years that have explicit baseline data, monitoring indicators, and clearly defined outcomes to be reached</b>	<b>(ii) Number (%) of investment projects approved in the previous year that have economic analysis (either ERR or cost-effectiveness analysis)</b>

Subcategory  
4b  
STRENGTHENING  
THE RESULTS  
FRAMEWORK OF

<sup>5</sup>This implies a review carried out within Management by a Unit that is independent from the loan originating department.

<sup>6</sup>The projects were first stratified or classified by region before random selection.



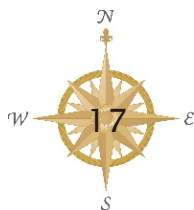
PROJECTS AT THE TIME OF APPROVAL

AsDB	An independent assessment carried out by OED for the 2005 portfolio showed that 83% of loans, 64% of Regional Technical Assistance operations, and 56% of Advisory Technical Assistance operations have explicit baseline data, monitoring indicators and clearly defined outcomes to be reached.	100% of projects have an Economic Internal Rate of Return (EIRR). The economic analysis of a project is incorporated as an appendix in the report and recommendation of the President. The Economic Analysis and Operations Support Division of the Economics and Research Department provides advisory services throughout the process and is responsible for reviewing the economic analysis at appropriate stages of project processing and for providing guidance on it.
AfDB	The guidelines for the project preparation and appraisal require that each project should include a logical framework, which clearly indicates the expected outcomes to which the project will contribute, the indicators to monitor progress towards achievement of outcomes, and the baseline data and targets. In 2005, the AfDB strengthened this requirement by introducing Results-Based Logical framework for all new projects. The 2005 QEA found that out of the 27 operations reviewed, 82% received satisfactory or better rating in terms of appropriateness of means and methodologies for monitoring outcome and evaluating project impact e.g., baseline surveys, outcome indicators.	The guidelines for project preparation and appraisal require that economic analysis, including the calculation of the economic rate of return, should be carried out for each project. The 2005 QEA found that out of the 27 operations reviewed, 75% received satisfactory or better rating in terms of quality and coherence of economic rationale and analysis underpinning the project.
EBRD	100% . By policy, all projects have monitoring indicators including on transition impact and clearly defined outcomes to be reached. EBRD has a continuous compliance and control mechanism.	100% (of Board approved public sector projects with one exception in 2006). EIRR or cost effectiveness analysis is advised but not mandatory for all public sector projects.
IADB	The Q@E review of 27 investment projects approved in 2004 shows that 19 (70%) of them had explicit baseline data, monitoring indicators, and clearly defined outcomes. The Q@E review of 6 Policy-Based Loans approved in 2005 shows that 3 (50%) of them had explicit baseline data, monitoring indicators, and clearly defined outcomes.	The Q@E review of 27 investment projects approved in 2004 shows that 17 (63%) of them have an adequate economic analysis.
WB	Relevant information at the WB is only available for IDA operations. All first Implementation Status and Results reports (ISRs) of IDA operations were reviewed in the context of the IDA-14 Results Measurement System. About 50% of IDA operations approved in FY05 and about 75% of IDA operations approved in FY06 included adequate baseline data (the definition of adequate baseline data is currently being revised based on the lessons learned during the review). QAG's seventh Q@E assessment showed that availability/quality of baseline surveys for evaluating impact and measuring outcomes could be strengthened in 40-50% of sampled operations (which includes both IDA and IBRD operations). About a third of operations could improve realism/clarity of development objectives.	The WB Group's IBRD and IDA do not keep a record of the percent of approved projects that have economic analysis, as the standard is that all lending operations include an economic analysis that integrates financial, institutional, technical, sociological, and environmental considerations. Private sector lending is managed through the International Finance Corporation (IFC) which approved 284 projects in FY06, and 100% of these included an economic analysis. This figure comes from self- and independent evaluation.
MDB	<b>(i)</b> <b>Main steps or initiatives being taken to improve quality of supervision</b>	<b>(ii)</b> <b>Number (%) of projects in execution whose monitoring or supervision reports explicitly report on intermediate outcomes achieved</b>

Subcategory 4c IMPROVING THE QUALITY OF

PROJECT  
SUPERVISION

AsDB	No major initiatives or steps are underway at the moment.	100% of all loans and TAs under implementation are monitored through the Project Performance Report (PPR) and the TA Performance Report (TPR). Indicators monitored include updated status of intermediate outcome achievement. Quarterly meetings are held in each regional department to discuss the status of projects and related issues.
AfDB	<p>In 2006, the AfDB introduced a new supervision report format to be used by operational complex while supervising projects. The new format aims at orienting the project supervision process towards monitoring the achievement of intended results. The AfDB also launched in 2006 the Quality of Supervision Assessment (QSA), whose objective is to carry out an in-depth review of the project supervision process so as to ensure that it is focused on monitoring expected outcomes and effectively resolves all the issues that may arise during project implementation.</p> <p>The QSA measures the quality of project supervision on the basis of the following criteria: (i) focus on development goals and development effectiveness; (ii) aspects of project management and execution performance, (technical, financial, administrative, etc); (iii) relevance of inputs and supervision processes; and (iv) realism and accuracy of project performance reports.</p>	The project supervision report format requires staff to analyze the progress made towards achieving intermediate outcomes. Data on actual compliance will be provided by the on-going QSA exercise.
EBRD	A comprehensive system is in place, which guarantees high quality of supervision. It does not require improvements. EBRD has a continuous compliance and control mechanism.	100%. EBRD policy requires annual or bi-annual review of projects by means of monitoring reports that report on intermediate outcomes. EBRD has a continuous compliance and control mechanism.
IADB	At present, the IADB does not carry out formal reviews of supervision quality such formal reviews will be considered upon approval of the risk management systems currently being designed. Meanwhile, the IADB is taking initial steps to validate the accuracy and reliability of the monitoring systems it uses for project supervision (Project Performance Monitoring Reports and Project Completion Reports). A pilot performance rating validation exercise was carried out in 2006 and will be scaled up next year.	At the end of 2005, the IADB reviewed the Project Performance Monitoring Reports of 15% of the 494 projects under implementation. It was found that 70% of them satisfactorily explained progress towards achieving Development Objectives.

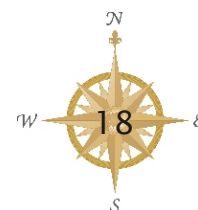


Subcategory  
4d  
ENSURING TIMELY  
IMPLEMENTATION  
OF PROJECTS

WB	<p>The Quality Assurance Group (QAG) has conducted periodic quality-of-supervision assessments for about 10 years. Recommendations arising from these assessments are used to improve supervision quality. In 2006 the main steps taken to improve supervision quality were: (i) the Africa Region of the WB declared amnesty (i.e., no penalty vis-à-vis scoring of problem project status) and an escrow fund of \$1.1 million was established to provide additional funding for supervision of problem projects on a demand basis; (ii) the Infrastructure network identified lessons aimed at improving development impact, showing how 'self evaluation' can complement IEG's independent evaluations; and (iii) revised (and simplified) procedures for project restructuring were approved in July 2006, which are designed to ease administrative constraints to project restructuring and therefore encourage candor in reporting as well as project performance.</p>	<p>According to the QAG's 2006 quality-of-supervision assessment, 91% of projects under implementation were rated moderately satisfactory or better (and 58% of projects were satisfactory or better) in focusing on outcomes or development effectiveness during supervision. Revised restructuring procedures will allow use of project restructuring as a proactive supervision tool to help increase the rate of satisfactory project outcomes by addressing problems through corrective actions before they become compounded. The new procedures provide a more flexible range of project restructuring options. Board approval will be required when significant project changes involve modifications of project development objectives and/or associated outcome targets. But regional vice-presidents will be able to approve restructurings that do not involve change in development objectives or associated outcome targets. Also covered in the procedures are better recognition and incentives for teams that conduct restructuring, measures to shorten their processing, etc.</p>
MDB	(i) <b>"Disbursement Ratio"<sup>7</sup></b>	(ii) <b>Actual vs. planned execution period (between loan approval and closing date) of projects completed during previous year (months and %)<sup>8</sup></b>
AsDB	<p>The disbursement ratio was 20.7% in 2005, and 11.3% as of September 30, 2006. 2005: \$4.545 billion / \$ 21.996 billion 2006: \$ 2.274 billion / \$ 20.081 billion</p>	<p>In 2005 the average actual implementation period was 86.8 months, compared to the average planned original of 64.7 months (34% delay). In Sep 2006 the average actual implementation period was 95.7 months compared to the average planned original of 68.2 months (40% delay).</p>
AfDB	<p>In 2005 the disbursement ratio was 27.3%. (UA 1.237 billion / UA 4.536 billion)</p>	<p>Average actual implementation period was 63.6 months, compared to average planned original of 41.6 months (53% delay).</p>
EBRD	<p>In 2006 the disbursement ratio was 55%. Raw data: Euro 3.7 billion / Euro 6.7 billion</p>	<p>10% of projects have delays superior to 6 months (an estimated delay of about 3 months or 10% for each project on average)</p>
IADB	<p>As of December 31, 2006, the disbursement ratio was 31.7% excluding policy-based loans and emergency loans. [Note: US\$ 5,257.3 million / US\$ 16,585.7 million.]</p>	<p>As of December 31, 2006, average actual execution period (of projects exiting the portfolio during 2006) was 75.3 months compared to the average planned period of 47.6 months (58% delay).</p>

<sup>7</sup>Amount disbursed during a previous 12-month period as % of amount available for disbursement at the beginning of that 12-month period.

<sup>8</sup>Excludes policy-based loans and emergency loans.



Subcategory  
4e  
PORTFOLIO RISK  
MANAGEMENT

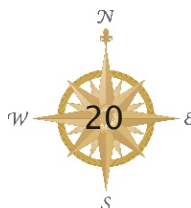
WB	<p>In FY2006, the disbursement ratio was 22.6%. It is calculated as the ratio of IBRD/IDA disbursements in fiscal year over opening undisbursed amount at beginning of the fiscal year and is restricted to investment projects.</p> <p>The undisbursed balance at the beginning of the fiscal year was \$54.568 billion and disbursements during the year were \$12.278 billion.</p>	<p>N.A. The average project age for both investment loans and DPLs in FY05 and FY06 was 5.5 years. An investment project is considered to be overage if it has been active for more than 8 years; the relevant figure for a DPL is 4 years. The QAG has reported that in FY04 and FY05, 74 investment lending projects were overage.</p>
MDB	<p><b>(i)</b> <b>Number (%) of projects in execution as of June 30, 2006 with unsatisfactory implementation progress and/or with development objectives not likely to be achieved</b></p>	<p><b>(ii)</b> <b>"Proactivity Index"<sup>9</sup> as of June 30, 2006</b></p>
AsDB	<p>In 2005, 16 (3.1%) of the 512 loans under implementation were rated unsatisfactory in either implementation progress or impact and outcome.</p> <p>As of September 2006, 16 (3.2%) of the 494 loans under implementation were rated unsatisfactory in either implementation progress or impact and outcome.</p> <p>These figures are based on self-assessments and are a part of regular portfolio reviews.</p>	<p>Proactivity index in 2005 is 75.4% (52 loans) compared to 55.4% (31 loans) as of September 2006.</p> <p>2005: 52 loans out of 69 (75.4%) 2006: 31 loans out of 56 (55.4%) as of September 30</p>
AfDB	<p>In 2005, 42 out of 368 supervised operations (11.4%) showed unsatisfactory implementation progress or development objectives unlikely to be achieved. These figures are based on ratings reported by staff responsible for project supervision.</p>	<p>Actions are taken on all projects with unsatisfactory implementation progress and/or with development objectives not likely to be achieved. The AfDB periodically prepares, for each Regional Member Country, a Country Portfolio Performance Review (CPPR), which reviews the performance of all on-going operations in the country. The CPPR includes a section on 'proactive management of the portfolio', which highlights the potential future problems and solutions, and the lessons learned for future country strategy and portfolio management. It also includes a matrix of measures to address all the implementation issues identified. Country Portfolio Improvement Program (CPIP), which analyses the trend in portfolio performance and a program for remedying both the generic problems and the operations specific problems identified, are also prepared. CPIP tools include mid-term reviews, restructuring, closure, cancellation, special supervision, bank-Government workshops, and training programs. At the Bank level, the Annual Portfolio Performance Review report identifies generic issues affecting the AfDB portfolio, and measures are taken to address these issues. The AfDB does not calculate this percentage although, as indicated, action is taken on any projects showing either unsatisfactory implementation progress or development objectives not likely to be achieved.</p>

<sup>9</sup>Proportion of projects mentioned in (i) 12 months earlier (t-1) on which actions related to risk management have been taken such as: upgraded, restructured (includes reformulations), suspended, closed, partially or fully canceled during the last 12 months.

Subcategory  
4f  
PROJECT  
COMPLETION  
REPORTING<sup>10</sup>

EBRD	On the one hand, 6% of projects (39 out of 622) are unlikely to meet their development objectives (i.e., they are rated 6, 7 or 8 on a scale from 1 to 8). On the other hand, 0.31% of the loan operating assets are impaired. Both figures are given by arms' length reviewers (Office of the Chief Economist and Risk Management Department).	100%. EBRD policy requires that risk-management actions be taken with regard to all projects with impaired credit risk.
IADB	As of December 31, 2006, 18.1% (92 out of 509) of projects in execution had unsatisfactory implementation progress and/or development objectives not likely to be achieved.	During the 12 months ending December 31, 2006, proactive measures were taken for 67.9% (53 out of 78) projects that, as of December 31, 2005, had been considered to have unsatisfactory implementation and/or development objectives not likely to be achieved.
WB	As of June 30, 2006, 14% of projects were at risk of not meeting their development objectives. This figure includes two types of projects: actual problem projects, as identified by the latest supervision ratings; and potential problem projects which are identified by the presence of at least 3 of 12 leading indicators of future problems (each of the 12 indicators is a "flag" pointing toward final outcomes).	As of June 30, 2006, 81% of projects rated as actual problem projects 12 months earlier had been upgraded, restructured, suspended, closed, partially or fully cancelled).
<b>MDB</b>	<b>(i) Number (%) of projects for which a "Project Completion Report" (PCR) was scheduled to be completed in the previous year, and for which a PCR was actually finalized in the previous year</b>	<b>(ii) Quality of PCRs: Number (%) of PCRs evaluated during the previous year with "satisfactory or better" quality in terms of the appropriate use of outcome indicators</b>
AsDB	In 2005, 61 of PCRs were circulated out of the 71 planned (85.9%). As of 30 Sep 2006, 29 PCRs circulated out of the 64 planned (45.3%).	In 2005, 47 out of 60 PCRs (78.4%) were rated "successful or highly successful" in terms of the appropriate use of indicators.
AfDB	55 out of 86 (64%) in 2005. In 2006, 46 out of 96 (48%).	In 2005, 18 out of 21 (86%). In 2006, 7 out of 8 (86%).
EBRD	100% (622/622), where 622 is the total number of projects under implementation and therefore under monitoring in 2006. Outcome indicators are measured bi-annually or annually during the life of every project/loan as they are not necessarily linked to the physical completion of the project. All projects approved by the Board since 1999 are monitored for transition/development outcome indicators.	94% (see 4.e: 6% have unsatisfactory implementation for development/transition objectives)
IADB	During the 12 months ending December 31, 2006, 54 PCRs were approved out of 76 expected to be approved (67.5%).	In 2005, 18 out of the 35 PCRs that were reviewed (51.4%) were rated "satisfactory or better" in terms of the appropriate use of outcome indicators.
WB	330 Implementation Completion Reports (ICRs) in FY05, and 266 during FY06. The WB's policy is that ICRs should be completed within 6 months of the closing date of the project, and 'validated' by IEG, within a month of their submission to the Board and IEG. 100% of lending operations in both IDA and IBRD are validated by IEG. Compliance with these procedures is not monitored.	The WB does not rate separately this aspect of ICRs. Only the overall quality is rated.

<sup>10</sup>Project completion reports are typically prepared shortly after the end of project implementation, and provide an account of, among other things, the extent to which outputs and outcomes were achieved, and of the likelihood of attaining the development objectives.



Subcategory  
4g  
PROJECT EX-POST  
EVALUATION

<b>MDB</b>	<b>(i) Number of projects independently reviewed ex-post<sup>11</sup> during the previous year, as a % of the average number of projects completed annually during the last 5 years</b>	<b>(ii) Number (%) of projects in (i) which received “satisfactory or better” ratings with respect to achievement of development objectives</b>
AsDB	OED evaluated a total of 19 projects/programs (one of which was for a private sector project) last year. This accounted for around 32% of the annual average number of completed projects with PCRs during the last five years.	Of the 18 public sector projects evaluated by OED, 11 (or 61%) were assessed as at least effective in achieving their purpose/outcome.
AfDB	In 2006, 9 out of 30 (30%). The review was carried out by the AfDB's Operations Evaluation Department (independent review).	7 out of 9 (78%). The review was carried out by the AfDB's Operations Evaluation Department (independent review).
EBRD	On average, EvD evaluated 53 projects per year which amounts to 73% of 73 projects ready for evaluation.	76% or 40 projects of a total of 53 evaluated projects received a satisfactory or better rating on transition impact.
IADB	The IADB's ex-post evaluation policy (GN-2254) calls for carrying out, on a sample basis, in-depth ex-post evaluations of the results (impact and/or outcome) of IADB-financed operations, two or more years after completion. In 2005 the independent evaluation office OVE carried out 33 ex-post evaluations, or 43% of the average number of projects completed annually during the past 5 years, which is 77.	The independent ex-post project evaluations do not include a specific rating with respect to the achievement of development objectives.
WB	IEG conducts Project performance assessments reports, which includes a field visit, for 25% of projects usually 6 months to several years after project completion.	IEG evaluated (as of Dec13, 2006) the following number of ICRs by fiscal year: FY02 (270), FY03 (286), FY04 (303), FY05 (291) and FY06 (114). The number of operations that were satisfactory or better as of this date was: FY02 (77%), FY03 (74%), FY04 (78%), FY05 (82%) and FY06 (81%). Ratings for development outcomes reported in IEG's Evaluation Summaries (ESs) are mostly based on data included in the ICRs. Additionally, IEG prepares more in-depth Project Performance Assessment Reports (PPARs) for about a quarter of completed projects, typically 3-4 years later. For the years FY01-FY05, 75% of the PPARs were found satisfactory by IEG.

<sup>11</sup>The ex-post evaluation is focused on the achievement of development objectives several years after project completion.

