

Corporate
Evaluation

ADB-Administered Trust Funds and Other Cofinancing, 2015–2024



Independent
Evaluation **ADB**

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Corporate Evaluation Report
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**ADB-Administered Trust Funds and Other
Cofinancing, 2015–2024**

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NOTE

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

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Abbreviations

ADB	–	Asian Development Bank
AIIB	–	Asian Infrastructure Investment Bank
BFC	–	Blended Finance Committee
BPMSD	–	Budget, People, and Management Systems Department
CCPF	–	Partner Funds Division, Climate Change and Sustainable Development Department
CFPS	–	Canadian Climate Fund for the Private Sector in Asia
CIF	–	Climate Investment Fund
COVID-19	–	coronavirus disease
CPS	–	country partnership strategy
DFI	–	development finance institution
DMC	–	developing member country
DMF	–	design and monitoring framework
EBRD	–	European Bank for Reconstruction and Development
FIC	–	fund investment committee
FPF	–	financing partnership facility
GCF	–	Green Climate Fund
GEF	–	Global Environment Facility
IDB	–	Inter-American Development Bank
IED	–	Independent Evaluation Department
IFC	–	International Finance Corporation
JFICT	–	Japan Fund for Information and Communication Technology
JFPR	–	Japan Fund for Prosperous and Resilient Asia and the Pacific
LEAP	–	Leading Asia's Private Infrastructure Fund
MDB	–	multilateral development bank
NSO	–	nonsovereign operations
OCO	–	Office of Cofinancing Operations
PSOD	–	Private Sector Operations Department
SPD	–	Strategy, Policy, and Partnerships Department
SPSP	–	Strategic Partnership Division, SPD
TA	–	technical assistance

Glossary

ADB-administered cofinancing	– Can be either full administration or partial administration. Full administration means that ADB provides a full range of services to the financing partner (opening and management of fund accounts, procurement of goods and services, supervision of project implementation, disbursement of funds, closing of accounts, and reporting). Partial administration means funds are not transferred to Asian Development Bank (ADB), and ADB provides a limited range of services, such as procurement of goods and services, disbursement review, reporting, limited financial reporting, safeguard compliance, and ensuring of anticorruption initiatives and integrity.
commercial cofinancing	– Mobilized from private or public sources on commercial and market-based principles, outside official development assistance and without direct sovereign recourse in case of loss. Commercial cofinancing partners include banks, insurers, pension funds, suppliers, or bilateral and export finance institutions. Commercial cofinancing can be short or long term. This evaluation covers only long-term cofinancing.
global fund	– A global funding initiative for which an organization acts as its global trustee or administrator. It is not a trust fund or a financing partnership facility (FPF). A global funding initiative typically leverages a variety of public and private resources in support of international initiatives, enabling the development partner community to provide a direct and coordinated response to global priorities. Most have supported programs that are focused on the provision of global public goods, such as preventing communicable diseases, responding to climate change, and promoting food security.
financing partnership facility	– An operational mechanism that ADB establishes for strategic, long-term, and multi-partner cooperation, linking various forms of assistance in a coordinated manner for a well-defined purpose. Individual trust funds may be established under an FPF.
framework agreement	– A type of cofinancing arrangement where ADB signed a memorandum of understanding with bilateral or multilateral partners for a long-term cofinancing partnership.
innovation	– As described in the establishment papers of several trust funds, it is characterized by projects that involve adoption of advanced technologies, piloting of new approaches and models, and scaling-up of successful interventions.
other concessional cofinancing	– Cofinancing (other than on market terms) from financing partners such as philanthropies, the private sector, nongovernment organizations, and agencies with funding

	outside of the official development assistance budget of a country or countries, which when combined with commercial or market-based financing is deployed as blended finance.
project-specific cofinancing	– Unique to sovereign operations, project-specific cofinancing mobilizes financing partners' funding for individual projects. A similar cofinancing arrangement for nonsovereign operations is bilateral or multilateral cofinancing.
special funds	– Funds as described in Article 19 of the ADB Charter established and administered by the bank for special purposes, such as the Asian Development Fund, Asia Pacific Disaster Response Fund, and Climate Change Fund, among others.
trust fund	– A managed account established by ADB for accepting contributions from financing partners, with such contributions being administered by ADB in accordance with terms and conditions agreed with financing partners. The managed account is neither a special fund nor project-specific cofinancing.

Sources: ADB. ADB Trust Fund Guidelines. Unpublished; ADB internal site on Partnerships; [ADB Private Sector Financing website on commercial cofinancing for nonsovereign projects](#) (accessed 6 December 2024); various trust fund establishment papers.

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Foreword

Like other multilateral development banks, the Asian Development Bank (ADB) combines its own resources with external funds to finance its operations. These funds, in particular trust funds, are meant to add value through innovation, piloting, and scaling-up of successful models to respond to global priorities such as climate change, gender equity, and poverty reduction. Have they done so effectively and efficiently, and have they served ADB's strategic objectives? These main questions are addressed in this evaluation.

The evaluation covered a total of 61 ADB-administered trust funds active between 2015–2024 and 9 global funds where ADB served as an implementing partner. Combined with project specific cofinancing administered by ADB, this external support totaled \$14.7 billion over the evaluation period, including \$3.4 billion for trust funds.

The evaluation explored the extent to which ADB-administered trust funds and other cofinancing mechanisms have achieved their objectives and contributed value in alignment with ADB's corporate strategies and developing member countries' priorities. It assessed the relevance and coherence of ADB's strategic approach to originating and deploying these funds. It also examined their effectiveness in delivering development outcomes and added value, and the efficiency of ADB's organizational capacity to manage and administer them.

The findings reveal both the strengths and the systemic gaps in how ADB mobilizes, manages, and delivers external resources. They highlight the need for a more coherent strategic approach and stronger institutional coordination. Most importantly, they underscore the immense potential of trust funds and other cofinancing to catalyze learning and transformative development outcomes when they are deployed effectively and efficiently.

This report is the product of rigorous analysis, extensive consultations, and a commitment to evidence-based learning. It is intended not only for practitioners within ADB and policymakers in the region, but also for our partners, donors, and stakeholders across the development community.



Emmanuel Jimenez
Director General
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Executive Summary

Purpose and Scope of the Evaluation

External finance has played a key role in leveraging the resources of the Asian Development Bank (ADB) for its development priorities since its establishment. A critical subset of external cofinancing, and the focus of this evaluation, are trust funds and project-specific cofinancing, including global funds, administered by ADB. ADB trust funds are platforms for donors to channel funds to some or all developing member countries (DMCs) for development purpose, reflecting donor priorities. When used as blended finance for nonsovereign operations, trust funds can help reduce investment risks and make projects more bankable in higher-risk and underserved markets and sectors. ADB-administered project-specific cofinancing is a partnership focused on financing individual ADB projects with support from bilateral and multilateral partners.

Aid architecture has become increasingly complex and fragmented, with fewer concessional resources. It is more critical than ever that external financial resources administered by ADB be deployed strategically, efficiently, and effectively to maximize ADB's development effectiveness.

This corporate evaluation assesses the strategic relevance and coherence, effectiveness and efficiency in achieving development outcomes, and institutional arrangements of ADB-administered trust funds and other cofinancing mechanisms from 2015 to 2024. The evaluation period covers a core portfolio of \$14.7 billion in commitments, including \$3.4 billion from trust funds, representing 16% of ADB's total cofinancing.

Key Findings

A. Strategic Relevance and Coherence

ADB's Charter provides a clear mandate to promote cofinancing, yet ADB lacks a coherent strategic framework for managing trust funds and other cofinancing under its administration. While Strategy 2020 and Strategy 2030 provide high-level direction, operational guidance is fragmented. The 2006 Financing Partnership Strategy (FPS) was positioned as an institution-wide strategy covering operational and supporting departments. However, the FPS has never been updated, was approved only at the department level and was implemented through the Office of Cofinancing Operations (OCO), which was dissolved in 2019. Trust fund guidelines were updated in 2024, but these are not public documents.

Trust funds are generally aligned with ADB and DMC priorities, especially climate change, gender equality, and poverty reduction. However, country partnership strategies (CPSs) rarely discuss trust funds in detail. In practice, trust funds are agreements between ADB and donors, with little direct consultation with DMCs on their establishment or deployment. Project-specific cofinancing is more likely to be reflected in CPSs and involve more direct engagement between cofinancing donor partners and DMCs.

External coherence was strongest for project-specific cofinancing, where ADB, development partners, and DMC governments worked together on the origination and design of investments. External coherence was weaker for trust funds, as they represent agreements between ADB and donors, and DMC governments were largely excluded from the origination

process, except in rare cases of ADB single-country trust funds, such as the Afghanistan Infrastructure Trust Fund and the Typhoon Yolanda Multi-Donor Trust Fund for the Philippines. Internal coherence challenges centered on institutional fragmentation and lack of coordination in trust fund origination and management. For example, the proliferation of new trust funds since 2020 focusing on climate issues were not primarily consolidated with stronger internal coherence and coordination.

B. Effectiveness and Efficiency

Isolating the effectiveness of trust funds and cofinancing is challenging because of attribution issues. Where data is available, trust funds are generally associated with better success rates in validations, which may be linked to their large share of technical assistance (TA), as TA typically performs better than investments. No difference was reported for validated projects with project-specific cofinancing.

Added value was assessed using contribution analysis. All cofinancing adds value; even when it replaces ADB's own resources, it creates opportunities to deploy those resources elsewhere. However, trust funds are typically designed to contribute to innovation, capacity development, and knowledge generation, particularly through TA, as confirmed in closed and validated projects. Trust funds add value by supporting global and regional public goods and enabling the piloting and scale-up of new approaches and technologies. Trust funds can also enhance project implementation by providing capacity development, technical support, and specialized studies. ADB serves as an implementing partner for nine global funds that align with and support its strategies and priorities, particularly on poverty reduction, climate change, and innovation. Knowledge generation and dissemination from these funds, although extensive, are not centrally managed nor curated.

The evaluability of individual trust funds is constrained by attribution issues, weak monitoring frameworks—present in just more than half of the trust funds—and limited closing reports, with only 7 of 14 funds closed during the evaluation period having completion reports. The use of evaluations during midterm implementation or at closing is rare, but good-practice examples exist, mostly driven by donors, and could be applied more systematically.

In nonsovereign operations (NSO), trust funds have enabled concessional financing and risk reduction in high-risk markets. Most NSO trust funds, however, are investment focused with limited TA support, and donor contributions are predominantly structured as returnable capital. Validated NSO projects with trust funds perform better on the additionality criterion than validated projects without trust fund contributions.

Disbursement ratios for trust funds and global funds are lower than ADB averages. For closed trust funds, fund utilization was generally high. For the active portfolio, however, some donors expressed concerns about slow disbursement rates and visibility of results. In some cases, expectations between ADB and donors about when results are likely to accrue are not realistically set, especially for investment support.

C. Institutional Arrangements

ADB's institutional setup for managing trust funds and cofinancing is fragmented and lacks sufficient coordination. From 2020 to 2024, the number of new trust funds rose rapidly to 21, up from 10 in the previous 5-year period. These included 10 new stand-alone trust funds, whose administrative burden could have been reduced had these been housed under existing financing partnership facilities. The seven new NSO trust funds were matched by a commensurate increase in contributions; however, contributions to the new sovereign-focused trust funds were smaller.

The dissolution of OCO in 2019 led to dispersed responsibilities across departments. Strategic oversight by senior management is absent, and coordination challenges persist in fundraising, IT, and reporting systems. Fundraising efforts tend to be ad hoc, opportunistic, and primarily driven by donor interest and availability rather than by a strategic approach. Monitoring and evaluation systems remain underdeveloped, with only 57% of trust funds having results frameworks, limiting opportunities to capture knowledge and lessons. Staff survey results highlight insufficient resources and a lack of centralized support. Multi-donor financing partnership facilities housed within ADB sector groups tend to have better resources and more robust governance, monitoring and reporting systems.

Learning from trust funds is not systematically curated, and staff capacity has not kept pace with the growth in the number of trust funds. Insufficient training and support for trust fund managers and focal persons further limits institutional effectiveness.

Most NSO trust funds are managed by the Guarantees and Syndication Unit. The Private Sector Operations Department (PSOD) lacks a dedicated or coordinated fund mobilization function, unlike other multilateral development banks. For ADB, it was important to establish a sufficiently rigorous system to ensure subsidized capital does not distort markets and is used to demonstrate and leverage highly developmental transactions. However, PSOD perceives ADB's blended finance governance processes as less streamlined and more bureaucratic than those of peers. The Strategy, Policy, and Partnerships Department (SPD) has provided training workshops for blended finance transactions, and recent updates to staff instructions initiated by SPD have shortened processing times.

Conclusions and Recommendations

ADB-administered trust funds and cofinancing mechanisms are strategically relevant and add value, particularly by supporting innovation, scaling-up, and climate change priorities. However, coherence shortcomings persist, the effectiveness of this support is challenging to measure, and institutional inefficiencies hinder optimal delivery. A more coherent strategy, streamlined governance, and robust evaluation practices would strengthen ADB's setup for delivery.

The following are recommended:

1. Develop an updated strategic approach to financing partnerships or an equivalent framework and consider developing a consolidated cofinancing policy.
2. Elevate strategic oversight by placing overall cofinancing coordination under senior management.
3. Professionalize trust fund management through mandatory, standardized training.
4. Strengthen monitoring and evaluation systems and widen the adoption of centralized IT platforms for reporting.
5. Enhance the efficiency and implementation of ADB's blended finance governance by further streamlining processes.

Links Between Findings and Recommendations

Recommendations	Findings, Issues, and References
1. Develop an updated strategic approach to financing partnerships or an equivalent framework and consider developing a consolidated cofinancing policy.	- ADB lacks strategic guidelines for current and potential partners. The 2006 Financing Partnership Strategy is outdated and does not reflect the evolution of cofinancing and trust fund management since it was published. The updated trust fund guidelines are not public documents, and most staff are unaware of their existence (paras. 28 and 34). - Internal coherence challenges include the fragmented policy framework governing cofinancing at ADB. Interviews with DMCs and resident missions indicate interest in learning more about available trust funds. Internal fragmentation and lack of coordination persist, and ADB's organizational structure for cofinancing is fragmented. Strategic coordination is dispersed across departments, and donors experience confusion because of multiple entry points and inconsistent engagement (paras. 32–33, 35, 66–67). - Other MDBs have formal and published cofinancing and trust fund strategies and guidelines. ADB does not have strategic guidelines for current and potential partners to explain options for contributing to trust funds and cofinancing (para. 29).
2. Elevate strategic oversight by placing overall cofinancing coordination under senior management.	- The dispersion of responsibilities has led to a lack of coherence, overlapping functions, duplication of operating systems, and inconsistent engagement with financing partners. No staff above director level holds a strategic role in cofinancing and trust funds. There is a lack of clarity in fundraising and management approaches (paras. 66–67). - Senior-level oversight and leadership are lacking. Interviews with ADB staff and donors indicate coordination challenges, fragmentation, and insufficient leadership. Some peer MDBs have more centralized senior coordination for partnerships (paras. 68–69).
3. Professionalize trust fund management through mandatory, standardized training.	- The current staffing configuration is insufficient, and the nature of ADB financing partnerships has become more complicated. Unlike other MDBs, ADB does not have a dedicated team on fundraising for NSO trust funds (paras. 66, 82 and 85).

Recommendations	Findings, Issues, and References
	- Orientation, training, and support for trust fund managers are limited. Unlike the World Bank and IFC, ADB does not have an accreditation system for new trust fund managers (para. 83). - ADB staff ranked “clearer guidelines” as the top institutional support need. Agreement was low on the adequacy of staff resources and the ease of meeting reporting requirements (para. 84).
4. Strengthen monitoring and evaluation systems and widen the adoption of centralized IT platforms for reporting.	- Only 7 of 14 closed trust funds had closing reports. A weak monitoring and evaluation framework hinders the assessment of meaningful results (paras. 73–74). - Only 57% of trust funds have results frameworks. For trust fund reports with DMF, assessing them is difficult because of inconsistent quality and limited available data. Reporting is inconsistent and fragmented because of the lack of centralized IT systems. Only 31% of trust funds included planned evaluations. Good practices exist but are not widely adopted (paras. 71–74 and Box 6). - In NSO trust funds, design and monitoring frameworks lack standardization. Across all trust funds, weak results monitoring frameworks make learning ad hoc and not systematically curated (paras. 72–74).
5. Enhance the efficiency and implementation of ADB’s blended finance governance by further streamlining processes.	- Challenges with the Blended Finance Committee include perceived rigidity and complexity, lack of delegated authority for small projects, and excessive documentation. Compared with other MDBs, ADB has a less efficient governance model (paras. 78 and 80, and Box 7). - ADB’s blended finance volumes are lower than those of peer MDBs. Benchmarking shows ADB had the fewest signings, the smallest total volume, and the lowest share of blended finance in its overall operations (para. 81).

ADB = Asian Development Bank, IFC = International Finance Corporation, MDB = multilateral development bank.

CHAPTER 1

Motivation, Scope, and Methodology

A. ADB's Strategic Stewardship of Trust Funds and Cofinancing in a Complex Aid Environment

1. External finance has played a key role in leveraging the resources of the Asian Development Bank (ADB) for its development priorities since its establishment. Despite impressive economic growth and development in Asia and the Pacific, formidable and evolving challenges remain, and external financing to augment ADB's own resources is more important than ever. This focus on resource mobilization complements Group of Twenty and multilateral development bank (MDB) efforts to strengthen collaboration, catalyze private sector mobilization, and improve development impact. It also resonates with the recent Seville Commitment, which reaffirmed the central role of MDBs in mobilizing and administering external finance to close the global Sustainable Development Goal financing gap. MDBs were called on to enhance fiscal space, reduce debt vulnerabilities, and expand blended finance solutions.

2. Global reductions in concessional development finance are affecting the Asia and Pacific region. Aid architecture has become increasingly complex and fragmented, with fewer concessional resources. Global geopolitics are having a greater influence on donor decisions on overseas development aid, which is subject to increased scrutiny from taxpayers. During the evaluation period, developing member countries (DMCs) received only 22% of official financial flows as grants, less than half the global proportion at 45%.¹

3. A critical key subset of external cofinancing, and the focus of this evaluation, is trust funds and project-specific cofinancing administered by ADB. Since these resources are under ADB's purview, they are more embedded in its thematic and sector frameworks and offer greater complementarity to the deployment of the institution's own resources. It is therefore critical that external financial resources administered by ADB be deployed strategically, efficiently, and effectively to maximize ADB's development effectiveness.

4. While these resources are under ADB's administration, they are also subject to agreements with donors that can earmark these funds for particular development objectives, certain sectors, and selected DMCs and regions, reflecting donor priorities (Box 1). Risks to this kind of support include fragmentation of the multilateral system and aid driven by donor priorities rather than recipient needs. This evaluation will assess the strategic relevance, added value, and institutional efficiency of ADB's deployment of this critical resource.

5. ADB trust funds are platforms for donors to channel funds to some or all DMCs for a specific development purpose. Trust funds may finance loans, grants, technical assistance (TA),

¹ ADB's DMCs have a large share of lower-middle income and upper-middle-income countries, which are perceived to be more creditworthy and therefore receive less grants than lower income countries.

guarantees, risk participations, equity investments, and other activities agreed on between ADB and the financing partner. Trust funds potentially add value by expanding the reach and scope of investments and by providing knowledge, innovation, and capacity development to sectors, themes, and DMCs that may not ordinarily have access to such support. When used as blended finance for nonsovereign operations (NSO), trust funds can help reduce investment risks and make projects more bankable in higher-risk and underserved markets and sectors.

6. ADB-administered project-specific cofinancing is a partnership focused on financing individual ADB projects with support from bilateral and multilateral partners, formalized through a cofinancing agreement or a memorandum of understanding. Multilateral partners include other development financing institutions and global funds, such as the Climate Investment Fund (CIF). In some cases, framework agreements between ADB and a development partner are arranged to support a specific region, country, or development priority under a streamlined approach. Project-specific cofinancing helps ADB support DMCs beyond country borrowing limits.

Box 1. Donor Motivation and Priorities for Channeling Resources Through ADB Trust Funds and Other Cofinancing

This evaluation included interviews with several leading contributors to Asian Development Bank (ADB) cofinancing and trust funds. Development partners consistently cite a combination of strategic alignment, operational value-addition, and institutional credibility as key motivations for partnering with ADB through trust funds and cofinancing arrangements.

1. Strategic alignment and regional focus. ADB's mandate in Asia and the Pacific aligns closely with the geographic priorities of many donors. Partners value the alignment of ADB with global development goals—such as climate finance, gender equity, and adaptation—and its ability to channel resources toward shared thematic priorities such as clean energy, climate adaptation, gender mainstreaming, private sector development, and support for the poorest and most vulnerable in the region.

2. Operational value addition and institutional credibility. ADB's strong in-country presence through its resident missions, technical expertise, and convening power is frequently cited as a critical enabler of project origination, implementation, and monitoring. Donors appreciate ADB's ability to mobilize and coordinate with governments, particularly in complex markets. ADB's blended finance governance, internal review mechanisms, and concessionality checks are viewed as good practices. Partners value ADB's ability to pilot innovative approaches and scale up successful models, as seen in climate-resilient infrastructure and renewable energy projects. The opportunity to influence policy and reform agendas through instruments such as policy-based loans was noted. ADB's partnership framework agreements, standardized templates, and low cofinancing fees reduce transaction costs and streamline collaboration. Some donors indicated they have modeled similar agreements with other multilateral development banks based on their experience with ADB.

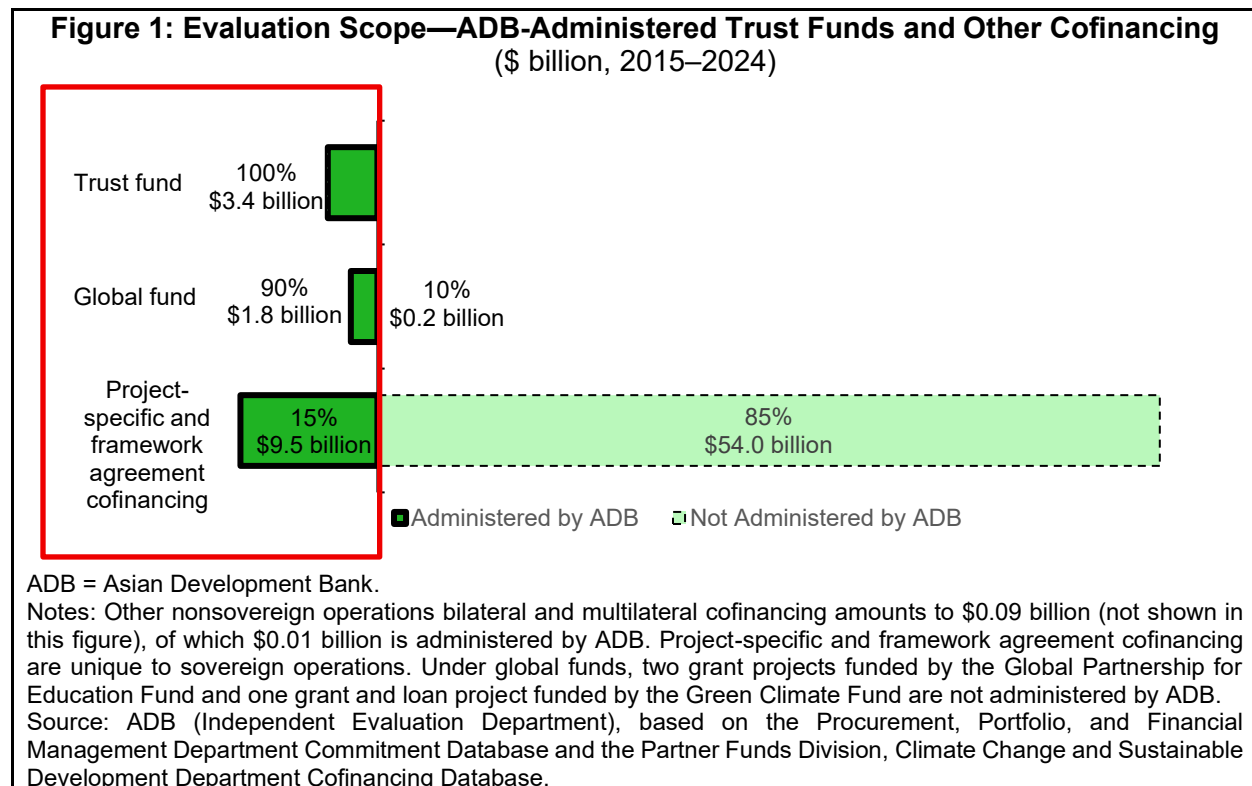
3. Visibility. Visibility for donor contributions is a recurring priority, particularly for trust funds. Donors emphasized the importance of showcasing results and donor branding for domestic stakeholders and taxpayers. Single-donor trust funds are often preferred when visibility is a priority and donors seek greater control, influence, and the ability to direct funds to their priorities. Support through multi-donor trust funds and financing partnership facilities is attractive when donors wish to leverage and crowd in their support with other donors and access the benefits of scale, collaboration, and stronger governance that these platforms afford. Some donors noted that visibility should extend beyond ADB's internal systems (e.g., blogs, workshops, and seminars) to government and community recognition in developing member countries.

Source: ADB (Independent Evaluation Department).

7. During the last two Asian Development Fund replenishments (2017–2020 and 2021–2024), the fund allocated \$500 million for TA operations in each period.² These amounts were nearly matched by trust funds and global funds, which committed \$480.6 million during 2017–2020, and \$503.8 million during 2021–2024. This underscores the critical role of these funds, particularly trust funds, in supporting ADB’s TA operations.

B. Evaluation Scope and Methodology

8. This evaluation focuses on \$14.7 billion in ADB-administered trust funds and other cofinancing (global funds, and project-specific and framework agreement cofinancing arrangements) committed during 2015–2024 (Figure 1). This includes \$1.1 billion under the Leading Asia’s Private Infrastructure Fund (LEAP) and LEAP 2 parallel cofinancing.³ Other ADB-administered cofinancing includes global funds and commitments under project-specific and framework agreement cofinancing arrangements. Parallel cofinancing from global funds amounting to \$212.6 million is excluded from this evaluation. The Asian Development Fund, the TA Special Fund, other special funds, programs such as trade and supply chain finance program and microfinance programs, and commercial cofinancing are also out of scope.



9. To put the scope of evaluation in context, during 2015–2024, 32% of ADB’s total commitments, or \$94.5 billion, was financed by donors and external partners. This was complemented by \$103.1 billion from ADB’s own resources. Of the external funds, 84% were in the form of parallel and commercial cofinancing not administered by ADB. The remaining 16%—equivalent to 5% of ADB’s total commitments—were ADB-administered trust funds and other

² ADB. [Asian Development Fund 12](#); and ADB. [Asian Development Fund 13](#).

³ This evaluation will focus on non-parallel financing under LEAP. In 2015–2024, non-parallel financing under LEAP amounted to \$63.1 million.

cofinancing, the focus of this evaluation. This included 2% from trust funds and global funds and 3% from other cofinancing (Appendix 1, Figure A1.1). While ADB-administered trust funds and other cofinancing represented only 16% of the total external financing in dollar terms, they accounted for a significantly larger share of project count: 74% of all externally funded projects were supported through ADB-administered trust funds and other cofinancing. About half of these projects (49%) were financed through trust funds (Appendix 1, Figure A1.2).

10. A total of 61 trust funds were established and active during 2015–2024, along with 9 global funds where ADB served as an implementing agency during the evaluation period.⁴ Trust funds established before 2015 were included if they had committed projects during 2015–2024.

11. The evaluation used a mixed-methods approach, combining quantitative and qualitative methods, to answer the following overarching question: To what extent have ADB-administered trust funds and other cofinancing met their objectives and added value in support of ADB corporate strategies and DMC development priorities? This question was addressed through the following supporting questions:

- (i) How relevant and coherent has ADB’s strategic approach to originating and deploying ADB-administered trust funds and other cofinancing been in support of ADB and DMC objectives?
- (ii) Are ADB-administered trust funds and other cofinancing operations effective in achieving their intended development outcomes and to what extent do these funds add value?
- (iii) How well organized is ADB to efficiently manage and administer trust funds and other cofinancing?

12. Methods included a review of ADB documents (trust fund annual reports and assessments, establishment papers, guidelines, staff instructions, operations manuals, and previous fund evaluations) and a characterization of ADB’s trust fund and other cofinancing portfolio for both sovereign operations and NSO, including governance issues and an MDB comparative analysis. Independent Evaluation Department (IED) validations and evaluations and those of development partners supplemented the evidence (Appendix 2). To assess relevance, the evaluation examined ADB’s strategic approach, including corporate and country guiding documents. Relevance also considered the characteristics of the trust fund establishment papers and the alignment of the portfolio against ADB strategic, regional, and sector priorities. Coherence focused on external cooperation among ADB, other development partners, and DMCs, and on internal institutional issues. To assess effectiveness, the evaluation focused on trust funds and global funds, which are designed to support specific sector and/or thematic objectives. Given the complexity of projects involving these funds, direct attribution was challenging; therefore, contribution analysis was used to help determine their added value, particularly at the project level, by assessing their support for results consistent with the evaluation’s theory of change. Efficiency was assessed by examining disbursement rates of active trust funds and utilization rates of closed trust funds. The institutional assessment focused on ADB’s setup for delivery.

13. Internal consultations with ADB staff were supplemented by a staff survey. Representatives of development partners and DMCs were interviewed. The evaluation’s theory of change, based on a review of institutional documents and discussions with ADB staff, was

⁴ The evaluation covers 55 trust funds with project commitments during 2015–2024. An additional 6 trust funds that were active or established during this period were included. Of the 9 global funds, 3 have various programs under them (Supplementary Appendix A, Table AA).

included in the evaluation approach paper.⁵ The theory of change presents multiple ADB departments involved in cofinancing work, covering origination, administration, reporting, and evaluation. Together, their interactions result in the establishment of funds and cofinancing arrangements that are channeled to finance ADB investments, support policy dialogue, produce knowledge work, and promote innovation. In turn, these outputs generate a range of outcomes, including the mobilization of finance to support wider investments directed toward sector and thematic outcomes (Appendix 3).

14. Guided by the theory of change, 3 in-person and 12 virtual missions to donor countries, multilateral organizations, and DMC case studies were conducted.⁶ Two focus group discussions with trust fund managers and focal persons and 60 meetings and interviews with ADB staff and teams engaged in ADB partnerships and cofinancing were held, involving 94 ADB staff in total. These included the Partner Funds Division, Climate Change and Sustainable Development Department (CCPF); the Controllers Trust Fund Section (CTFA-TF), Department of Communications and Knowledge Management; Guarantees and Syndication Unit, Private Sector Operations Department; Information Technology Department; Procurement, Portfolio, and Financial Management Department; Strategic Partnership Division (SPSP), Strategy, Policy, and Partnerships Department (SPD); Sectors Group; Private Sector Operations Department (PSOD); and regional departments.

15. Limitations for this evaluation centered on recent institutional changes, the large number of recently approved trust funds, and attribution challenges. Some recently established funds had no operations and were examined only for relevance. ADB's new operating model, effective 1 July 2023, resulted in a reconfiguration of the institution and processes that may have affected how trust funds and other cofinancing are originated and managed, which may differ from arrangements during most of the evaluation period. Attributing results to cofinancing was challenging when amounts were small relative to the overall investment financing. The alignment of trust funds and other cofinancing investments with ADB strategic priorities was limited by ADB's tagging system. Issues associated with IT systems that are relevant to trust funds and cofinancing also concern the wider institution, for which a detailed assessment was beyond the scope of this evaluation.

⁵ Independent Evaluation Department. 2025. *Evaluation Approach Paper: [Corporate Evaluation of ADB-Administered Trust Funds and Other Cofinancing, 2015–2024](#)*. ADB.

⁶ Three in-person missions: (i) development partners based in the United States (World Bank, International Finance Corporation, Global Agriculture and Food Security Program, Inter-American Development Bank [IDB], IDB Invest, Global Environment Facility, Global Facility for Disaster Reduction and Recovery, and CIF); (ii) Canada's Evaluation Bureau at Global Affairs; and (iii) Korea Ministry of Economy (together with the Export-Import Bank of Korea) and Finance and the Green Climate Fund, based in the Republic of Korea. Ten virtual missions to donors: (i) Agence Française de Développement; (ii) Asian Infrastructure Investment Bank (AIIB); (iii) Australia's Department of Foreign Affairs and Trade; (iv) European Bank for Reconstruction and Development; (v) International Fund for Agricultural Development; (vi) Ireland's Department of Foreign Affairs and Trade; (vii) Japan International Cooperation Agency; (viii) Japan's Ministry of Finance; (ix) KfW; and (x) United Kingdom's Foreign, Commonwealth and Development Office. Interviews with DMC representatives in Mongolia, and the Philippines.

CHAPTER 2

ADB-Administered Cofinancing Landscape

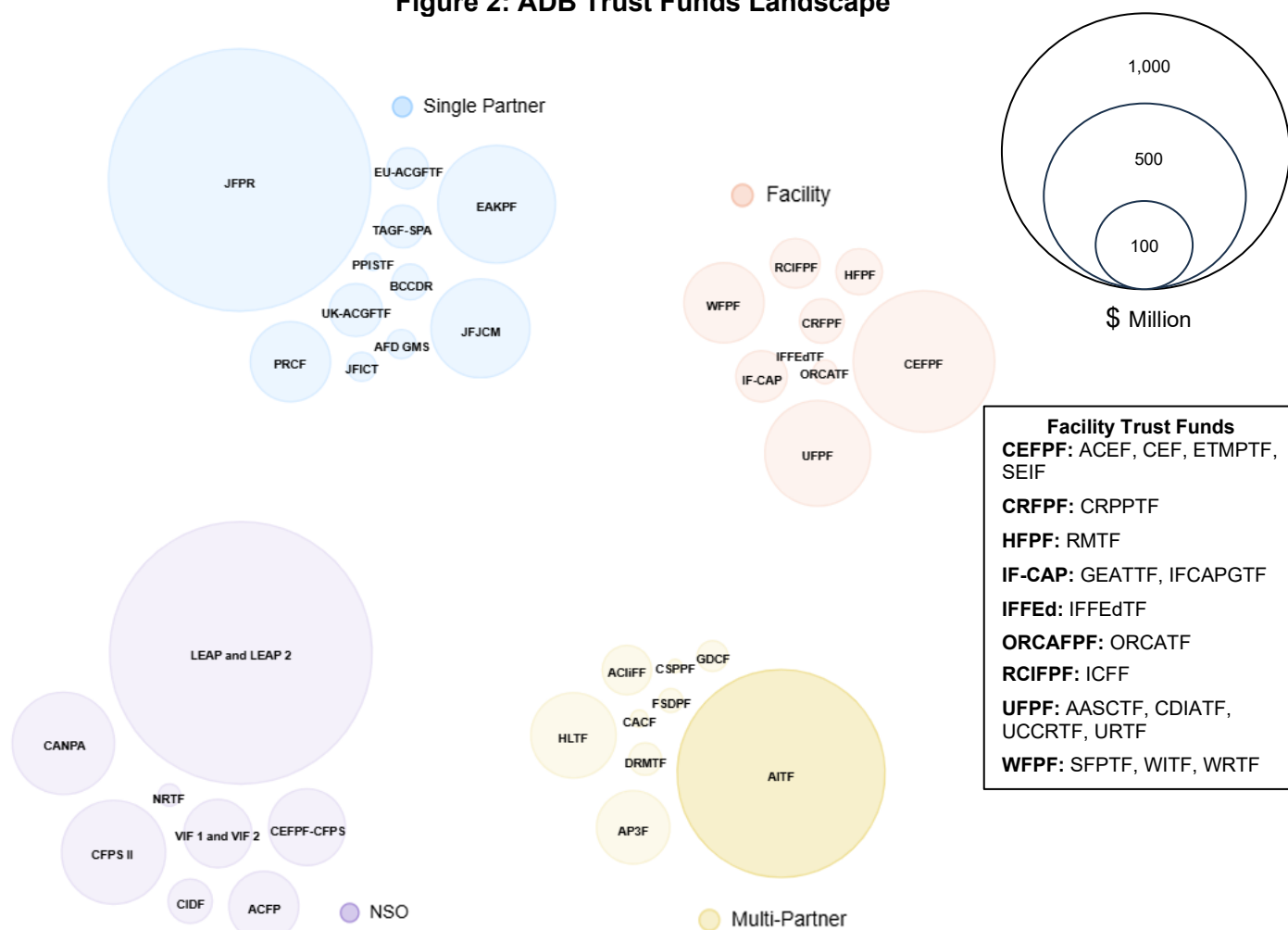
16. This chapter sets out the characteristics of ADB's cofinancing landscape for trust funds and project-specific cofinancing, including global funds. It presents an infographic of ADB's trust funds, recent trends in trust fund establishment, and a description of the DMCs that receive this support. Over the 10-year period, the share of ADB-administered cofinancing generally trended upward, although it declined in the last 3 years. Growth was driven primarily by project-specific and framework agreement cofinancing arrangements, referred to here as project-specific cofinancing (Appendix 1, Figure A1.3).

A. ADB Trust Funds

a. Navigating ADB-administered trust funds is challenging.

17. Figure 2 presents the complex landscape of ADB trust funds, categorized into three types: single partner, multiple partner, and those under the financing partnership facilities (FPFs). To highlight ADB's efforts in establishing NSO-dedicated trust funds, these have been grouped separately for clearer illustration. Based on total contributions received by ADB, single-partner trust funds received the highest level of financial support, followed by NSO-dedicated trust funds. Both were largely supported by the Government of Japan as the sole contributor to the Japan Fund for Prosperous and Resilient Asia and the Pacific (JFPR) and the LEAP trust funds. By trust fund count, 10 single-partner trust funds are active compared with 16 under the eight FPFs covered by this evaluation. Although FPFs include several trust funds, their overall financial contributions remain lower than those of other fund types. Each single- or multi-donor trust fund or facility operates under its own implementation guidelines agreed on between ADB and the donors. Each trust fund and facility may operate its own process for calls for proposals, approval mechanisms, and monitoring and reporting requirements. This has created a fragmented system that is difficult for staff and donors to navigate.

Figure 2: ADB Trust Funds Landscape



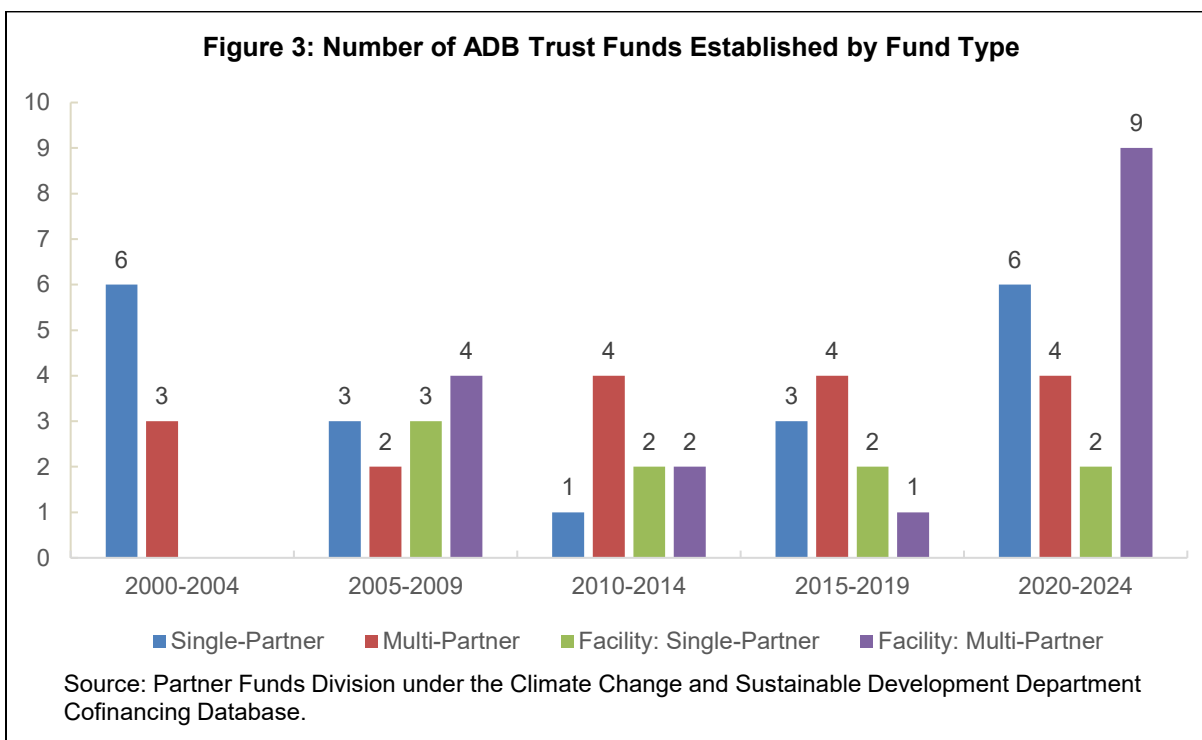
ACFP = Australian Climate Finance Partnership; ACIIF = Asia-Pacific Climate Finance Fund; ADB = Asian Development Bank; AFD GMS = Cooperation Fund for Project Preparation in the Greater Mekong Subregion and in Other Specific Asian Countries; AITF = Afghanistan Infrastructure Trust Fund; AP3F = Asia Pacific Project Preparation Facility; BCCDR = Ireland Trust Fund for Building Climate Change and Disaster Resilience in Small Island Developing States; CACF = Climate Action Catalyst Fund; CANPA = Canadian Climate and Nature Fund for the Private Sector in Asia; CCC = Canadian Cooperation Fund on Climate Change; CEFPF = Clean Energy Financing Partnership Facility; CEFPF-ACEF = Asian Clean Energy Fund; CEFPF-CCSF = Carbon Capture and Storage Fund; CEFPF-CEF = Clean Energy Fund; CEFPF-CFPS = Canadian Climate Fund for the Private Sector in Asia; CEFPF-ETMPTF = Energy Transition Mechanism Partnership Trust Fund; CEFPF-SEIF = Smart Energy Innovation Fund; CFPS II = Canadian Climate Fund for the Private Sector in Asia II; CIDF = Climate Innovation and Development Fund; CRFPF-CRPPTF = Community Resilience Partnership Program Trust Fund; CSPPF = Central Asia Regional Economic Cooperation Climate and Sustainability Project Preparatory Fund; DREEERA = Danish Cooperation Fund for Renewable Energy and Energy Efficiency in Rural Areas; DREEERA2 = Second Danish Cooperation Fund for Renewable Energy and Energy Efficiency in Rural Areas; DRMTF = Domestic Resource Mobilization Trust Fund; EAKPF = Republic of Korea e-Asia and Knowledge Partnership Fund; EU-ACGTF = European Union-ASEAN Catalytic Green Finance Facility Trust Fund; FCF = Future Carbon Fund; FPF = financing partnership facility; FSDPF = Financial Sector Development Partnership Fund; GAFSP = Global Agriculture and Food Security Program; GDCF = Gender and Development Cooperation Fund; GovCF = Governance Cooperation Fund; HFPF-RMTF = Regional Malaria and other Communicable Disease Threats Trust Fund; HLTF = High-Level Technology Fund; IDRMF = Integrated Disaster Risk Management Fund; IFCAP = Innovative Finance Facility for Climate in Asia and the Pacific; IFCAP-GEATTF = GEAPP Energy Access and Transition Trust Fund; IFCAP-GTF = Innovative Finance Facility for Climate in Asia and the Pacific Grant Trust Fund; IFFEd = International Finance Facility for Education; IFFEdTF = International Finance Facility for Education Trust Fund; JFICT = Japan Fund for Information and Communication Technology; JFJCM = Japan Fund for the Joint Crediting Mechanism; JFPR = Japan Fund for Prosperous and Resilient Asia and the Pacific; LEAP = Leading Asia's Private Infrastructure Fund; LEAP 2 = Leading Asia's Private Infrastructure Fund 2; NRTF = Nonsovereign Revolving Trust Fund; ORCAFPF = Ocean Resilience and Coastal Adaptation Financing Partnership Facility; ORCATF = Ocean Resilience and Coastal Adaptation Trust Fund; PPISTF = Project Preparation and Implementation Support Trust Fund; PRCF = People's Republic of China Poverty Reduction and Regional Cooperation Fund; PRITF = Project Readiness Improvement Trust Fund; RCIFPF = Regional Cooperation and Integration Financing Partnerships Facility; RCIFPF-ARTCF = United Kingdom Fund for Asia Regional Trade and Connectivity; RCIFPF-ICFF = Investment Climate Facilitation Fund; TAGF-SPA = Spanish Cooperation Fund for Technical Assistance; TF = trust fund; TYMTF = Typhoon Yolanda Multi-Donor Trust Fund; UFPF = Urban Financing Partnership Facility; UFPF-AASCTF = ASEAN Australia Smart Cities Trust Fund; UFPF-CDIATF = Cities Development Initiative for Asia Trust Fund; UFPF-UCCRTF = Urban Climate Change Resilience Trust Fund; UFPF-UEIF = Urban Environmental Infrastructure Fund; UFPF-URTF = Urban Resilience Trust Fund; UK-ACGTF = United Kingdom-ASEAN Catalytic Green Finance Facility Trust Fund; VIF1 = ADB Ventures Investment Fund 1; VIF2 = ADB Ventures Investment Fund 2; We-Fi = Women Entrepreneurs Finance Initiative; WFPF = Water Financing Partnership Facility; WFPF-NET = Water Financing Partnership Facility (Netherlands); WFPF-SFPTF = Sanitation Financing Partnership Trust Fund; WFPF-WITF = Water Innovation Trust Fund; WFPF-WRTF = Water Resilience Trust Fund.

Notes:

- Bubble sizes are estimated based on the donor contribution received by ADB from 2000–2024 under each fund.
- Inactive trust funds are FSDPF, GDCF under multi-partner trust funds; JFICT under single partner trust funds; and UCCRTF under the UFPF.
- ADB placed its regular assistance to Afghanistan on hold effective 15 August 2021. Since 2022 ADB has supported the Afghan people through a special arrangement with the United Nations to address basic human needs, including critical food support, and health and education services.

Source: Asian Development Bank (Independent Evaluation Department) Calculation based on CCPF Cofinancing Management System.

18. By the end of 2024, of the 61 trust funds, 44 were active, 13 closed, and 4 inactive;⁷ 51 focused on supporting sovereign operations and 10 were NSO-dedicated trust funds.⁸ Since 2020, the number of trust funds established increased significantly. Of the 21 established in that period, 9 were multi-partner trust funds and 2 were single-partner trust funds under various FPFs, while 10 were stand-alone trust funds—4 multi-partner and 6 single-partner (Figure 3). The main distinction is that stand-alone trust funds operate independently, while FPF trust funds are sub-funds within a broader umbrella FPF. This umbrella structure provides a coordinated framework that aligns multiple partners within shared strategic themes.



b. Most of ADB's trust fund technical assistance projects support capacity development, followed by project preparation.

19. TA accounted for 45% of total trust fund support (excluding LEAP parallel cofinancing). Of this, 66% supported capacity development TA, while 21% supported project preparation. Notably, 62% of the total trust fund allocated to capacity development were committed to regional projects. The largest capacity development TA is funded by the Asia Pacific Project Preparation Facility.⁹ The second largest was project preparatory TA committed in 2018 to support urban services

⁷ As of end 2024, 13 trust funds are closed and 4 are inactive. Inactive trust funds are (i) Financial Sector Development Partnership Fund, (ii) Gender and Development Cooperation Fund, (iii) Japan Fund for Information and Communication Technology, and (iv) Urban Climate Change Resilience Trust Fund. ADB placed its regular assistance to Afghanistan on hold effective 15 August 2021. Since 2022, ADB has supported the Afghan people through a special arrangement with the United Nations to address basic human needs, including critical food support, and health and education services.

⁸ All closed and inactive trust funds are sovereign-focused trust funds. There are 10 NSO-dedicated trust funds (Supplementary Appendix A, Table AA).

⁹ ADB. 2023. [Strengthening Project Preparation Capacity in Asia and the Pacific—Supporting Preparation of Infrastructure Projects with Private Sector Participation in Asia Pacific \(Subproject 4\)](#).

development in Southeast Asia.¹⁰ Amounting to \$20.2 million, five trust funds contributed to the project preparatory TA, which concluded in December 2024.¹¹

20. With ADB planning to scale up its operation by 50% over the next decade, demand for project preparatory work is expected to increase.¹² Ensuring adequate funding for this work, especially for project preparatory TA, is therefore crucial. Use of the Technical Assistance Special Fund and special funds for project preparatory TA has declined and has not yet returned to the levels of 2017–2019, while trust fund and other cofinancing, although small, have remained generally stable over the years.¹³

c. Group B DMCs received the largest share of trust funds, with Southeast Asia receiving the greatest volume.

21. Trust fund commitments are generally distributed across all ADB country classification groupings, but when LEAP parallel investments are excluded, the share shifts more heavily toward group A (concessional assistance) and less toward group C (Appendix 1, Figure A1.4a).¹⁴ Among group A countries, Afghanistan accounted for more than 60% of committed trust funds. Excluding AITF support, group A reduces the group's share significantly—from 38% to 20%—and shifts support to group B (ordinary capital resource blend) (Appendix 1, Figure A1.4b). Among group B countries, India and Mongolia received the most trust fund cofinancing. In India, 42% of trust funds supported capacity development TA, while in Mongolia most trust funds supported capacity development TA and grant projects in agriculture.¹⁵ In group C, Indonesia and Viet Nam received the most trust funds, driven by the large share of NSO loans in the energy sector in both countries. Overall, Indonesia is the second-largest recipient of trust funds, after Afghanistan. Overall, Southeast Asia and South Asia received the largest share of trust funds (Appendix 1, Figure A1.5). In 2017, an NSO regional loan from the Canadian Climate Fund for the Private Sector in Asia (CFPS) under the Clean Energy Financing Partnership Facility, amounting to \$20.0 million, was committed along with \$251.9 million in commercial cofinancing and \$57.8 million in ADB resources.¹⁶ In 2022, the Australian Climate Finance Partnership cofinanced a regional NSO

¹⁰ ADB. 2018. [Technical Assistance for the Southeast Asia Urban Services Facility](#).

¹¹ Project Readiness Improvement Trust Fund—\$1.0 million, Water Financing Partnership Facility—Sanitation Financing Partnership Trust Fund (WFPF-SFPTF)—\$1.0 million, Urban Climate Change Resilience Trust Fund (UFPF-UCCRTF)—4.2 million, ASEAN Australia Smart Cities Trust Fund (UFPF-AASCTF)—\$10.0 million, and Japan Fund for Prosperous and Resilient Asia and the Pacific (JFPR)—\$4.0 million.

¹² ADB. 2025. [ADB Capital Utilization Plan Expands Operations by 50% over Next Decade](#). News release. 18 February.

¹³ During 2017–2019, ADB funded project preparatory TA amounting to \$240.1 million, while during 2022–2024 the amount was \$201.5 million. ADB (IED), based on the Procurement, Portfolio, and Financial Management Department Commitment Database and the Partner Funds Division, Climate Change and Sustainable Development Department Cofinancing Database.

¹⁴ For LEAP parallel cofinancing, 43% of total commitments (\$488.2 million) were in group B, primarily India (\$233.6 million), while 44% (\$506.6 million) were in group C, driven by Indonesia (\$253.6 million). Regional NSO equity and loan investments amounting to \$135 million were also committed under LEAP parallel cofinancing.

¹⁵ ADB. 2021. [Technical Assistance for Supporting COVID-19 Response and Vaccination Program](#). The loan was cofinanced by AIIB, which provided \$500 million under the Asia Pacific Vaccine Access Facility. ADB. 2021. [Report and Recommendation of the President to the Board of Directors: Proposed Loans and Administration of Loan to India for the Responsive COVID-19 Vaccines for Recovery Project under Pacific Vaccines Access Facility](#). Country grouping is based on ADB. *Operation Manual Section A1: Classification and Graduation of Developing Member Countries*. Issued on 30 June 2023. (internal).

¹⁶ In September 2020, the regional NSO loan was canceled because the loan facility's availability period expired before the condition requiring ADB's parallel lending from ordinary capital resources was met. ADB. 2017. [Report and Recommendation of the President to the Board of Directors: Proposed Equity Investment and Administration of Loan for Regional—ASEAN Distributed Power Project](#).

equity investment amounting to \$10.0 million to support high-quality forestry assets in selected Southeast Asian countries and Solomon Islands.¹⁷

B. Other ADB-Administered Cofinancing

a. Group B countries received the largest share of project-specific cofinancing, including global funds, while group A received the least.

22. Except for the Global Agriculture and Food Security Program (GAFSP), the Global Partnership for Education Fund, and the Women Entrepreneurs Finance Initiative (We-Fi), which have sector-specific priorities, most global funds target global and regional public goods across multiple sectors, including agriculture, energy, transport, water and urban services, and information and communication technology. Project commitments are generally aligned with the sector priorities of the global funds, with energy receiving the largest share of support. In contrast, despite being a targeted sector, agriculture continues to receive limited funding from global funds (Appendix 1, Figure A1.6). Among the global funds supporting NSO energy operations, the Clean Technology Fund (CTF) under CIF made a substantial contribution—accounting for 94% of the total \$192 million-worth of global funds allocated for NSO operations. By country grouping, group B received the largest share of global funds (45%), led by India and Mongolia.¹⁸ Group A received the smallest share (21%), with Cambodia’s agriculture sector accounting for the largest portion, mainly funded by the Green Climate Fund (GCF), CIF–Strategic Climate Fund, and GAFSP. In group C, Viet Nam and Indonesia remained the top recipients. In contrast to trust funds, most global fund resources are directed to sovereign loan projects, which account for 49% of total global funds, and to sovereign grant projects, which account for 31%. In comparison, sovereign and NSO TA projects make up only 10% of the total global funds. These trends underscore the contribution of global funds in providing concessional and additional financing for ADB’s investment projects.

23. Group B received the largest share of funds through ADB-administered project-specific cofinancing, driven primarily by Pakistan, Bangladesh, and India, which together accounted for 81% of the group’s total commitments. The Asian Infrastructure Investment Bank (AIIB) contributed 46% of ADB-administered project-specific cofinancing in Pakistan, 54% in Bangladesh, and 87% in India. In group C, the Philippines received 56% of the total ADB-administered project-specific cofinancing, with 98% sourced from AIIB. When AIIB-funded programs were included, the Philippines was the top recipient of ADB-administered project-specific cofinancing, both within the group and among DMCs. When AIIB was excluded, Indonesia ranked first in group C, while Pakistan ranked first overall among DMCs.¹⁹

¹⁷ ADB. 2023. [Report and Recommendation of the President to the Board of Directors: Proposed Equity Investment to the Tropical Asia Forest Fund 2 holdings Private Limited Investment in New Forests Tropical Asia Forest Fund 2 LP](#).

¹⁸ ADB. 2016. [Report and Recommendation of the President to the Board of Directors: Proposed Multitranche Financing Facility and Administration of Technical Assistance Grant to Punjab National Bank Solar Rooftop Investment Program \(Guaranteed by India\)](#). Attached Technical Assistance for Facilitating Solar Rooftop Investment in India; ADB. 2018. [Report and Recommendation of the President to the Board of Directors: Proposed Loans and Administration of Loan and Grants to Mongolia for the Ulaanbaatar Green Affordable Housing and Resilient Urban Renewal Sector Project](#); ADB. 2023. [Report and Recommendation of the President to the Board of Directors: Proposed Multitranche Financing Facility to Mongolia for the Aimags and Soums Green Regional Development Investment Program](#). Country grouping is based on ADB. *Operation Manual Section A1: Classification and Graduation of Developing Member Countries*. Issued on 30 June 2023. (internal).

¹⁹ ASEAN Infrastructure Fund is Indonesia’s second-largest cofinancing partner, while the United Kingdom is Pakistan’s second-largest cofinancing partner.

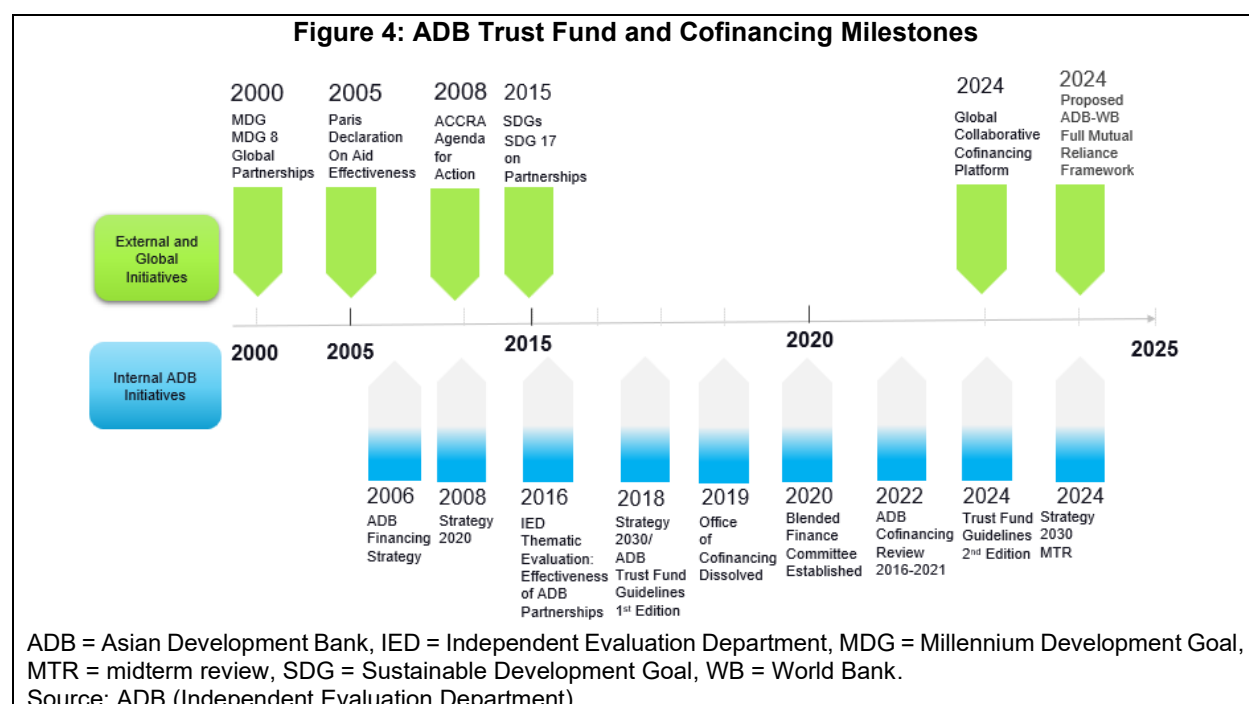
CHAPTER 3

Relevance and Coherence of ADB's Strategic Approach

24. This chapter outlines ADB's strategic approach to cofinancing and trust funds and its evolution over time. It assesses the relevance of this approach by examining guiding documents and strategic alignment with ADB priorities. It also presents the operational and sector alignment of global funds and ADB-administered project-specific cofinancing.

A. ADB's Strategic Approach has Evolved with Internal and External Drivers.

25. Internal and external milestones have influenced ADB's strategic approach to trust funds and other cofinancing (Figure 4). External initiatives included the 2000 Millenium Development Goals and aid effectiveness initiatives such as the Paris Declaration and the Accra Agenda for Action, which provided the context for ADB's 2006 Financing Partnerships Strategy and Strategy 2020 (published in 2008). The 2015 Sustainable Development Goals subsequently anchored Strategy 2030 (published in 2018). Internal initiatives that shaped the strategic approach included the 2016 Independent Evaluation Department (IED) thematic evaluation, [Effectiveness of Asian Development Bank Partnerships](#). The pace of internal reforms has recently picked up, with several new initiatives such as the new operating model, the Capital Adequacy Framework, the 2030 Strategy Midterm Review, the second edition of Trust Fund Guidelines, and the Full Mutual Reliance Framework with the World Bank.



a. ADB's Charter and corporate strategies provide high-level direction, but lower-level guidance is lacking.

26. ADB's Charter provides a strategic mandate to leverage external donor funds and cofinancing to maximize development results. The Agreement Establishing the Asian Development Bank (1966) serves as ADB's Charter and defines ADB's authority to receive and manage external financial resources. Article 3 authorizes ADB to "cooperate with international organizations and other financial institutions" to mobilize resources.

27. ADB's corporate strategies in place during the evaluation period (Strategy 2020 and Strategy 2030) provided high-level direction on cofinancing. In Strategy 2020, partnerships were identified as one of the five drivers of change, with a long-term objective of total annual direct cofinancing exceeding the value of ADB's standalone project financing.²⁰ This target was achieved in 2016, 2020, and 2023 (Appendix 1, Figure A1.7).²¹ Strategy 2030 highlighted the role of trust funds: promote innovation, enhance project quality, and provide critical support for project implementation; catalyze private resources for high-impact projects; and mobilize resources from GCF, CIF, and the Global Environment Facility (GEF). It set a 2030 target to match long-term cofinancing of \$2.50 for every \$1 in financing from private sector operations. The midterm review of Strategy 2030 (published in 2024) proposed an external fund mobilization framework with clearly established priorities and a steering committee to guide strategic engagement with donor partners, to be issued in 2025 (no draft yet available).

28. The only strategic document providing detailed direction on trust funds and cofinancing is the 2006 ADB Financing Partnership Strategy (FPS). Framed as an institution-wide strategy covering both operational and supporting departments, it aimed to set priorities and measures to increase the flow of financial resources and improve their effectiveness for DMCs by working with financing partners from the public and private sectors. Published in June 2006 and approved only at the department level, the FPS does not reflect the evolution of cofinancing and trust fund management since its publication. It was developed prior to the second medium-term strategy (2006–2008) and is anchored in the Millennium Development Goals (2000–2015). The number of trust funds has increased significantly since the FPS was prepared, including 10 NSO trust funds, of which there were none in 2006. The FPS included its own results framework with expected outcomes such as increased financial resource flows from external sources (other than ADB) and a high degree of client and financing partner satisfaction. No evidence indicates that these results were monitored and reported. The FPS does not reflect the current global geopolitical context, pressure on concessional resources, or the important role of trust funds in supporting TA. In interviews, ADB staff at all levels were largely unaware of the FPS, and it is not being used to guide operations, although it continues to be available on ADB's public website. Implementation of the FPS relied heavily on the Office of Cofinancing Operations (OCO), which supported and coordinated the processing of external funds across all teams and handled reporting, before it was dissolved in 2019.

²⁰ Direct cofinancing involves active coordination and formal agreements among financing partners to deliver defined client benefits. It is measured by the total project commitments from all external partners. ADB. 2019. *Statement of the Asian Development Bank's Operations in 2018*.

²¹ Analysis excluded the microfinance program, the supply chain finance program, and the trade finance program.

b. Some multilateral development banks have dedicated policies for trust funds and cofinancing.

29. The World Bank Group has both a trust fund policy and a cofinancing policy, together with comprehensive published partnership guidelines to guide current and prospective partners. The African Development Bank also has a trust fund policy with accompanying guidelines. ADB does not have strategic guidelines for current and potential partners to explain options for contributing to trust funds and cofinancing, nor does it provide publicly accessible information on how ADB trust funds and cofinancing work. Such information is available on the ADB website only superficially for sovereign operations and NSO. While most MDBs align trust fund and cofinancing strategies with institutional and global goals, significant differences exist in policy formalization, operational oversight, and transparency. ADB practices have tended to develop organically over time, with less formalized strategic and operational frameworks. Box 2 provides findings of a comparative analysis with the World Bank Group and IDB Group.

Box 2: Strategic Comparative Analysis with World Bank Group and Inter-American Development Bank

Similar to ADB, comparators have trust fund and cofinancing approaches aligned with institutional and global goals. Planning and budgeting across all organizations incorporate all financing sources. However, comparators apply more structured, updated, and transparent approaches, including formal policies and centralized coordination.

1. The World Bank Group (WBG) has both trust fund and cofinancing policies, supported by a comprehensive Guide for Development Partners. It has also recently developed a One WBG Partnership Charter, highlighting the principles that underline its work with external partners. The Inter-American Development Bank (IADB) does not have specific trust fund or cofinancing policies but follows partnership guidelines supplemented by technical assistance policies.
2. The WBG maintains centralized coordination for partnerships under the World Bank's vice president for development finance and the International Finance Corporation's vice president for economics and private sector development. Over the last decade, after extensive consultations with donors, IADB's Global Partnerships Office (GPO) has assumed sole responsibility for dialogue and collaboration with development community constituencies, including trust fund donors, cofinancing counterparties, and the private sector.
3. Resource mobilization within the WBG is a distributed activity. Quality is maintained through a mandatory accreditation system for all trust fund managers and a community of practice. Coordination is fostered through the internal Strategic External Fundraising Framework, an annual exercise in which all units provide information on their proposed fundraising plans. The GPO serves as the sole channel for IADB's resource mobilization efforts.
4. The annual work programming and budgeting processes of both the WBG and IADB fully integrate external funding sources, including administrative fees earned from trust funds, with administrative budget resources.
5. All WBG trust funds have results frameworks, and the WBG provides standardized reporting to donors on the financial and implementation status of trust funds through a donor portal. IADB also reports annually to donors, with customized reports provided upon request. The WBG has made significant efforts to reduce trust fund fragmentation. Through two rounds of reform, it has promoted the use of umbrella trust funds to consolidate resources into fewer, larger, and more strategically aligned trust funds. The status of these reforms is monitored quarterly by senior management, and the WBG mandates an evaluation of each umbrella fund every 5 years.

Source: ADB (Independent Evaluation Department).

B. The Coherence of ADB Support Through Trust Funds and Cofinancing Varied Depending on External or Internal Factors.

30. The evaluation examined external coherence, focusing on the alignment of ADB's use of trust funds and cofinancing with other development partners and DMCs. External coherence was strongest for project-specific cofinancing, where ADB, development partners, and DMC governments worked together on the origination and design of investments for specific development objectives. For example, the Government of the Philippines noted the importance of early engagement in such cases so that coordination issues can be resolved in good time. External coherence was weaker for trust funds, as they represent agreements between ADB and donors, and DMC governments were largely excluded from the origination process. However,

trust funds can also raise awareness and incentivize action on regional public goods, where alignment is weaker. Single-country trust funds are rare at ADB, for example, the Afghanistan Infrastructure Trust Fund and the Typhoon Yolanda Multi-Donor Trust Fund for the Philippines.²² Strong development coordination was highlighted as a particular success factor in Pacific DMCs for both modalities.

31. Country partnership strategies (CPSs) generally acknowledge the important role of cofinancing in providing concessional or additional support for DMCs, while only half refer to trust funds. In Mongolia, both CPSs highlighted the role of trust funds in providing concessional financing, with the latest CPS emphasizing financing for climate change projects through cofinancing in general.²³ In the Philippines, the earlier CPS recognized the role of trust funds in financing TA requirements, while the more recent CPS emphasized its role in providing concessional financing and specifically identified the ASEAN Catalytic Green Finance Facility as a resource for infrastructure development and policy reforms.²⁴ Of the 12 CPSs approved since 2020, all acknowledged the role of cofinancing in providing concessional and additional financing, but only 6 acknowledged trust funds as a resource for concessional financing or knowledge work. Only three CPSs recognized the role of the private sector in cofinancing.

32. Interviews with representatives of DMCs and resident missions indicate interest in learning more about available ADB trust funds, especially those that provide grant financing. DMC priorities for cofinancing operations are mostly focused on scaling-up. The new ADB–World Bank Full Mutual Reliance Framework is welcomed by DMCs and seen as an opportunity for better coordination on sovereign cofinancing and reduced monitoring and reporting burdens. ADB's selection among regional MDBs reflects its strong standards in procurement and safeguards. No investments have yet been approved under the framework, but several are under discussion.

33. The evaluation examined internal coherence, focusing on the synergies and interlinkages between ADB's use of trust funds and cofinancing across its operations. Internal coherence challenges include the fragmented policy framework governing cofinancing at ADB, which includes (i) the 2003 ADB-Administered Grant Cofinancing Partial Administration Modality and Related Service Charges, (ii) the 2009 [Review of the Asian Development Bank's Service Charges for the Administration of Grant Cofinancing from External Sources](#), (iii), the 2013 policy paper [Blanket Waiver of Member Country Procurement Eligibility Restrictions in Cases of Cofinancing for Operations Financed from Asian Development Fund Resources](#), and (iv) the 2015 policy paper [Enhancing Operational Efficiency of the ADB](#).²⁵ These disparate and outdated guiding documents present an opportunity for consolidation and updating.

34. ADB Trust Fund Guidelines were first prepared in 2018 and updated in 2024. The 2024 edition was a significant improvement over the 2018 version, providing guidance and good practices, including results framework for FPFs, clarifying governance arrangements, placing

²² ADB placed its regular assistance to Afghanistan on hold effective 15 August 2021. Since 2022, ADB has supported the Afghan people through a special arrangement with the United Nations to address basic human needs, including critical food support, and health and education services.

²³ ADB. 2016. [Country Partnership Strategy: Mongolia, 2017–2020](#); ADB. 2021. [Country Partnership Strategy: Mongolia, 2021–2024](#); IED. 2021. [Country Partnership Strategy Final Review Validation: Mongolia, 2017–2020](#). ADB.

²⁴ ADB. 2020. [Country Operations Business Plan: Republic of the Philippines, 2021–2020](#); ADB. 2024. [Country Partnership Strategy: Republic of the Philippines, 2024–2029](#).

²⁵ ADB. 2003. ADB-Administered Grant Cofinancing Partial Administration Modality and Related Service Charges, ADB. 2015. Policy Paper: [Enhancing Operational Efficiency of the Asian Development Bank](#); and ADB. 2013. Policy Paper: [Blanket Waiver of Member Country Procurement Eligibility Restrictions in Cases of Cofinancing for Operations Financed from Asian Development Fund Resources](#).

greater emphasis on alignment with ADB strategic priorities, and covering both sovereign and nonsovereign funds. The guidelines provide detailed guidance for trust fund managers and staff. However, they are not public documents, and interviews indicated that most staff are unaware of their existence. For example, the guidelines require trust fund managers to develop a communication and engagement strategy, which ideally should be coordinated with the Department of Communications and Knowledge Management. Making a summary of the guidelines public and using them as tools for awareness and training would greatly enhance the coherence of ADB activities across the institution. Donors interviewed placed greater importance on individual trust fund implementation guidelines agreed on between them and ADB.

35. Internal coherence challenges include institutional fragmentation and lack of coordination in trust fund origination and management. For example, the proliferation of new trust funds focusing on climate issues since 2020 could have been better managed with stronger internal coherence and coordination. These institutional internal coherence issues are dealt with in more detail in Chapter 5.

C. Trust Funds are Aligned with ADB Thematic Priorities.

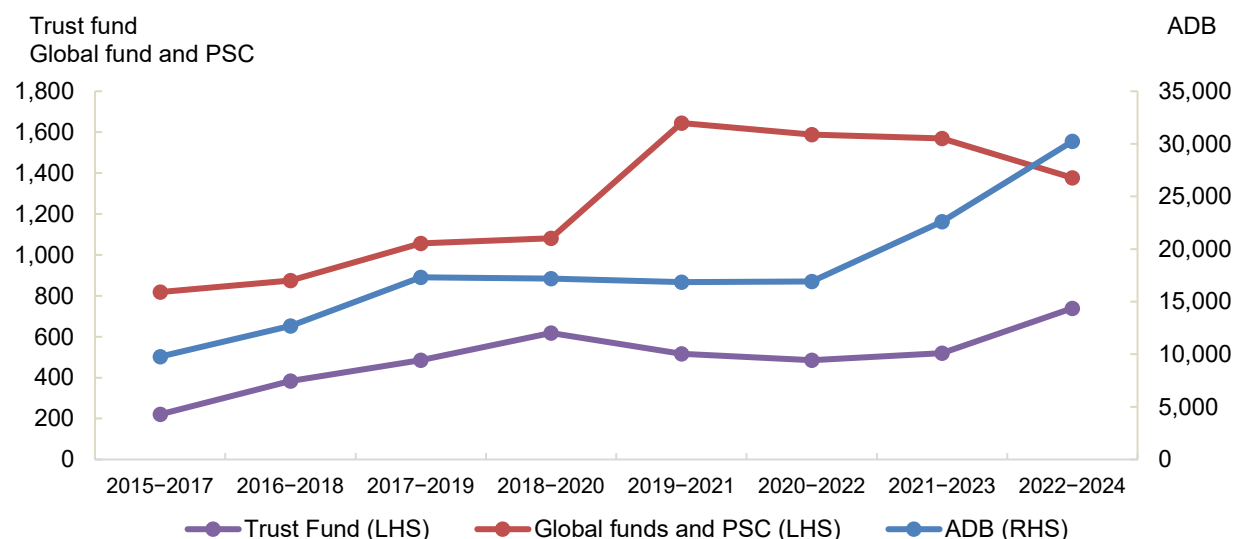
a. Trust funds have supported ADB's shift to becoming a climate bank.

36. Both sovereign-focused and NSO-dedicated trust funds are strategically aligned with ADB priorities, particularly its climate change agenda. Most of the 51 sovereign-focused trust funds support energy, water and urban services, and transport, while the 10 NSO-dedicated trust funds support energy and agriculture. In 2010, ADB elevated climate change as a strategic priority.²⁶ Before 2010, only eight trust funds had climate change as an objective. In 2010–2019, the number of trust funds addressing the climate change increased significantly. The 2014 Midterm Review of Strategy 2020 highlighted ADB's plan to increase support for climate change. Of the 31 trust funds established in 2015–2024, 26 (84%) had climate change objectives, compared with 47% of trust funds in 2000–2014. Of the total 61 trust funds, 64% had a climate change agenda. Of the \$3.4 billion in trust funds committed during the evaluation period, 48.3% were tagged by ADB as climate finance (Figure 5). This was consistent with the operational priority (OP) tagging of projects with trust funds, where OP 3 (tackling climate change) ranked among the top four. Overall, projects committed under ADB trust funds mainly supported poverty reduction, gender equality, and the climate change agenda, similar to ADB's overall portfolio, but with the addition of regional cooperation and integration or OP7 (Figure 6).²⁷ Among the top 15 trust funds, People's Republic of China Poverty Reduction and Regional Cooperation Fund (PRCF) had the highest share of its portfolio promoting RCI, with over 70% of its technical assistance (TA) projects tagged under OP7. These TA projects span diverse sectors, including energy, transport, and agriculture. In addition, through sovereign TA support, PRCF committed a total of \$5.9 million in regional support to strengthen disease control, improve vaccine access, and enhance cross-border health cooperation in response to the COVID-19 pandemic.

²⁶ ADB. 2010. [Addressing Climate Change in Asia and the Pacific: Priorities for Action](#).

²⁷ Of the 61 trust funds, one dedicated (inactive) trust fund (Gender and Development Cooperation Fund or GDCF) was established to support gender equality agenda. As of end 2024, GDCF has been fully utilized and has not been replenished.

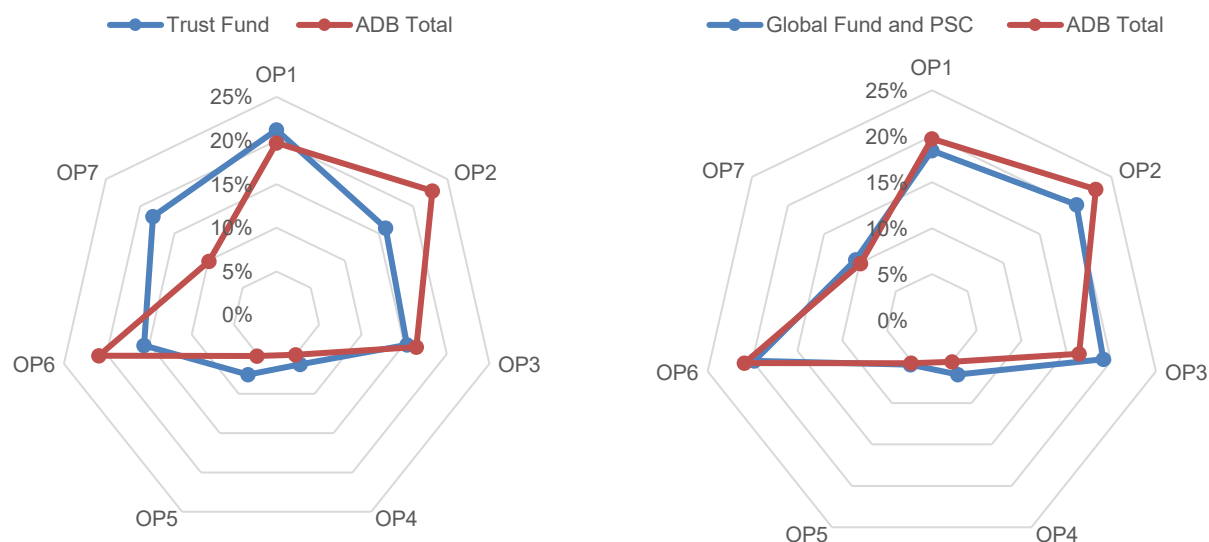
Figure 5: 2015–2024 Committed Climate Financing—ADB-Administered Cofinancing vs. ADB Total (\$ million, 3-year moving average)



ADB = Asian Development Bank, LHS = left-hand side, PSC = project-specific cofinancing, RHS = right-hand side.

Note: ADB total includes both ADB resources and other external funds, including trust funds.

Source: ADB (Independent Evaluation Department), based on the Climate Change and Sustainable Development Department Climate Financing Database.

Figure 6: Operational Priority Alignment of ADB-Administered Trust Funds and Other Cofinancing, 2015–2024 (share to total volume)

ADB = Asian Development Bank, OP1 = addressing remaining poverty and reducing inequalities; OP2 = accelerating progress in gender equality; OP3 = tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability; OP4 = making cities more livable; OP5 = promoting rural development and food security; OP6 = strengthening governance and institutional capacity; OP7 = fostering regional cooperation and integration; PSC = project-specific cofinancing.

Sources: ADB (Independent Evaluation Department), based on the Partner Funds Division, Climate Change and Sustainable Development Department Cofinancing Database; Procurement, Portfolio, and Financial Management Department Commitment Database; and Strategy, Policy, and Partnerships Department Database.

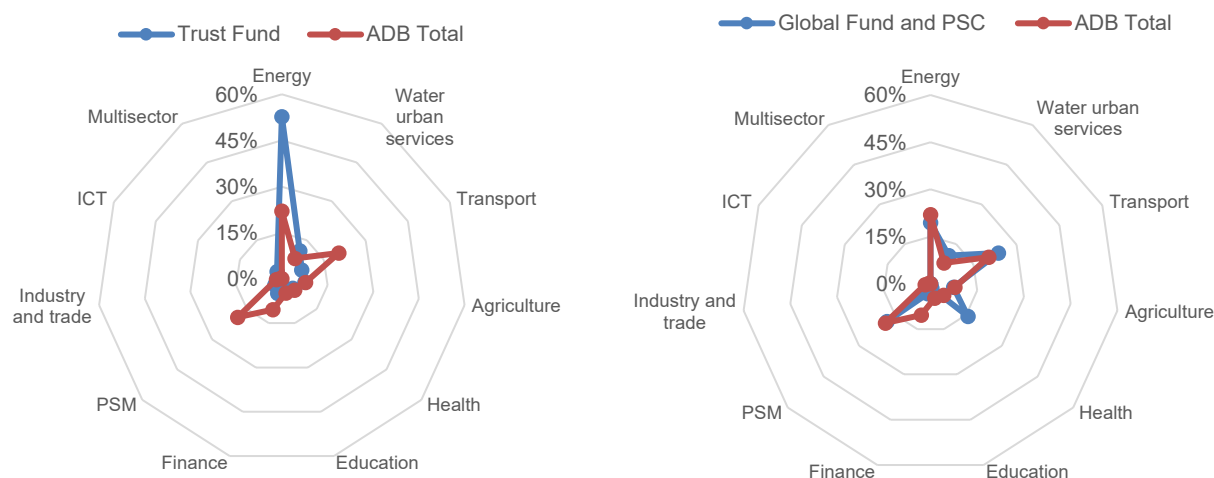
b. Alignment with sectors is strong for project-specific cofinancing but weaker for trust fund allocations, which disproportionately support energy while underfunding public sector management and transport.

37. Trust funds primarily support energy, reflecting a focus on clean energy and climate mitigation, with less support for transport (Figure 7 and Appendix 1, Figure A1.8).²⁸ In NSO, energy dominates trust fund use, leaving sectors such as agriculture with limited support (Appendix 1, Figure A1.8).²⁹ ADB-administered project-specific cofinancing primarily supports energy, transport, and public sector management, a trend consistent with overall ADB operations (Figure 7 and Chapter 3, Section D). Recent increases in health support through ADB-administered project-specific cofinancing were driven by the coronavirus disease (COVID-19).

²⁸ There are no dedicated trust funds to support the transport sector unlike urban water and energy. In interviews with regional department staff and transport sector group, it was noted that sometimes support for transport is supplemented by TA loans, which were used for project preparation and capacity development. One example is the ongoing TA loan to the Philippines amounting to \$500 million from ADB ordinary capital resources. ADB. 2017. [Report and Recommendations of the President to the Board of Directors: Proposed Technical Assistance Loan Republic of the Philippines: Infrastructure Preparation and Innovation Facility](#). This is complemented by TA cofinanced by the Technical Assistance Special Fund and the Green Climate Fund. The TA aims to help government agencies identify and prioritize climate-smart infrastructure projects. ADB. 2023. [Technical Assistance to the Republic of the Philippines for Promoting Climate-Smart Infrastructure](#).

²⁹ Based on a review of the establishment papers of NSO-dedicated trust funds, their priorities are energy, agriculture, water and other urban services, and transport.

Figure 7: Sector Alignment of ADB-Administered Trust Funds and Other Cofinancing, 2015–2024
(share to total volume)



ADB = Asian Development Bank, ICT = information communication and technology, PSC = project-specific cofinancing, PSM = public sector management.

Sources: ADB (Independent Evaluation Department) calculation based on the Partner Funds Division, Climate Change and Sustainable Development Department Cofinancing Database; and the Procurement, Portfolio, and Financial Management Department Commitment Database.

c. Innovation is a key rationale for establishing trust funds, demonstrated through technology adoption, scaling-up, and piloting.

38. Of the 61 trust funds, 67% aimed to support projects demonstrating technology adoption, scaling-up, and piloting, particularly on climate change. Both sovereign-focused and NSO-dedicated trust funds prioritize climate change and innovation (Appendix 1, Figures A1.9a and A1.9b). The High-Level Technology Fund, established in 2017, is dedicated to supporting the widespread adoption and scale-up of advanced technologies, as well as piloting innovative solutions to tackle development challenges in the region.³⁰ Established in 2000, the JFPR aims to pilot innovative poverty reduction activities.³¹ All 10 FPFs, including 2 of the largest single-donor trust funds (next to JFPR in project commitments)—the Canadian Climate Fund for the Private Sector in Asia II (CFPS II) and the Republic of Korea e-Asia and Knowledge Partnership Fund—are designed to support innovation (Appendix 1, Table A1.1). The collective focus on innovation across all FPFs presents an opportunity to further strengthen ADB's efforts to mainstream innovation within the trust funds managed under these facilities.

39. For NSO, trust funds have enabled ADB to support innovative and catalytic activities that it may not have otherwise undertaken or would have undertaken in a different manner. Donor trust funds provide concessional financing, equity, and guarantees that have played a crucial role in reducing investment risks and making projects more bankable in high-risk and underserved

³⁰ Although the trust fund was a multi-partner fund, Japan remains the sole donor to date. ADB. 2023. [High-Level Technology Fund: Supporting Innovation and Impact in Asia and the Pacific](#).

³¹ During the evaluation period, JFPR accounted for 15% of total trust fund commitments.

markets and sectors. This de-risking function has become a key feature of ADB's blended finance operations. Several blended finance projects supported by trust funds have been landmark, first-of-their-kind transactions in specific sectors and countries. The Floating Solar Energy Project in Viet Nam marked the country's first large-scale floating solar photovoltaic installation, supported by concessional loans from CFPS, CFPS II, and LEAP.³² In Nepal, the Upper Trishuli-1 Hydropower Project became the first major private sector hydropower investment with long-term international financing, backed by CFPS II and a consortium of development finance institutions (DFIs).³³ The Monsoon Wind Power Project in Lao People's Democratic Republic is the first wind power project in the country, the largest in Southeast Asia, and the first cross-border wind energy project in Asia, supported by CFPS, CFPS II, LEAP, and a grant from the Asian Development Fund–Private Sector Window.³⁴ Collectively, these projects demonstrate how blended finance can catalyze pioneering investments in renewable energy across diverse and challenging markets.

d. ADB's NSO-dedicated trust funds have some donor restrictions, are mainly provided as returnable capital, and offer limited TA support compared with the more grant-based platforms of peers.

40. The NSO-dedicated trust fund architecture is heavily investment focused, with few dedicated mechanisms for TA. Of the total committed amount from NSO-dedicated trust funds, only 2% supported TA projects.³⁵ This is largely due to the limited availability of non-cost-recoverable TA funding within ADB's existing NSO concessional trust funds, in contrast to peers—particularly the International Finance Corporation (IFC), the European Bank for Reconstruction and Development (EBRD), and Inter-American Development Bank (IDB) Invest—which routinely pair concessional capital with robust donor-funded TA and advisory platforms to strengthen development impact and investment pipeline quality.³⁶ With ADB planning to scale up its operations by 50% over the next decade under the Capital Utilization Plan, greater demand for project preparatory work from both sovereign-focused and NSO-dedicated trust funds is expected.

41. Some NSO donors limit their trust fund contributions (e.g., CFPS, CFPS II, Canadian Climate and Nature Fund for the Private Sector in Asia) to debt financing. Donor-imposed restrictions often target specific countries, sectors, or delivery modalities, typically favoring standard debt instruments. More flexible trust funds are needed to allow broader geographic and sector coverage and support a wider range of financial products, such as equity or non-climate-

³² ADB. 2018. [Report and Recommendation of the President to the Board of Directors: Proposed Loan and Administration of Loans for the Da Nhim-Ham Thuan-Da Mi Hydro Power Joint Stock Company Floating Solar Energy Project in Viet Nam.](#)

³³ ADB. 2019. [Report and Recommendation of the President to the Board of Directors: Proposed Loan and Administration of Loan for the Nepal Water and Energy Development Company Private Limited Upper Trishuli-1 Hydropower Project.](#)

³⁴ ADB. 2022. [Report and Recommendation of the President to the Board of Directors: Proposed Loan, Grant, and Administration of Loans to Monsoon Wind Power Company Limited for the Monsoon Wind Power Project in Lao People's Democratic Republic.](#)

³⁵ Of which, 26% supports [ADB Ventures Technical Assistance](#). ADB. 2023. [Technical Assistance for ADB Ventures Seed Technical Assistance](#); and ADB. 2020. [Regional Technical Assistance for the Preparation of the ADB Ventures Investment Fund 2](#). The most recent NSO TA supporting ADB Ventures Seed aims to support early-stage companies with technology-enabled solutions for climate change adaptation. ADB. 2023. [Technical Assistance for ADB Ventures Seed Technical Assistance](#).

³⁶ In the context of NSO trust funds, most concessional resources are returnable rather than grant-based. The term “donor” is used in this report for consistency, as many contributors are the same government agencies that also provide grant funding to ADB's sovereign operations.

related initiatives. While there are NSO focused funds such as LEAP 1 and 2, Australian Climate Finance Partnership (ACFP) and ADB Ventures Investment Fund (VIF) 1 and 2, permit equity financing, actual data in 2012–2024 shows that 92% of NSO blended financing was delivered as debt, 5.8% as grants, and only 1.1% each as equity and guarantees. Deal sizes ranged from \$0.3 million to \$80.0 million, with an average of \$11.6 million.

42. Donor funding is often more readily available for projects in specific regions, such as Pacific Island states, or for those focused on climate change and gender equality. However, trust fund support is critically needed in less prominent regions such as Central Asia and in underfunded but important sectors that may not attract donor attention as easily. In interviews, project team leaders from PSOD noted the need for instruments such as junior equity and first-loss capital. Some donors, however, restrict their trust fund contributions to debt financing, limiting the flexibility to use higher-risk products.

43. Most donor contributions to ADB's NSO trust funds are provided as returnable capital rather than non-repayable grants. Over 90% of donor funding for ADB's NSO trust funds is structured as returnable capital, indicating that contributors generally expect not only the return of their principal or equity investment but also a financial return, either on a concessional or commercial basis, rather than providing outright grants. These funds are typically used for concessional financing or cofinancing. Peer institutions such as IFC, EBRD, and IDB Invest receive significant donor funding for TA and advisory trust funds, which are typically non-reimbursable grants. In recent years, these institutions have secured substantial donor funding for investment trust funds, which—like ADB's—are structured on a returnable basis.

D. ADB's Participation in Global Funds is Strategically Aligned with its Priorities, While ADB-Administered Project-Specific Cofinancing Provides Concessional Infrastructure Financing.

44. ADB serves as an implementing partner for nine global funds that align with its strategies and priorities, particularly poverty reduction, climate change, and innovation. In 2009, ADB joined CIF, coinciding with its strategic commitment to address climate change. Concurrently, ADB gained access to Global Environment Facility (GEF). In 2018, shortly after endorsing its Climate Change Operational Framework 2017–2030, ADB became an implementing agency of GCF, which similarly aims to expand the delivery of climate finance.³⁷ That same year, ADB joined the Women Entrepreneurs Finance Initiative, reinforcing its commitment to gender equity and inclusive finance. Most recently, in 2023, ADB gained access to the Pandemic, Prevention, Preparedness and Response Trust Fund. Participation in the trust fund supports ADB's priority of closing critical gaps in global pandemic preparedness and response in the region, an issue underscored by the COVID-19 pandemic. Of the nine global funds, eight are administered by the World Bank (WB). ADB portfolio in these global funds, such as the Global Environment Facility (GEF), We-Fi and GASFP, remains limited. According to their latest annual reports, ADB's cumulative share to total GEF-approved projects and programs stood at just 2%, in contrast to the WB's 30% portfolio share.³⁸ For We-Fi, ADB accounted for 10%, while the combined share of the WB and IFC reached 31%.³⁹ In the case of GASFP, ADB's cumulative share was 4%,

³⁷ ADB. 2017. [Climate Change Operational Framework 2017–2030: Enhanced Actions for Low Greenhouse Gas Emissions and Climate-Resilient Development](#).

³⁸ Global Environment Facility. 2024. [Report of the Global Environment Facility to the Twenty-Ninth Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change](#).

³⁹ World Bank. 2024. [Annual Report 2024—Women Entrepreneurs: Creating Jobs, Building Futures](#). Women Entrepreneurs Finance Initiatives.

significantly lower than the WB's 45%.⁴⁰ For GCF, the only global fund not administered by the WB, the picture is different. ADB's cumulative portfolio share was 8%, compared to WB's 6% share.⁴¹

45. ADB-administered project-specific cofinancing has focused on infrastructure sectors such as energy and transport. Unlike trust funds and global funds, it provides substantial support to transport. Since 2020, however, the focus has shifted significantly to public sector management and health. This shift has been largely driven by loan programs from AIIB, which committed \$1.9 billion to public sector management in 2023 and 2024 and \$1.7 billion to health projects in response to COVID-19 pandemic.⁴² When AIIB was excluded, significant support was directed to water and urban services and agriculture in addition to energy and transport. Agence Française de Développement provided major support to water and urban services, while the International Fund for Agricultural Development provided major support to agriculture (Box 3). By project type,

⁴⁰ Global Agriculture and Food Security Program. 2025. [2024 Annual Report: Transforming Food System with Innovative Financing Solutions](#).

⁴¹ [Green Climate Fund Database by Funded Activities](#). Accessed on 13 October 2025.

⁴² All these loan programs are partially administered by ADB. Under joint cofinancing, ADB provided AIIB with environmental and social, procurement, investigative support, financial management, and disbursement services. One example is a health loan project completed in December 2024. ADB. 2024. [Completion Report: Second Health System Enhancement to Address and Limit COVID-19 under the Asia Pacific Vaccine Access Facility in the Philippines](#).

in contrast to trust funds, ADB-administered project-specific cofinancing is mostly sovereign loan investment (85%).

Box 3: Partnership Framework Agreements with Development Partners Aim to Support Climate Change Agenda by Financing Infrastructure Projects

Partnerships with bilateral and multilateral organizations primarily aim to cofinance infrastructure projects, particularly in energy, transport, and agriculture. Knowledge exchange between institutions was identified as an area of cooperation. Such partnerships include contributions to analytical studies, sharing of experience and expertise in project processing, and exploration of ways to harmonize practices between institutions to carry out activities under the agreement more efficiently.

Four of the seven cofinanciers included in this evaluation explicitly identified climate change as one of their objectives.^a Of the seven partnership framework agreements, the one with AIIB provided the highest level of support through sovereign loans in public sector management and health. This was followed by AFD, mainly through sovereign loans and technical assistance projects in water and urban services, and IFAD, which supported agriculture. The ADB–AIIB partnership agreement focuses on infrastructure financing and knowledge exchange, with priority themes such as climate change, environmental protection, urban development, and regional cooperation and integration. As all AIIB funds are partially administered by ADB, ADB supports AIIB under joint cofinancing arrangements by providing environmental and social, procurement, investigative support, financial management, and disbursement services.

Similarly, the ADB–AFD partnership framework agreement focuses on infrastructure financing, knowledge exchange, and staff exchange. In addition to climate change, natural resource management, urban development, environmental protection, biodiversity, blue economy, sustainable cities, and regional cooperation and integration, the partnership also prioritizes social protection, reduction of inequality, and private capital mobilization. IFAD, with a primary focus on agriculture, has expanded its priority areas to water and urban services, energy, and finance to tackle food security and gender, alongside climate change and the environmental protection agenda.

During the evaluation period, three validated sovereign projects received ADB-administered funding. These projects highlighted the importance of rigorous analysis and ADB's close engagement with the government and development partners. To avoid delays, establishing the necessary institutional and legal infrastructure with strong government ownership is critical. TA projects can provide support for this process.

ADB = Asian Development Bank, AFD = Agence Française de Développement, AIIB = Asian Infrastructure Investment Bank, IFAD = International Fund for Agricultural Development, NDF = Nordic Development Fund.

^a The four development partners with a climate change agenda are AIIB, AFD, IFAD, and NDF. NDF ranked seventh in total commitment amount.

Source: ADB–AFD Partnership Framework Agreements (2010, 2016, 2022); ADB–AIIB Partnership Framework Agreements (2016, 2024); ADB–IFAD Partnership Framework Agreements (2013, 2014, 2018, 2022).

CHAPTER 4

Effectiveness and Efficiency

46. This chapter examines the contribution and effectiveness of trust funds and global funds in ADB operations, while noting the challenges of isolating their value addition caused by attribution issues. The discussion on efficiency focuses on disbursement rates and fund utilization of closed trust funds.

A. Performance of Projects with Cofinancing Is Inconclusive.

47. During 2015–2024, the success rates for sovereign operations—both with and without cofinancing—was 70%. In comparison, NSO also had no statistical difference in success rates, albeit lower than sovereign, with 55% for those without cofinancing and 54% for those with cofinancing. These findings are consistent with the discussions in Chapter 3 on relevance, which highlighted that cofinancing is primarily regarded as a mechanism for mobilizing additional concessional and grant resources to support ADB projects in DMCs.⁴³ For TA projects, the success rate was 69% for those without cofinancing, while those with cofinancing achieved a success rate of 78%.

48. A closer analysis of validated sovereign projects with trust funds reveals a different pattern. Regardless of the type of ADB operation—grant, investment, or TA—projects with trust funds are likely to perform better.⁴⁴ This observation should be interpreted with caution, given the small sample size of validated projects with trust funds and the lack of statistically significant differences. A similar analysis was undertaken for nonsovereign operations (NSO) cofinanced by trust funds. These projects, all in the infrastructure sector, with 89% in energy, showed a notably higher success rate compared with other NSO projects (footnote 44). Validation reports indicate that their success was closely associated with strong sponsors, sound financial structuring, and stable regulatory environments. However, these attributes are typical in well-prepared infrastructure finance transactions and are not unique to projects supported by trust funds, underscoring the need for cautious interpretation of these results. This finding is further examined in paragraph 55, which discusses the nature and extent of trust fund contributions to NSO project outcomes.

⁴³ For sovereign operations, success refers to projects rated successful or highly successful based on ADB's evaluation criteria of relevance, effectiveness, efficiency, and sustainability. For NSO, success refers to projects rated successful or highly successful based on the criteria of development results, ADB investment profitability, ADB additionality and ADB work quality.

⁴⁴ ADB's success rate for validated TA projects is 72% (n = 358), compared with 80% (n = 114) for those with trust fund cofinancing. For validated sovereign projects, the success rate is 70% (n = 715), compared with 82% (n = 28) for those with trust fund cofinancing. Similarly, validated NSO show a success rate of 54% (n = 208), compared with 89% (n = 18) for those with trust fund cofinancing. ADB (IED) Success Database.

B. Evaluability Challenges at the Trust Fund Level Required Using Contribution Analysis to Assess Added Value.

49. Isolating the role of trust funds and project-specific cofinancing in project effectiveness is challenging. External public evaluations by ADB donors of ADB support are rare.⁴⁵ The World Bank Independent Evaluation Group's evaluation of World Bank Group trust funds did not assess outputs and outcomes of the programs and activities that trust funds financed, citing attribution issues and weak results frameworks. Similar issues persist at ADB. At the trust fund level, this challenge is compounded by the limited number of closing reports and supporting evaluations (Box 4).

Box 4: The Evaluability of Closed Trust Fund Performance Is Impaired by the Small Number of Closing Reports and Supporting Evaluations

Only 7 out of 14 closed funds had closing reports, and only 2 out of those 7 had supporting evaluations. No NSO trust funds have closed. The following lessons from these closing reports focus mainly on design, implementation, and administration issues:

- (i) **Weak monitoring and evaluation frameworks.** Many trust funds lacked clear design and monitoring frameworks, which made it difficult to assess impact, attribute results, and evaluate complementarity across funds. Formal external evaluations were rare, limiting accountability and learning.
- (ii) **Design and implementation challenges.** Trust funds often had complex and ambitious designs but limited resources, resulting in administrative strain and uneven achievement of outcomes. Long implementation periods without formal review cycles further hindered adaptive management.
- (iii) **Resource utilization and attribution issues.** Donor emphasis on leveraging trust fund resources created problematic attribution logic, especially when outcomes depended on broader Asian Development Bank or country actions. Delays and underuse of funds resulted in missed opportunities to support development needs.

Source: ADB (Independent Evaluation Department).

50. The assessment of added value is somewhat easier, since trust funds are designed to contribute new knowledge, introduce novel technologies, or build capacity, and these contributions can sometimes be verified at validation. Added value is best articulated through a clearly defined theory of change that outlines the causal link between the trust fund and its intended outcomes (Appendix 3). In the absence of robust results frameworks at the fund level, a contribution analysis of validated closed projects was conducted to provide evidence of contributions to the objectives of trust funds and global funds, consistent with this evaluation's theory of change.⁴⁶ The analysis was supplemented by evidence from interviews and survey results.

51. Trust funds are more likely than project-specific cofinancing to demonstrate innovative added value. All cofinancing adds value; even when it replaces ADB's own resources, it creates opportunities to deploy those resources elsewhere. However, by design, trust funds aim to support innovation, as reflected in their establishment papers. Through grant provisions to

⁴⁵ For example, an evaluation commissioned by the Government of Australia concluded that its non-core support to ADB through trust funds and cofinancing was an effective and efficient way of delivering aid Australian Government Department of Foreign Affairs and Trade. 2015. [Banking our aid: Australia's non-core funding to the Asian Development Bank and the World Bank](#). Office of Development Effectiveness Brief. September.

⁴⁶ Better Evaluation Knowledge. [Contribution analysis](#).

sovereign projects, trust funds have supported pilot projects, new technologies, and innovative approaches in project design.

52. Staff survey responses (n = 143) indicated the highest level of agreement on the value addition of trust funds for providing additional flexible resources and supporting DMC capacity development (Supplementary Appendix C, Figure AC.1). Staff survey responses (n = 139) showed the highest level of agreement on the value addition of cofinancing for enhancing the scale and impact of ADB operations and strengthening ADB's strategic partnership (Supplementary Appendix C, Figure AC.2). Donor interviews highlighted a key expectation that their support for sovereign trust funds would add value beyond normal ADB operations.

a. Trust funds supported new approaches, scaling-up, and technical expertise, while the value added by NSO trust funds was providing longer tenor and financing not available in the market.

53. Among the 51 sovereign-focused trust funds, JFPR and the Clean Energy Financing Partnership Facility–Clean Energy Fund (CEFPF–CEF) had some of the largest grant commitments. Although closed and validated projects were limited, they revealed that JFPR supported the introduction of innovative approaches to sustainable tourism, which were later scaled up into loan-financed project, and piloted a bottom-up approach to disaster risk management, including the construction of climate-resilient infrastructure and facilities (Supplementary Appendix B, Table AB.1). Trust funds can also enhance project implementation by providing capacity development, technical support, and specialized studies. For example, CEFPF–CEF supported the integration of clean energy components into the technical and vocational education and training system, including competency standards, civil works, and procurement, and funded international expertise to provide comprehensive support for renewable energy projects and studies (Supplementary Appendix B, Table AB.1).

54. Lessons from other validated projects with sovereign-focused trust funds show that, through grant provisions to sovereign projects, trust funds supported pilot projects, new technologies, and innovative approaches in project design and implementation. In validated water and urban services projects, for example, trust fund grants supported the piloting and scaling of sanitation solutions, fecal sludge management, solid waste recycling, and institutional capacity building, particularly in small and climate-vulnerable communities (Supplementary Appendix B, Table AB.2). Grant projects cofinanced by trust funds were designed with flexibility to meet countries' immediate needs during disasters and to provide post-disaster emergency assistance. This flexibility was evident in procurement and disbursement arrangements, as trust funds allowed the use of existing contracts at the national and community levels, particularly for small contracts.⁴⁷ For projects that faced challenges in achieving their intended outcomes and outputs, the common issue was lack of readiness, particularly underestimation of costs, which led to substantial reduction in project scope.⁴⁸

55. Building on the analysis in paragraph 48, a review of 18 validated NSO projects with trust fund cofinancing shows that while these projects achieved high overall success rates, their contribution to overall project success was more indirect, as they contributed only indirectly to

⁴⁷ IED. 2021. *Validation Report: Northern Flood-Damaged Infrastructure Emergency Rehabilitation Project in Afghanistan*. ADB; IED. 2021. *Validation Report: Cyclone Pam School Reconstruction Project in Vanuatu*. ADB.

⁴⁸ IED. 2022. *Validation Report: Improving School Dormitory Environment for Primary Students in Western Region Project in Mongolia*. ADB; IED. 2023. *Validation Report for Papua New Guinea: Improved Energy Access for Rural Communities*. ADB.

development results.⁴⁹ Nonetheless, their main value addition was the ability to provide longer tenors and concessional financing.⁵⁰ For instance, bringing in ADB-administered trust funds such as LEAP and CFPS enabled ADB to narrow financing gaps by providing longer tenors and more affordable financing that local and commercial banks were unwilling or unable to provide given the uncertainties and risks in the renewable energy market.⁵¹ Additional nonfinancial benefits included advisory support and capacity building, such as gender action plans and institutional, environmental, and management system strengthening.

C. Trust Fund Contributions to Knowledge are Most Evident in Technical Assistance Projects.

56. Innovation is often the application of existing and new knowledge in novel ways to resolve complex challenges, which in turn generates new knowledge. As outlined in several trust fund establishment papers, the knowledge agenda is primarily supported through activities such as capacity building and institutional development, information and expertise exchange, knowledge product development and dissemination, strategic partnerships, and upstream analytical work. Collectively, these efforts aim to generate, acquire, share, and transfer expertise, information, good practices, and innovative solutions to improve development outcomes.

57. Lessons from validated TA projects with trust funds highlight the role that trust funds and partnerships can play in knowledge, sustainability, and TA outcomes (Supplementary Appendix B, Table AB.3a and Table AB.3b). The review revealed that most lessons recognized the important role of trust funds in leveraging resources to generate knowledge and share expertise that contributed to project design and implementation (Supplementary Appendix B, Figure AB.1).⁵² Achieving this required constant communication and engagement with donors and other development partners through regular reporting, as well as their involvement in TA activities such as workshops, consultation meetings, and other knowledge events. These activities helped TA projects disseminate knowledge products to wider audiences and were seen as a way to raise donor visibility in DMCs and encourage future external financing; visibility was consistently flagged in interviews as a key donor concern. Given the small-scale nature of TA projects, it was noted that having a strategic approach to partnerships—including identifying potential synergies among partners, ensuring efficient use of resources, and conducting outreach to current and potential donors—was important to sustain efforts and build on TA results. Nine TA validations reported that trust funds can add value by promoting innovation and technology transfer.

⁴⁹ NSO projects are assessed based on four main evaluation criteria: (i) development results, (ii) ADB additionality, (iii) ADB investment profitability, and (iv) ADB work quality.

⁵⁰ Validated projects with cofinancing from trust funds and global funds performed better on additionality compared with validated projects without such contributions. Among the 24 validated projects, 92% were rated satisfactory for ADB additionality, compared with only 64% across all NSO projects (133 out of 208 projects).

⁵¹ Based on extended annual review report validation reports of the following NSO projects: (i) Special Purpose Vehicles owned by Equis Energy Eastern Indonesia Renewable Energy Project, (ii) PT Energi Bayu Jeneponto (Eastern Indonesia Renewable Energy [Phase 1]), (iii) Da Nhim–Ham Thuan–Da Mi Hydro Power Joint Stock Company (Floating Solar Energy) in Viet Nam, and (iv) Tenuun Gerel Construction LLC (Sermsang Khushig Khundii Solar) in Mongolia.

⁵² Of the 114 validated TA projects with trust funds, 99 had a trust fund share of at least 30% of the total project amount. The 30% cut-off was applied to resolve attribution issues, since a number of projects had very small trust fund shares. Raising the cut-off further would have resulted in a very small or even zero sample size for review, particularly for sovereign and nonsovereign grants and investments. Of the 99 TA projects, 88 included lessons on partnerships and cofinancing.

D. Global Funds Enhance ADB Investments by Supporting Institutional Strengthening and Generating Thematic Knowledge.

58. Like trust funds, global funds set out causal pathways toward development objectives based on their purposes, typically global and regional public goods. This provides the evaluation with a more systematic way of understanding their contribution to development outcomes. A review of 26 validated sovereign projects with global fund support revealed that these funds were used to integrate capacity development and institutional strengthening in targeted focus areas. For instance, the Global Environment Facility Grant focused on providing knowledge and technical support to ensure that infrastructure projects are climate resilient and environmentally sustainable (Box 5). The Strategic Climate Fund under CIF pursued its primary objective of scaling up financing for low-carbon technologies in developing economies by providing substantial financial support—ranging from about \$10 million to \$50 million in loans or grants—for infrastructure projects demonstrating climate resilience.⁵³ Similarly, the Clean Technology Fund under the CIF played a critical cofinancing role, contributing 23%–96% of the total approved project cost.⁵⁴ As with NSO trust funds, the contribution of global funds to NSO investments was largely limited to providing longer tenors and concessional financing.⁵⁵

⁵³ IED. 2023. [Validation Report: Coastal Climate-Resilient Infrastructure Project in Bangladesh](#). ADB; IED. 2024. [Validation Report: Climate Resilience Sector Project in the Kingdom of Tonga](#). ADB; IED. 2023. [Validation Report: Building Climate Resilience in the Pyanj River Basin Project in Tajikistan](#). ADB; IED. 2023. [Validation Report: Provincial Roads Improvement Project in Cambodia](#). ADB; IED. 2023. [Validation Report: Greater Mekong Subregion Flood and Drought Risk Management and Mitigation Project in Cambodia](#). ADB; IED. 2022. [Validation Report: Building Climate Resilience of Watersheds in Mountain Eco-Regions Project in Nepal](#). ADB.

⁵⁴ IED. 2024. [Validation Report: Solar Transmission Sector Project in India](#). ADB; IED. 2022. [Validation Report: Market Transformation through Introduction of energy-Efficient Electric Vehicles Project in the Philippines](#). ADB; IED. 2022. [Validation Report: Rajasthan Renewable Energy Transmission Investment Program \(Tranche 1\) in India](#). ADB; IED. 2022. [Validation Report: Sustainable Urban Transport for Ho Chi Minh City Mass Rapid Transit Line 2 Project in Viet Nam](#). ADB. The grant from Global Agriculture and Food Security Program for Cambodia's Emergency Food Assistance Project (Loan 2455 and Grants 0116 and 0302) made a significant financial contribution to the project. IED. 2019. [Validation Report: Emergency Food Assistance Project in Cambodia](#). ADB.

⁵⁵ Of the 24 validated NSO projects, 6 received funding from global funds and 1 from both a trust fund and a global fund.

Box 5: Value Addition of Global Funds: The Case of Global Environment Facility Grant

Capacity building and institutional strengthening. All the validated Global Environment Facility (GEF) projects supported capacity building, including training for local governments, farmers, and communities in ecological protection, biodiversity, and sustainable land management. They strengthened institutional and policy frameworks and technical capabilities through initiatives such as the integrated ecosystem management (IEM) approach, geographic information system database enhancement, international training programs, and energy efficiency financing.

Introducing innovative practices and technologies. Integrating the GEF grants into Asian Development Bank (ADB) investments created opportunities to introduce GEF-financed innovative practices for sustainable wetland management, as well as environmentally sound and climate-resilient agricultural technologies. The grant supported the dissemination of results and lessons from pilot activities in land management. New models of forestry conservation, tree crop expansion, and the IEM approach were introduced as part of the project's nonphysical components.

Knowledge generation and dissemination. The GEF grants supported the development of various knowledge products, including documentation of good practices, an integrated ecological monitoring system for nature reserves, and research studies on coastal resources and threatened species. It facilitated the adoption of the GEF-endorsed Management Effectiveness Tracking Tool to monitor marine protected areas and helped mainstream international practices for participatory environmental monitoring. The grant supported the establishment of an IEM data-sharing agreement among multiple sector agencies and the creation of regional integrated coastal resource management centers as hubs for biodiversity monitoring, research, training, and demonstration.

Expanding project scope and mainstreaming the environment agenda. Additional funds from the GEF grants complemented ADB investments by enhancing the climate resilience and environmental sustainability of infrastructure. The grants funded the procurement of additional electric public vehicles, expansion of coastal forest improvement, institutionalization of resource management through policy development and capacity-building support. Notably, the Rural Development Project (Loan 2313 and Grants 0072 and 0111: TAJ) included a loan covenant specifying that, without GEF funding, certain capacity-building activities—such as the establishment of a pasture management program—would not be financed under the loan.

Note: Of the 26 validated projects with global funds, 15 were cofinanced by GEF. For the list of projects reviewed, see Supplementary Appendix B, Table AB.4.

Source: ADB (Independent Evaluation Department); ADB. 2015. [Completion Report: Rural Development Project in Tajikistan](#).

59. The Green Climate Fund (GCF) is becoming an increasingly important partner for ADB in tackling climate and broader environmental issues. The portfolio is still young, with no closed and validated projects to date. However, GCF–ADB projects are distinct in requiring independent midterm evaluations, a practice that fosters early learning and course correction while incorporating climate-related evaluation criteria that ADB does not routinely collect.

E. Partners Raised Concerns About Disbursement Rates and the Timely Delivery of Outcomes.

60. Disbursement ratios for investments supported by trust funds, global funds and other cofinancing are lower than bank-wide performance (Appendix 1, Figure A1.10). Since 2016, disbursement of external funds has been slower than that of ADB's own funds, as confirmed by

recent CCPF analysis.⁵⁶ Similarly, TA projects funded solely by external partners show lower disbursement rates compared with ADB's overall TA disbursement rate (Appendix 1, Figure A1.11). By contrast, TA projects cofinanced by both ADB and external partners—particularly trust funds and project-specific cofinancing—tend to achieve higher disbursement rates. TA projects involving global funds, whether fully externally funded or cofinanced with ADB, consistently show weaker performance. A closer review of 14 closed sovereign trust funds found that ADB generally utilized trust fund contributions well, with an average utilization rate of 85%. However, three trust funds—including a multi-donor trust fund for post-disaster emergency response—had lower rates of 45%–61% (Appendix 1, Table A1.2). A key lesson was the need to balance rapid disbursement for disaster response with the capacity of partner organizations to utilize the available funds within a reasonable time frame.⁵⁷

61. Interviews with sovereign donors highlighted concerns about ADB's disbursement rates. In some cases, expectations for likely disbursement rates under ADB's lending modalities were not well communicated, especially concerning investment projects. Donors raised concerns about results, with some expecting outcomes to be demonstrated within the 5-year life span of a trust fund, an unrealistic expectation given ADB's average implementation period of 6.9 years for investment projects.⁵⁸

62. NSO donors did not raise concerns about disbursement rates. All NSO trust funds continued to operate in line with their original establishment agreements. While financial performance varied across funds, most appeared to perform slightly below expectations in deploying available capital. Several older trust funds were affected by external shocks—most notably the COVID-19 pandemic—and subsequently requested additional time to fully deploy their resources.

⁵⁶ ADB. 2022. *ADB Cofinancing Review, 2016–2021*.

⁵⁷ ADB. Typhoon Yolanda Multi-Donor Trust Fund. 2018. Philippine Reconstruction Programme. Project Completion Review. 31 March (internal).

⁵⁸ ADB. 2025. [2024 Annual Portfolio Performance Report](#).

CHAPTER 5

Institutional Setup for Delivery

63. This chapter describes ADB's complex and fragmented institutional setup for originating and managing trust funds and cofinancing. It supports earlier observations on ADB's relevance, coherence, and effectiveness. An organically developed organizational structure and an outdated guiding strategy have made navigation difficult for ADB staff and donors. Consequently, weaknesses in monitoring, evaluation, and reporting systems for trust funds hinder accountability and learning. The institutional setup of ADB's blended finance approval processes for NSO operations is also discussed and compared with peer institutions. Finally, concerns about the staff resources managing these financial partnerships are examined.

A. ADB's Landscape of Trust Funds and Cofinancing is Complex and Challenging for Staff and Donors to Navigate.

64. As of 2024, ADB administers 42 active trust funds, comprising 23 stand-alone funds and 19 under FPFs, with contributions totaling \$512.8 million that year and cumulative contributions of \$3 billion. Based on ADB's 2023 partnership report, for every dollar it invested, an additional \$0.69 was mobilized across 15 bilateral and 7 multilateral partners, 5 global funds, 3 other partners, 29 trust funds, and a host of private sector entities.⁵⁹ The evaluation period saw a proliferation of new trust funds and a decline in the total volume of funds, particularly for sovereign-focused trust funds.⁶⁰

65. Cofinancing and trust funds have multiple touchpoints across the institution, resulting in a range of departments and offices responsible for financing partnerships. Appendix 4 illustrates the institutional complexity of ADB's fund management. SPSP serves as the focal point for donor engagement and CCPF for origination and fund management, yet donors interact through multiple entry points, including sector groups, resident missions, regional departments, and legal and administrative units.⁶¹ Likewise, staff must navigate a wide range of funds and instruments.

66. ADB's organizational structure for financing partnerships is fragmented. It has developed organically rather than through a deliberate strategy, resulting in a fragmented model. The main guiding document—the 2006 Financing Partnership Strategy—nearly 20 years old, is no longer relevant and has not been replaced. Multiple departments have been involved in financing partnerships, including SPD leading strategy and interagency coordination; OCO (until 2019) handling cofinancing policy and several trust funds; the Climate Change and Sustainable Development Department managing knowledge partnerships and facilities; regional departments identifying and implementing cofinancing opportunities; the Controller's Department Trust Fund Unit overseeing the IT platform Partner Funds Management System, which includes financial reporting, compliance, and accountability for all trust funds and arranging external audits for

⁵⁹ ADB. 2024. [Partnership Report 2023: Accelerating Climate Action for Sustainable Development](#).

⁶⁰ From 2015–2019 to 2020–2024, the number of sovereign-focused trust funds increased but total contributions received declined by 11%. In contrast, NSO-dedicated trust funds became more prominent, both in fund and financial support, with total contributions rising by 64% over the same period.

⁶¹ For Climate Investment Funds—global funds, the funds are managed by Climate Change, Resilience, and Environment Cluster under CCSD.

certain trust funds; the Office of the General Counsel serving as the central legal advisor for financing partnerships, fund establishment and management, and participation in global funds; and PSOD managing its own funds and cofinancing.⁶² This dispersion of responsibilities has led to overlapping functions, duplication of operating systems, inconsistent engagement with financing partners, and a lack of clarity in fundraising and management approaches.

67. The dissolution of OCO in 2019 followed an internal review.⁶³ Its responsibilities were redistributed among newly formed specialist divisions: SPSP took charge of donor relationships and strategic coordination; CCPF assumed responsibility for fund administration, data management, and reporting; and the Guarantees and Syndications Unit within PSOD, managed private sector cofinancing and blended finance operations, which was previously handled by PSOD's Investment Funds and Special Initiatives Division (PSIS) prior to the dissolution of OCO. It should be noted that PSOD had already been managing NSO trust funds, such as CFPS II established in 2017, prior to the dissolution of OCO. This shift developed strong specialist expertise in discrete functions, but oversight and coordination functions are not well reflected in the new configuration. No staff above director level holds a strategic role in cofinancing and trust funds. Interviews with ADB staff and donors indicate coordination challenges, fragmentation, and a lack of leadership.

68. While ADB has taken steps to improve the management of trust funds and cofinancing within divisions, senior leadership remains a gap. At present, responsibilities are spread across departments, primarily among three directors in CCPF, SPSP, and the Guarantees and Syndications Unit, without a single senior role mandated to provide overarching direction. This has contributed to fragmented IT systems, an uncoordinated proliferation of new trust funds, and inconsistent responses to poor disbursements. Interviews with staff and donors highlighted that this dispersion has sometimes resulted in coordination difficulties and disjointed operations. Interviews with ADB staff in representative offices flagged challenges and occasional frustration among donors who receive uncoordinated requests for cofinancing support from different ADB departments. Donors raised concerns about ADB's multiple approaches to engaging with partners. Uncoordinated approaches to the same financing partners for similar requests cause lack of clarity and uncertainty for donors regarding the comparative advantages of different fund and cofinancing modalities. The European Representative Office has prepared brief fund profiles that summarize partner and ADB's common priorities, past and potential engagements, and preferred modalities. These profiles help promote informed and coordinated engagement but have not been consistently or widely produced. The recent appointment of a chief partnerships officer offers an opportunity to strengthen coherence and provide more strategic, institution-wide leadership for ADB's financing partnerships. A starting point is securing donor views – surveys, such as ADB's periodic client surveys, may be a systematic means of obtaining donor feedback on ADB's administration of trust funds and cofinancing, and measuring success in response to future strategic directions.

⁶² CTL includes the Trust Fund and Administrative Expense Division, whose Trust Fund section (CTFA-TF) is responsible for: (1) financial oversight and reporting, including the preparation of quarterly Status of Grants and Statements of Expenditures, and Annual Financial Statements for audit purposes, and; (2) compliance and accountability, including strict adherence with donor agreements and reporting standards and the timely return of unused funds to donors when required. OGC plays a central role in the establishment and management of trust funds and participation in global funds. This includes reviewing and structuring funds, assessing concept notes, establishment papers, and approval memos, and providing ongoing legal advice to fund managers and operational teams. OGC ensures compliance with ADB policies, including the Trust Fund Guidelines and precedent practices, and advises on restructuring, amendments, and closure of trust funds.

⁶³ ADB (Office of Cofinancing Operations). 2010. Proposed Realignment of Office of Cofinancing Operations and Transfer of Financing Partnerships Responsibilities and Roles. Memorandum. 8 April (internal).

69. The World Bank Group has more centralized senior coordination for partnerships, reporting directly to the vice president for development finance at the World Bank and the vice president for economics and private sector development at IFC. IDB has the Global Partnerships Office (GPO), which strengthens IDB's dialogue and alliances with development stakeholders, including trust fund donors, cofinancing partners, and the private sector. The GPO serves as the sole channel for Inter-American Development Bank's resource mobilization efforts. While the World Bank Group has a more distributed leadership structure, coordination is supported by its Strategic External Fundraising Framework (not public), which provides a basis for better fundraising coordination, including donor intelligence reports on aid program size and focus, and projections of disbursements from existing contributions.

B. Monitoring, Evaluation, and Reporting Systems Have Not Been Sufficiently Mainstreamed, Limiting Learning and Accountability.

70. Donor interviews indicate that ADB monitoring and reporting on trust fund progress are critical for demonstrating value for money and results to political leaders and, ultimately, taxpayers. These functions help justify replenishments and secure new donor support.

71. Of the 61 trust funds covered during the evaluation period, only 57% had a results framework for tracking performance. The 2024 Trust Funds Guidelines require each fund to have a design and monitoring framework (DMF), yet of the three funds established in 2024, only one had one in place.⁶⁴ Fragmented IT systems prevent ADB from coherently tracking and consolidating overall fund performance (Box 6). The extent and frequency of reporting vary across funds. Good examples of annual review reports include those for EAKPF, JFPR, the United Kingdom–ASEAN Catalytic Green Finance Facility Trust Fund, the Clean Energy Financing Partnership Facility, the Urban Financing Partnership Facility, and the Water Financing Partnership Facility. By comparison, the World Bank Group mandates evaluation every 5 years for its Umbrella Funds.

72. In the case of NSO trust funds, a review of the seven annual reports revealed a lack of standardization in the DMFs. Reports prepared by PSOD on single trust funds are consistently of high quality—well-structured, clear, and transparent—providing donors and staff with comprehensive financial and operational insights. These reports are professionally prepared, supported by graphs, tables, and images that improve readability. In contrast, reports for trust funds such as the CFPS, which is managed under the Clean Energy Financing Partnership Facility (CEFPF) by ADB's Energy Sector Office, are less clear and more fragmented, reflecting the challenges of consolidating data from multiple trust funds.⁶⁵ In line with CFPS agreement provisions, ADB submits facility-level annual and semi-annual progress reports for CEFPF, supplemented by CFPS-specific at-a-glance summaries provided directly to donors.

⁶⁴ Three trust funds established in 2024 are the ADB Ventures Investment Fund 2 (VIF2), the Canadian Climate and Nature Fund for the Private Sector in Asia (CANPA), and the Central Asia Regional Economic Cooperation Climate and Sustainability Project Preparatory Fund (CSPPF). Only VIF2 has a trust fund-level DMF. CANPA's establishment paper indicates that ADB will prepare a DMF for each transaction supported by the fund, and while CANPA does not have a DMF in its establishment paper, it has a Performance Management Framework agreed with the donor, including key performance indicators and targets reported annually. CSPPF's establishment paper includes no DMF.

⁶⁵ CFPS was established under the Clean Energy Financing Partnership Facility (CEFPF) in 2013. The Energy Sector Office (SD1-ENE) manages the CEFPF and has produced facility-level annual and semiannual reports since CEFPF's establishment in 2007. The reports consolidate information for the five active trust funds under the CEFPF and provides the progress toward the facility-level objective and targets.

73. Most NSO annual reports share a common structure covering financials, portfolio and project updates, pipeline developments, governance, and staffing. However, not all included DMFs at the design stage. Where DMFs were included, assessing implementation performance proved difficult because of inconsistent quality and limited availability of data. For the few indicators that were monitored, most targets were achieved early, raising questions about the transactions' success, ADB's attribution, and whether the targets had been set too low. Overall, more consistency and standardization in designing, monitoring, and reporting development results are needed, leaving a critical gap in information important to donors and stakeholders.

Box 6: ADB's Fragmented IT Systems Hinder Efficiency, Visibility, and Donor Reporting

The Asian Development Bank relies on multiple IT systems to document and manage trust funds and cofinancing financial and performance data. Core operational tracking, such as project details and progress of all ADB sovereign operations, is managed in the e-Operations System (eOps). This system is set to be replaced by SovOps, which aims to serve as a streamlined, one-stop platform for sovereign operations. SovOps will feature dashboards and system-generated reports with reliable data enabling more efficient operations management and enhanced corporate reporting, particularly in relation to development results.

Financial recording and monitoring are regularly being conducted by a dedicated division in the Controller's Department (CTL)—Trust Fund and Administrative Expense Division (CTFA). It prepares financial statements on a quarterly and annual basis for all the trust funds. Through its internal Partner Funds Management System (PFMS), it maintains a dashboard to monitor financial activity of all the trust funds, including contributions, service fees, direct charges, and fund balances.^a In 2020, PFMS2 was initiated to implement a comprehensive, integrated system with automated end-to-end processes for managing trust funds and project-specific cofinancing. This was part of ADB's broader Strategy 2030 digital transformation agenda. However, in 2023, it was cancelled.

Also under CTL, contract and disbursement records relevant for operations departments are managed through the Integrated Disbursement System. The Office of the General Counsel maintains its own internal records of legal agreements and documentations on various trust funds and global funds, playing a key role in the entire process of establishing and management of trust funds and ADB's participation in global funds,

Managed and maintained by the Partner Funds Division (CCPF) under the Climate Change and Sustainable Development Department, a legacy Cofinancing Management System (CoMS) built on Lotus Notes still archives approvals, contributions, fund balances, and fund-related documents such as establishment papers, implementation guidelines, among others. The CoMS is nearing obsolescence, while a potential replacement (Integrated External Fund Management System [iEFMS]) is under development. The current internal partnerships microsite—a platform shared by the Strategic Partnership Division, Strategy, Policy, and Partnerships Department and CCPF—contains submitted documents from the trust fund teams. Portfolio databases managed and updated by CCPF are hosted on this microsite, but data in this microsite remains a challenge given the limited integration with other systems, such as the PFMS.

The fragmentation of IT databases and programs results in duplicated entry and requires manual reconciliation across systems. Capabilities for effective partner relationship management are insufficient, and visibility of detailed fund operations or the use of service fees is limited. These gaps lead to reporting delays, higher transaction costs, labor-intensive responses to donor requests, and weak consolidated monitoring of fund results. In practice, the multitude of systems is difficult for fund managers to navigate, report on, or use to extract and reconcile data. Consequently, most rely on stand-alone spreadsheets and donor dashboards to meet partner reporting needs.

A good practice model includes the International Monetary Fund (IMF) Capacity Development Management and Administration Portal (CDMAP). This system enables the IMF to manage, track, and disseminate information on its capacity development activities by providing detailed statistics and automating processes. CDMAP supports the funding model by tracking results for multi-partner vehicles and externally funded trust funds, which complement bilateral programs and broaden the donor base to meet member countries' demand for practical, on-the-ground help.

^a Since 2019, ADB has invested significant amounts to make PFMS the centralized platform for trust funds and cofinancing transactions, enabling automated reporting and oversight, enhancing transparency, accountability and fiduciary controls and providing integrated fund accounting, management, and reporting. Together with the Treasury Department, the PFMS was further enhanced in 2021 to support the new Unitized Fund structure, allowing for pooled investment and cash management of donor funds, further simplifying the allocation process.

Source: ADB (Independent Evaluation Department); IMF. 2024. [Review of The Fund's Capacity Development Strategy—Background Papers](#).

74. Because of weak results monitoring frameworks, learning from trust funds is ad hoc, highly variable, and not systematically curated. ADB does not mandate fund evaluation. Only 31% of trust funds include planned evaluations to capture lessons and support course correction. Of 14 closed sovereign trust funds, only 7 included some form of terminal or closing report, and only 4 of these were prepared by ADB. Good-practice examples include the JFPR evaluation report and the Sweden government-supported Urban Financing Partnership Facility–Urban Environmental Infrastructure Fund terminal report, both of which provided lessons on trust fund design. The Ireland Trust Fund for Building Climate Change and Disaster Resilience in Small Island Developing States used its midterm review evaluation to adjust course and revise implementation guidelines. The ASEAN Australia Smart Cities Trust Fund conducted a midterm evaluation process that included a midterm program self-evaluation report, followed by an independent evaluation. The ASEAN Catalytic Green Finance Facility Trust Fund (UK-ACGFTF) and Asia Regional Trade and Connectivity trust fund supported by the United Kingdom's Foreign, Commonwealth & Development Office include lessons and recommendations in each annual report. Among global funds, good-practice examples include the Women Entrepreneurs Finance Initiative evidence paper reviewing what works to support women entrepreneurs in developing countries,⁶⁶ and the Global Facility for Disaster Reduction and Recovery midterm evaluation, which was designed to strengthen the program and its operations.⁶⁷

75. ADB's Annual Report on Partnerships provides updates on the extent and focus of partnership funds but includes little analysis of their contribution to development effectiveness or knowledge generation.⁶⁸ Interviews indicate that impact stories for the report are sometimes prepared centrally without early consultation with trust fund managers.

C. Blended Finance has Become a Key Instrument for ADB and Other Development Finance Institutions, but Opportunities Remain to Scale Up ADB Support in this Area.

76. The contributions of donor partners are essential for enabling blended concessional finance transactions. DFIs needed a shared approach to avoid market distortion and the overuse of subsidies. As a result, a set of blended finance principles were created to help ensure the effective and efficient use of concessional resources in private sector projects and avoid market distortion or crowding out private capital. For ADB, it was important to establish a sufficiently rigorous system to ensure subsidized capital does not distort markets and is used to demonstrate and leverage highly developmental transactions. By adopting common standards, DFIs could demonstrate that concessional finance is used to mobilize private investment rather than replace it, ensuring fair competition and encouraging private sector confidence. All DFIs, including ADB, follow these principles. Nevertheless, governance practices vary across institutions (Box 7).^{69,70}

⁶⁶ Women Entrepreneurs Finance Initiative. 2022. [Evidence Paper. Supporting Women Entrepreneurs in Developing Countries: What Works?](#)

⁶⁷ World Bank. 2024. [Midterm Evaluation for the Global Facility Disaster Reduction and Recovery: Final Evaluation.](#)

⁶⁸ ADB. 2025. [Partnership Report 2024: Complex Challenges, Collaborative Solutions.](#)

⁶⁹ Blended finance ensures that limited donor funds are used efficiently by adhering to five key principles: ensuring additionality (support goes only where needed), applying minimum concessionality, promoting commercial sustainability, reinforcing markets, and promoting high standards.

⁷⁰ ADB et al. 2017. [DFI Working Group on Blended Concessional Finance for Private Sector Projects: Summary Report.](#) Annex 1, p. 30. An update was issued in 2023. ADB et al. 2023. [DFI Working Group on Blended Concessional Finance for Private Sector Projects: Joint Report.](#)

Box 7: Blended Finance Principles and Multilateral Development Bank Comparison

Blended finance is a financing approach used by development finance institutions (DFIs) to make high-impact projects in difficult or underserved markets financially viable by combining donor funding (concessional or grant based) with commercial capital. The DFI Working Group on Blended Concessional Finance for Private Sector Projects defines it as “combining concessional finance from donors or third parties alongside DFIs’ normal own-account finance and/or commercial finance from other investors, to develop private sector markets, address the Sustainable Development Goals (SDGs), and mobilize private resources.”^a It is designed to support projects that would not attract private investment on their own, either because they are too risky, located in fragile or frontier markets, or not sufficiently profitable without some form of subsidy.

By strategically blending concessional resources, such as interest rate subsidies, first-loss capital, or guarantees, with market-based financing, DFIs can improve the risk-return profile of investments. This approach helps mobilize private sector participation in sectors critical to development, such as climate resilience, clean energy, agriculture, and health.

In 2017, a [working group](#) of nine DFIs was formed and agreed on a set of [blended finance principles](#) for the effective use of blended concessional finance for private sector transactions. Each DFI then set up its own governance and procedural structure for applying these principles. A uniform governance model was not established, resulting in diverse approaches across DFIs.

The Asian Development Bank (ADB) has the most comprehensive framework, with centralized oversight by a cross-departmental Blended Finance Committee (BFC), two-step review, and extensive documentation. The International Finance Corporation applies a more streamlined, criteria-based delegation system, with only complex or higher-risk projects referred to its BFC. The European Bank for Reconstruction and Development (EBRD) follows a lighter-touch process without a dedicated committee, using simplified tracks for small projects and programmatic frameworks for standardized activities. Inter-American Development Bank (IDB) Invest uses two-person committees and a rapid circulation-based review, enabling quick turnaround. Overall, governance arrangements range from highly structured and documentation heavy (ADB) to simplified and flexible (EBRD, IDB Invest), reflecting different balances among rigor, efficiency, and oversight.

Source: ADB (Independent Evaluation Department) and ADB. 2025. *Staff Instruction on Procedures for Endorsement of ADB Blended Concessional Finance Proposals*.

^a DFI Working Group on Blended Concessional Finance for Private Sector Projects. 2017. *Summary Report*.

77. ADB’s NSO trust funds that support blended finance are governed by two committees responsible for reviewing and approving the proposed use of trust fund resources. These funds fall under two broad categories: (i) discretionary funds, where donors grant ADB full or near-full discretion over the financing recipient, amount, terms, and structure; and (ii) donor-controlled funds, where fund investment committees (FICs) are established and donors retain voting control over financing decisions. An FIC for LEAP was established in 2016 at the request of the Japan International Cooperation Agency (JICA) and includes two JICA representatives and one ADB staff member. In 2020, ADB established the Blended Finance Committee (BFC), which reviews proposals for discretionary funds. The BFC includes representatives from SPD, the Office of Risk Management, the Climate Change and Sustainable Development Department, and PSOD. The

BFC follows a two-stage review process—concept and final endorsement—governed by the Staff Instruction on Procedures for Endorsement of ADB Blended Concessional Finance Proposals.⁷¹

78. Almost all NSO trust fund users in PSOD view ADB's BFC approval process as a constraint. It is considered complicated, rigid, bureaucratic, and time consuming, with uncertain outcomes, discouraging some deal teams from applying. These issues have been perceived to have contributed to operational delays, missed opportunities, and a decline in competitiveness compared with other DFIs. According to interviews and document reviews, some PSOD deal teams no longer apply for blended finance support because of (i) the rigid application of the blended finance principles, (ii) discussion of issues that go beyond concessional finance, (iii) misalignment with ADB's core operations, (iv) the absence of delegated authority for smaller or less complex projects,⁷² (v) excessive documentation requirements, and (vi) heavy information and rewrite requests.

79. Nevertheless, according to SPD—which chairs the BFC—since 2020 only 5 out of 34 projects⁷³ did not receive unanimous BFC endorsement at either the concept or final stage.⁷⁴ SPD claims to have improved turnaround times in 2023 and 2024, and to have proposed a programmatic approach for financial institutions to improve efficiency and responsiveness. SPD has made further efforts to improve understanding and efficiency of BFC processes with stakeholders through learning initiatives. In 2022, SPD led a workshop to share, discuss, and analyze BFC processes and procedures with stakeholders. It conducted an interdepartmental survey to elicit staff views on BFC processes, procedures, and results. In August 2025, SPD updated the staff instructions on blended concessional finance to reduce circulation time.⁷⁵

80. Interviews with ADB staff suggest that the FIC offers a faster and more predictable approval process than the BFC. While both committees follow a two-step review and require similar documentation aligned with blended finance principles, FIC approvals are conducted entirely by circulation. In contrast, BFC approvals involve in-person meetings, which can lengthen processing time, especially when there is lack of consensus. Projects reviewed by the FIC, particularly non-parallel LEAP transactions (concessional finance transactions), tend to have simpler structures and lower risk profiles, typically involving senior debt in infrastructure sectors and lower-middle-income countries. In contrast, BFC-reviewed projects use a wider range of instruments and are implemented in more diverse and challenging contexts, which may contribute to longer and more complex approval timelines than those approved through the FIC.

81. PSOD reports that it manages about \$1.5 billion in available private sector–focused concessional finance (including global funds and the Asian Development Fund private sector window), with just under half committed. ADB has lower blended finance volumes than peer MDBs. An earlier DFI benchmarking exercise from 2020 highlighted ADB's relative

⁷¹ [ADB. 2025. Staff Instruction on Procedures for Endorsement of ADB Blended Concessional Finance Proposals](#). The staff instruction states that “the FIC for the LEAP Fund shall assume the roles and functions of the BFC, and any endorsement by the FIC shall be treated in all respects as an endorsement of the BFC.”

⁷² Unlike other MDBs, ADB has no delegated authority for smaller projects. These projects are subject to the same complex, committee-heavy approval process as large, high-risk transactions, creating inefficiencies. In 2024, 3 of the 12 approved blended finance projects were for \$1 million or less.

⁷³ [Confidential information deleted].

⁷⁴ [Confidential information deleted].

⁷⁵ The number of days required for circulating the package at the concept stage was reduced from 6 to 4, and from 6 to 3 for circulation for the final BFC meeting. The BFC meeting will now be held 2 days, instead of 4 days, before the final review committee meeting.

underperformance compared with peer institutions.⁷⁶ Compared with IFC, EBRD, IDB Invest, the European Investment Bank (outside the European Union), and members of the European Development Finance Institution, ADB recorded the lowest number of blended finance signings, the smallest total blended finance volume, and the lowest share of blended finance within its overall operations. Limited data from 2024 shows a similar picture. EBRD's blended finance coordination team reviewed about 240 blended finance projects in 2024, while ADB processed only 12.⁷⁷ This reflects, in part, the smaller scale of ADB's NSO operations, which limits the volume of non-concessional capital available to be blended. As noted in IED's evaluation of ADB's Private Sector Operations: Strategic Approach and Results, 2019–2024, "While the financials of ADB, IFC, and EBRD are not directly comparable because of the difference in scale, resources and geographic coverage, the size disparity is significant. In 2022, IFC's long-term commitments in Asia amounted to \$5.6 billion across 102 projects, and EBRD's commitments in Central Asia were €1.4 billion. In comparison, ADB NSO committed \$1.1 billion in 37 projects."⁷⁸

D. ADB's Staffing and Support Systems Have Not Kept Pace and Lack Strategy, Training, and Dedicated Fundraising Capacity.

82. In 2024, BPMSD identified 61 staff members tagged as contributing to financing partnerships, comprising 29 international staff, 20 national staff, and 12 administrative staff. In addition, various trust funds engage staff consultants to support their management and operational activities. Based on donor interviews, secondees are highly valuable for ensuring a closer link to ADB operations. Some staff effort may be underreported and not adequately reflected in the formal human resource data. Overall, interviews and FGDs suggest that the current staffing configuration is stretched and that the nature of ADB financing partnerships has become more complex.

83. Based on focus groups and interviews with 36 trust fund representatives, orientation, training, and support for trust fund managers are limited, and many managers of sovereign trust funds perform additional roles beyond fund management. In contrast, NSO trust funds within PSOD are managed by dedicated staff. The trust fund e-learning module is very useful, but it has not been updated since 2022, and uptake has been mixed.⁷⁹ There are no face-to-face trainings on the 2024 trust fund guidelines or a community of practice like for other themes and sectors at ADB. Unlike the World Bank and IFC, ADB has no accreditation system for new trust fund managers. Several departments raised concerns about insufficient resources for staff to cover the real costs of adequate management, administration, and monitoring. ADB lacks a coherent approach to allocating staff resources for trust fund and cofinancing management commensurate with needs.

84. FPF trust funds with a strong sector focus—such as the Clean Energy Financing Partnership Facility, Urban Financing Partnership Facility, and Water Financing Partnership Facility—are more embedded in ADB's investment processes, with stronger governance systems

⁷⁶ ADB (Grants and Syndication Unit, Private Sector Operations Department). 2022. *Blended Concessional Finance Workshop*. Presentation prepared for ADB Senior Leaders. 27 and 30 May.

⁷⁷ This evaluation was unable to definitively identify the exact reasons for ADB's lag in blended finance operations compared with its peers. However, ADB's current approach to blended finance may be the reason, potentially undermining ADB's competitiveness and effectiveness within the broader development finance landscape.

⁷⁸ Independent Evaluation Department. 2024. *Corporate Evaluation: ADB's Private Sector Operations—Strategic Approach and Results, 2019–2024*. ADB.

⁷⁹ Data provided during the evaluation indicated that since 2022, 24 ADB staff have completed the e-learning course, while 43 had started but not completed the course. There have been other non-ADB staff such as consultants and contractors who have accessed and completed the course.

and adequate resources for management and deployment. Staff survey responses ranked clearer guidelines and a centralized application process for trust funds as the most needed institutional support (Supplementary Appendix C, Figure AC.3 and Figure AC.4). On the management side, staff survey responses showed low levels of agreement on the sufficiency of resources to manage trust funds and the ease of meeting partners' reporting requirements (Supplementary Appendix C, Figure AC.5).

85. Fundraising efforts are generally ad hoc and opportunistic, driven more by donor interest and availability than by a strategic approach. In the case of NSO, ADB does not have a dedicated team focused on fundraising for NSO trust funds and no coordinated fund mobilization function exists within PSOD.⁸⁰ Most NSO trust funds are managed by the Guarantees and Syndications Unit, and while the importance of donor support is increasingly recognized, ADB lacks a systematic framework. By contrast, IFC, EBRD, and IDB all have large headquarters-based teams that centrally manage donor relationships, with regular consultations and outreach to secure funding for new or existing trust funds.

E. Transparency and Tracking of Administration Fees for Trust Funds and Cofinancing are Lacking.

86. To cover staff costs and other administrative expenses, ADB applies service fees based on the trust fund modality. For full administration, the fee is 5% for grants up to \$5 million or 2% for grants above \$5 million, with a minimum of \$250,000, whichever is greater. Technical assistance grants are accepted only for full administration. The 2003 guide only applies to partial administration of grant projects, where it indicates different fee structures depending on the partners. When ADB's role is procurement and disbursement supervision, the fee is \$30,000 or 0.1% of the disbursed grant, whichever is greater. For procurement supervision only, the same fees apply, but with a ceiling of \$100,000 per cofinanced grant.⁸¹

87. The 2009 *Review of the Asian Development Bank's Service Charges for the Administration of Grant Cofinancing from External Sources* Policy introduced a tiered and differentiated fee structure that allows for cost recovery based on the type of support provided, including programmatic fee rates for multi-donor trust funds, transaction-based fees, and full cost recovery for specific services. It aims to improve transparency and accountability by requiring documentation of cost components and encourages reporting to donors on the use of administrative fees. This structure is currently still in place, and while it is considered to still be relevant and at par with the fees structure of other MDBs, it does suffer from gaps that need addressing. These include primarily the need to re-align the delegation of authority post-NOM, and the fact that it is confined to fully administered grants, leaving out fully administered loans and partially administered loans and grants.

88. Despite these efforts, feedback from interviews with management indicates that different funds continue to apply bespoke fee structures. On the sovereign side, fund managers are not

⁸⁰ To strengthen and professionalize donor engagement and fund management, GSU expanded its blended finance team in 2025, including a new staff member from EBRD's Financial Institutions Banking team, and additional staff to support fund managers with reporting and deal processing.

⁸¹ These services fees were based on successive policy documents that reviewed and proposed fee changes for greater efficiency: the 2009 *Review of the Asian Development Bank's Service Charges for the Administration of Grant Cofinancing from External Sources*, the 2013 *Blanket Waiver of Member Country Procurement Eligibility Restrictions in Cases of Cofinancing for Operations Financed from Asian Development Fund Resources*, the 2015 *Enhancing Operational Efficiency of the Asian Development Bank*, the 2003 *ADB-Administered Grant Cofinancing: Partial Administration Modality and Related Service Charges*, and the 2023 SPD Policy Guidance.

always aware of how the standard service fee is used. Managers with direct fund management costs included in annual budgets appear to have more resources than those relying only on the service fee. Most feel that the fee structure remains outdated and requires review and revision, including a more active charge-back system for real costs and a clearer budget flow to cost centers for fund origination and management. Donor feedback generally shows that the system offers highly competitive value for money, with positive recognition of ADB's in-country convening power, DMC relationships, and resident mission support. On balance, while there is flexibility on the use of direct charges for fund administration, there is no clear system of checks and balances to ensure accountability in the prudent use of these resources.

89. In 2015, ADB piloted a cofinancing fee allocation mechanism that allowed 35% of administration fees to be used for staff consultants or travel budgets to support the more labor-intensive nature of trust fund-related operations. However, this was discontinued due to low uptake. Currently, most fees and services charges are transferred to ordinary capital resources. Certain trust funds, such as LEAP, operate under direct charge mechanisms, enabling PSOD to utilize 65% of LEAP-generated fees for its direct costs, with the remaining 35% contributing to ADB's general income. More broadly, for NSO trust funds, PSOD notes that it has historically agreed with BPMSD on a fee split whereby 65–85% of fees are used to support staff and fund management costs, with the remainder going to general revenue. Starting with the Canadian Climate and Nature Fund for the Private Sector in Asia (CANPA), ADB has adopted a revised approach whereby 100% of fee income accrues to a PSOD cost center, while a fixed charge (currently \$49,000 per staff, escalating annually) covers general administration costs. By the end of 2024, 72 staff positions were funded through fees from various trust funds with dedicated cost centers. Under ADB's Time Management System, a dedicated code is available for staff to record time spent on financing partnership-related outputs. During the interviews with financing partnerships and trust fund representatives, unclear utilization of service fees and challenges in quantifying the time spent by staff on trust-fund related work were raised. Further analysis is needed to determine how many trust funds have cost centers in place and whether staff are consistently charging their time spend on financing partnership-related outputs.

CHAPTER 6

Conclusions and Recommendations

A. Conclusions

90. ADB has a clear mandate to promote cofinancing in its operations and has been successful in securing external finance from donors to support trust funds and project-specific cofinancing. The number of new trust funds has grown significantly since 2020, including several dedicated NSO trust funds. As budgets tighten and development finance becomes more fragmented, ADB's ability to offer value for money, strategic alignment, and operational excellence continues to provide donors with a compelling reason for partnership.

91. Broadly, ADB-administered trust funds and other cofinancing add value and support the delivery of ADB's corporate strategic objectives. They are strategically relevant and contribute through innovation and scale-up, particularly in climate change. External coherence is strong for project-specific cofinancing but weaker for trust funds, as DMCs are rarely engaged during their establishment. Internal coherence challenges stem from a fragmented policy framework and ADB's complex organizational structure for delivery. Measuring effectiveness is difficult for trust funds because of weak results frameworks and gaps in the systematic evaluation of ongoing and closed funds. Efficiency is generally positive for closed trust funds, where fund utilization is high, but disbursement delays in the active portfolio need more attention for both trust funds and global funds. Institutional fragmentation—reflected in outdated operational guidance, organizational inefficiencies, and leadership gaps—has led to suboptimal coordination and deployment of this critical resource. Many of these issues align with findings from earlier evaluations by IED and other development partners (Appendix 2).

92. Innovation is a key rationale for establishing trust funds, demonstrated through technology adoption, scaling up, piloting, and support for global and regional public goods. For NSO, trust funds enable ADB to pursue innovative and catalytic activities that would not normally be supported. NSO trust funds are investment focused, with limited TA support. Other ADB-administered cofinancing—including global funds, project-specific arrangements, and framework agreements—is strategically aligned with ADB priorities and infrastructure sectors, with an emphasis on strengthening governance.

93. However, ADB does not have a coherent strategic approach, unlike some comparator organizations. While corporate strategies such as Strategy 2020 and Strategy 2030 provide high-level direction, operational guidance and oversight are insufficient, leading to fragmentation and weak coordination on fundraising, trust fund origination, and deployment. The 2006 Financing Partnerships Strategy is no longer relevant and has not been replaced. CPSs generally refer to the importance of cofinancing in providing concessional or additional support for DMCs, but only half mention trust funds.

94. Trust fund support is strategically aligned with ADB thematic priorities, especially climate change, and serves as a critical source for TA. Project-specific cofinancing is generally aligned

with ADB's typical sector support, while trust funds have focused on energy, with less support for the public sector management, transport, and other sectors.

95. Assessing the performance of individual trust funds is challenging as they are rarely evaluated and the quality of annual reporting is mixed. Other MDBs have struggled to assess trust fund performance because of attribution issues and weak results frameworks. Where independent evaluations have been undertaken, they have provided valuable feedback for the ongoing implementation of active trust funds and broader lessons for closed trust funds.

96. Project-specific cofinancing does not appear to determine project success, but projects with trust funds tend to perform better than those without and are more likely to demonstrate value addition, a key donor objective. Validated NSO projects with trust funds show stronger additionality than those without such contributions. The main added value of project specific cofinancing lies in scaling up and maximizing development impact. Some donors expressed concerns about low disbursement rates, a finding confirmed by IED and CCPF analysis. These concerns have been partly exacerbated by poor management of donor expectations at the time of trust fund establishment.

97. ADB's institutional landscape of trust funds and cofinancing is complex and fragmented, shaping its delivery arrangements. Accessibility remains a concern for staff because calls for proposals vary greatly in timing, sequencing, and requirements. The current system favors entrepreneurial individuals with strong bank-wide networks to navigate this complexity. ADB lacks coherent leadership and direction to achieve coordinated, proactive, and efficient approaches to cofinancing. Data management and reporting systems are not fully operational, and learning from trust funds remains ad hoc, inconsistent, and unsystematic.

98. ADB's NSO trust funds have enabled pioneering investments in high-risk markets, particularly renewable energy, by providing concessional financing and de-risking support. However, their use remains constrained by donor-imposed limitations and minimal support for TA. Moreover, actual practice shows that most NSO blended financing was delivered as debt. For ADB, it was important to establish a sufficiently rigorous system to ensure subsidized capital does not distort markets and is used to demonstrate and leverage highly developmental transactions. However, ADB's blended finance governance is seen as more complex and rigid than that of peer institutions, which was perceived as resulting in delays and reduced competitiveness. The approval process—especially through the BFC—is seen as unpredictable and resource intensive, discouraging applications. Compared with other MDBs, ADB lags in blended finance volume. ADB's NSO commitments are significantly smaller than those of IFC and EBRD in Asia, which may affect its ability to mobilize and blend larger volumes of capital. Institutional inefficiencies, lack of standardized monitoring, and ad hoc fundraising further limit the strategic potential of these funds.

B. Recommendations

99. **Recommendation 1: Develop an updated strategic approach to financing partnerships or an equivalent framework and consider developing a consolidated cofinancing policy.** An updated overarching cofinancing approach is required to consolidate existing guidance and strengthen coherence across ADB's project-specific cofinancing and trust fund operations, including the global funds, in support of its sector and thematic priorities. The approach should include key principles for establishing new trust funds, a clear rationale for stand-alone versus multi-donor and financing partnership facilities, and opportunities to consolidate existing and new trust funds, while maintaining flexibility. An agreed glossary of relevant terms

should be included. It should support the roll-out of the forthcoming external fund mobilization framework. Given the age and disparate nature of the policy papers, reviews, and fee structures governing cofinancing, ADB should consider the merits of a consolidated cofinancing policy in line with other MDBs.

100. Recommendation 2: Elevate strategic oversight by placing overall cofinancing coordination under senior management. Currently, strategic coordination is spread across three director positions, which is sub-optimal given the corporate priority that trust funds and cofinancing have under Strategy 2030 and its midterm review. Senior management's role should include responsibility for the forthcoming external fund mobilization framework and for a consolidated cofinancing policy, if pursued. The main purpose of this coordinating role is to ensure strategic relevance and coherence across the various functional units, while allowing these units to manage their roles and responsibilities.

101. Recommendation 3: Professionalize trust fund management through mandatory, standardized training. Trust fund management requires a specific skill set and warrants a standardized system, similar to procurement, safeguards, and other key operational skills in ADB, to ensure a minimum standard of service delivery. An accredited training system, such as those used in other MDBs, may be considered. The current e-learning module is a useful starting point for trust fund managers and focal persons. To be current, it should be updated to reflect the 2024 Trust Fund guidelines. Importantly, the e-learning module should be supplemented with periodic face-to-face training on the trust fund guidelines, including the trust fund manager's role in communications and outreach. Consider establishing a community of practice to share good practices and lessons. The training program should be fit for purpose and available for all staff involved in the origination, deployment, and use of trust funds, and include tailored training for blended finance officers and committee members. A summary of ADB's 2024 trust fund guidelines should be made public for existing and prospective donors and for broader awareness and training within ADB, while safeguarding sensitive content. A strategic review of available staff resources, including secondees and staff consultants, should be considered to identify gaps in support and opportunities for optimal deployment.

102. Recommendation 4: Strengthen monitoring and evaluation systems and widen the adoption of centralized IT platforms for reporting. Update and consolidate ADB's IT systems for better oversight, access, and functionality, and ensure minimum standards for monitoring, reporting, and evaluation while allowing flexibility as per donor requirements. Draw lessons from the implementation of the Partner Fund Management System and related ongoing IT initiatives. Develop a streamlined and accessible system for trust fund proposal processing so staff can pursue opportunities in a timely manner. An improved, integrated financial and client relationship management solution would substantially reduce manual effort, improve visibility for donors, and enable systematic, bank-wide reporting on trust fund contributions and results. Identify good practices from trust funds such as good governance, development results, and efficient disbursement so those processes and practices can be more widely adopted. The evaluability of ADB's trust fund system must be enhanced. Mandate results frameworks capturing development outcomes for all trust funds and periodic evaluations of FPFs every 5 years. Encourage donors to consider periodic evaluations of trust funds and ensure that closing reports are prepared for all closed trust funds.

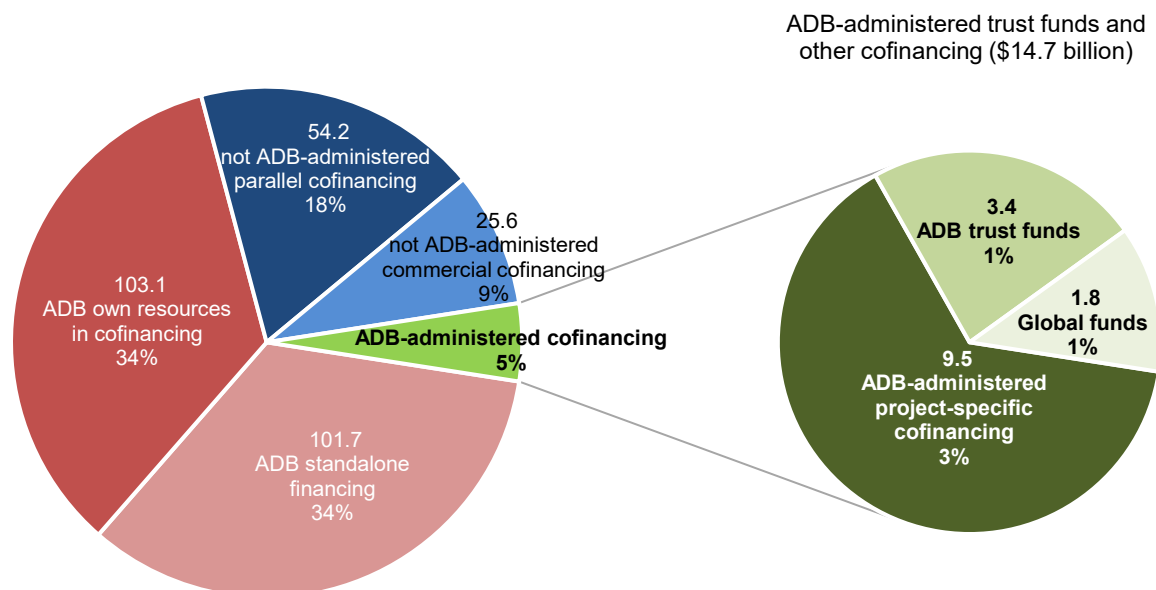
103. Recommendation 5: Enhance the efficiency and implementation of ADB's blended finance governance by further streamlining processes. Build on recent learning initiatives and introduce a streamlined approval mechanism, drawing on practices from peer MDBs, by selectively delegating authority while maintaining compliance with DFI blended finance principles

and donor requirements. Expediently review the composition and functioning of the different committees overseeing blended finance transactions to harmonize and strengthen governance, including ensuring independence, standardized procedural requirements, and improved turnaround times to support timely and consistent implementation.

Appendixes

APPENDIX 1: PORTFOLIO CHARACTERIZATION

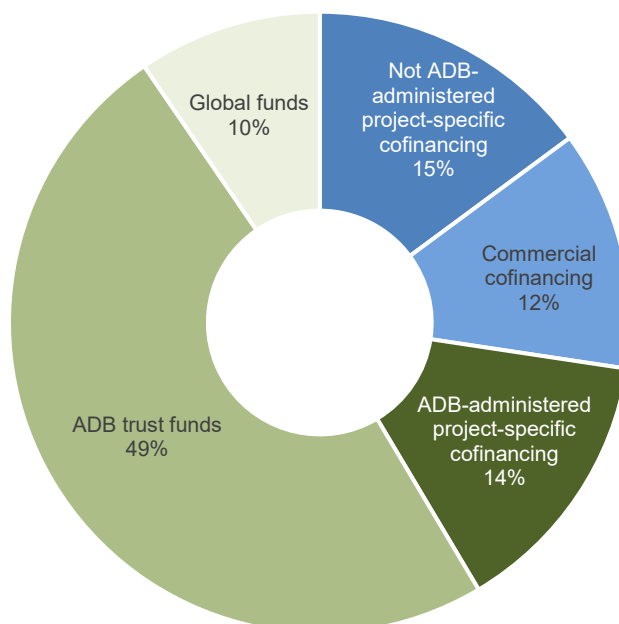
Figure A1.1: ADB Total Commitment by Fund Source (\$ billion, 2015–2024)



Notes:

1. Parallel cofinancing includes external funds from bilateral and multilateral organizations. It covers parallel cofinancing from global funds amounting to \$212.6 million and parallel financing from the Leading Asia's Private Infrastructure Fund (LEAP) and LEAP 2 amounting to \$1.1 billion.
2. Asian Development Bank (ADB)–administered cofinancing can be either full administration or partial administration. Full administration means that ADB provides a full range of services to the financing partner, such as opening and managing fund accounts, procuring goods and services, supervising project implementation, disbursing funds, closing accounts, and preparing reports. Partial administration means funds are not transferred to ADB and ADB provides a limited range of services, such as procurement of goods and services, disbursement review, reporting, limited financial reporting, safeguard compliance, and anticorruption and integrity compliance.
3. Project-specific cofinancing includes project specific and framework agreement cofinancing arrangements.
4. The Trade and Supply Chain Finance Program, the Microfinance Program, and the transaction advisory services are excluded from this figure.

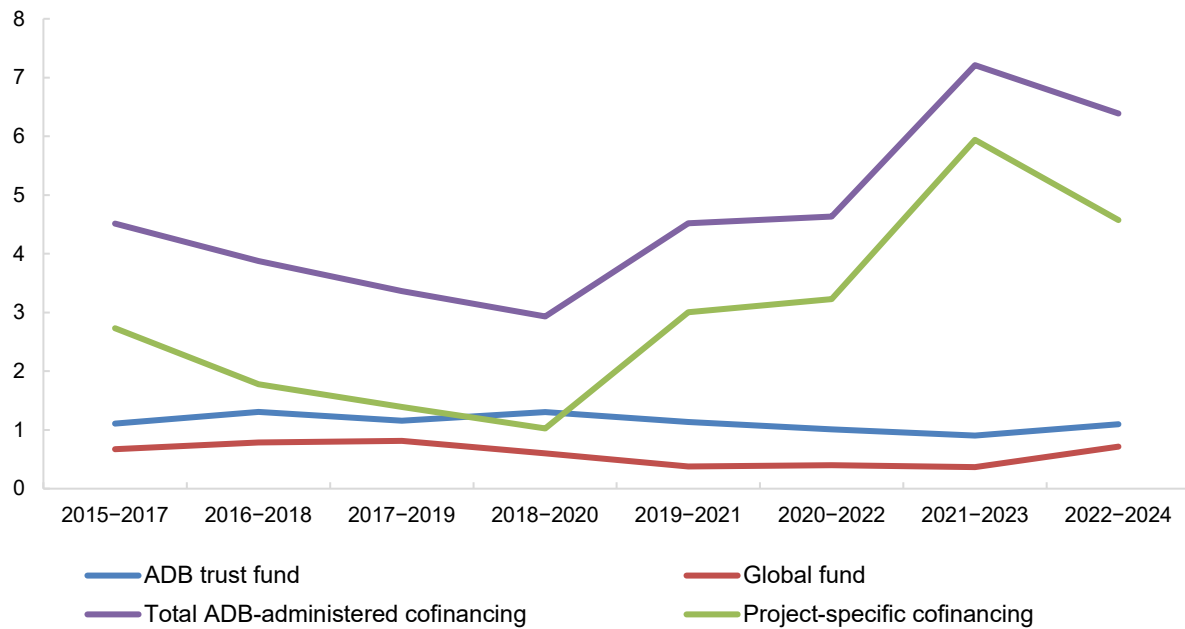
Source: ADB (Independent Evaluation Department), based on the Procurement, Portfolio, and Financial Management Department Commitment Database and the Partner Funds Division, Climate Change and Sustainable Development Department Cofinancing Database.

Figure A1.2: ADB Cofinancing by Fund Source (project count, 2015–2024)**Notes:**

1. ADB-administered project-specific cofinancing is all in sovereign operations. Non-ADB-administered project-specific cofinancing is in sovereign operations except for one nonsovereign loan. Project-specific cofinancing includes project specific and framework agreement cofinancing arrangements. All technical assistance projects are ADB-administered.
2. ADB-administered project-specific cofinancing can be either full administration or partial administration. Full administration means that ADB provides a full range of services to the financing partner, such as opening and managing fund accounts, procuring goods and services, supervising project implementation, disbursing funds, closing accounts, and preparing reports. Partial administration means funds are not transferred to ADB and ADB provides a limited range of services, such as procurement of goods and services, disbursement review, reporting, limited financial reporting, safeguard compliance, and anticorruption and integrity compliance.
3. Not ADB-administered project-specific cofinancing refers to projects cofinanced by bilateral and/or multilateral organizations on a parallel basis. If required by the financing partner, such cofinancing is documented through a memorandum of understanding or an aide-mémoire, or other endorsed documentation with the financing partner. The documentation specifies the source and amount of funds, the description of the financed component, and other agreed arrangements.
4. All commercial cofinancing is not ADB-administered. In the figure, commercial cofinancing is reported separately from the non-ADB-administered cofinancing.

Sources: ADB (Independent Evaluation Department), based on the Procurement, Portfolio, and Financial Management Department Commitment Database and the Partner Funds Division, Climate Change and Sustainable Development Department Cofinancing Database.

Figure A1.3: Share of ADB-Administered Trust Funds and Other Cofinancing to ADB Total Commitment (%)



Note: Project-specific cofinancing includes project specific and framework agreement cofinancing arrangements.

Sources: ADB (Independent Evaluation Department), based on the Procurement, Portfolio, and Financial Management Department Commitment Database and the Partner Funds Division, Climate Change and Sustainable Development Department Cofinancing Database.

Figure A1.4a: Share of ADB-Administered Cofinancing by Country Grouping and Type of Agreement —Without LEAP Parallel
(\$ billion, 2015–2024)

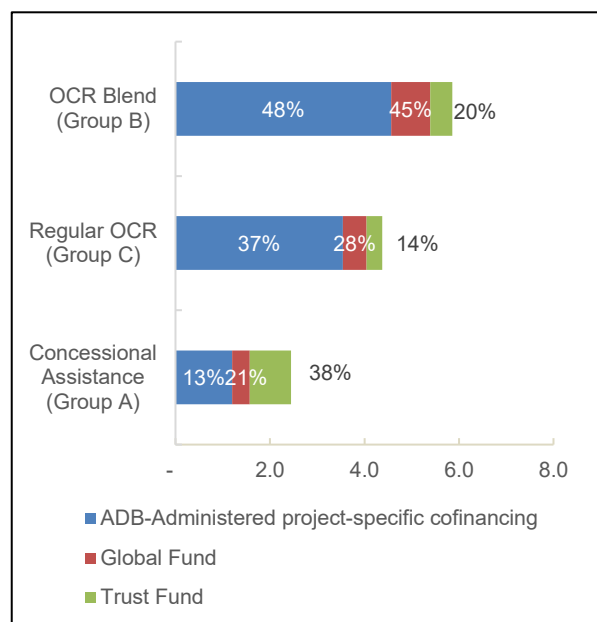
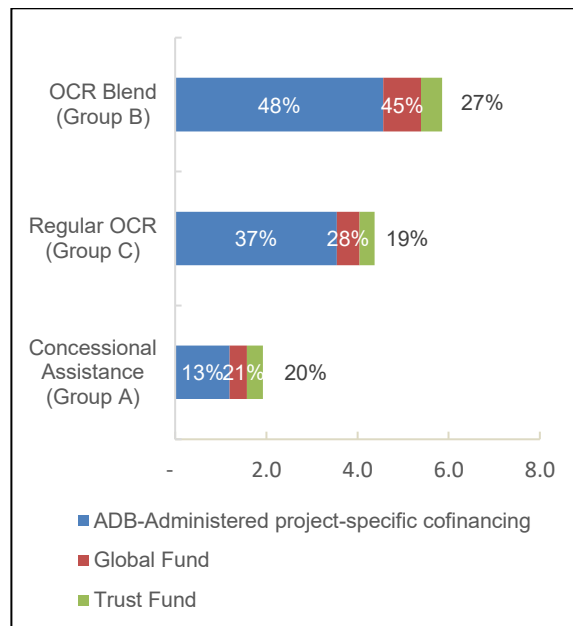


Figure A1.4b: Share of ADB-Administered Cofinancing by Country Grouping and Type of Agreement —without LEAP Parallel and AITF
(\$ billion, 2015–2024)



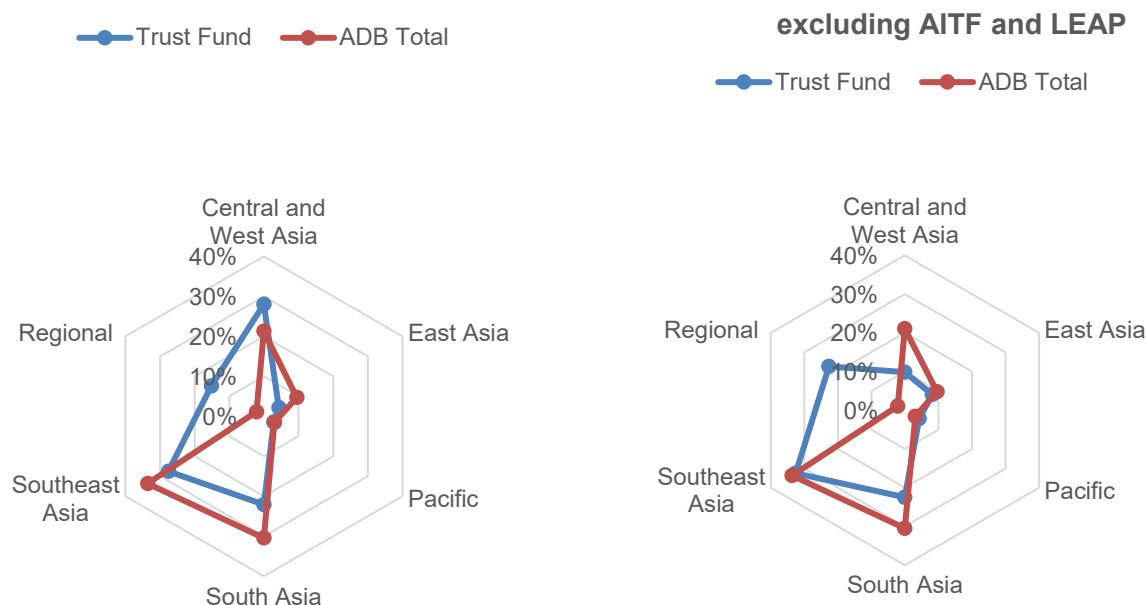
AITF = Afghanistan Infrastructure Trust Fund; CCPCF = Partner Fund Division, Climate Change and Sustainable Development Department; LEAP = Leading Asia's Private Infrastructure Fund; OCR = ordinary capital resources; PPFD = Procurement, Portfolio, and Financial Management Department.

Notes:

1. Concessional assistance countries (group A): Afghanistan, Bhutan, Cambodia, Federated States of Micronesia, Kiribati, Kyrgyz Republic, Lao People's Democratic Republic, Maldives, Marshall Islands, Nauru, Nepal, Samoa, Solomon Islands, Tajikistan, Tonga, Tuvalu, and Vanuatu.
2. OCR Blend countries (group B): Bangladesh, Cook Islands, Fiji, India, Mongolia, Niue, Pakistan, Palau, Papua New Guinea, Sri Lanka, Timor-Leste, and Uzbekistan.
3. Regular OCR countries (group C): Armenia, Azerbaijan, Georgia, Indonesia, Kazakhstan, Malaysia, People's Republic of China, Philippines, Thailand, Turkmenistan, and Viet Nam.
4. The percentages in the figures represent shares of the total by type of agreement. Totals do not add up to 100% because regional projects are excluded. Subtracting the summed percentage shares from 100% gives the share of regional projects.
5. ADB placed its regular assistance to Afghanistan on hold effective 15 August 2021. Since 2022, ADB has supported the Afghan people through a special arrangement with the United Nations to address basic human needs, including critical food support, and health and education services.
6. Project-specific cofinancing includes project specific and framework agreement cofinancing arrangements.

Sources: ADB (Independent Evaluation Department), based on the Procurement, Portfolio, and Financial Management Department Commitment Database and the Partner Funds Division, Climate Change and Sustainable Development Department Cofinancing Database; and ADB. *Operations Manual Section A1: Classification and Graduation of Developing Member Countries*. Issued on 30 June 2023. (internal).

Figure A1.5: Regional Priority Alignment of ADB-Administered Trust Funds, 2015–2024
(share to total volume)

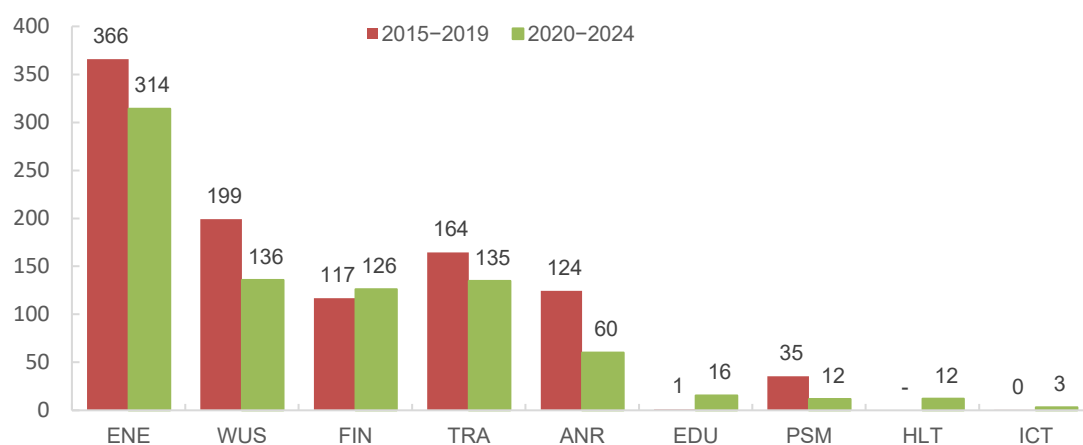


ADB = Asian Development Bank, AITF = Afghanistan Infrastructure Trust Fund, LEAP = Leading Asia's Private Infrastructure Fund.

Notes:

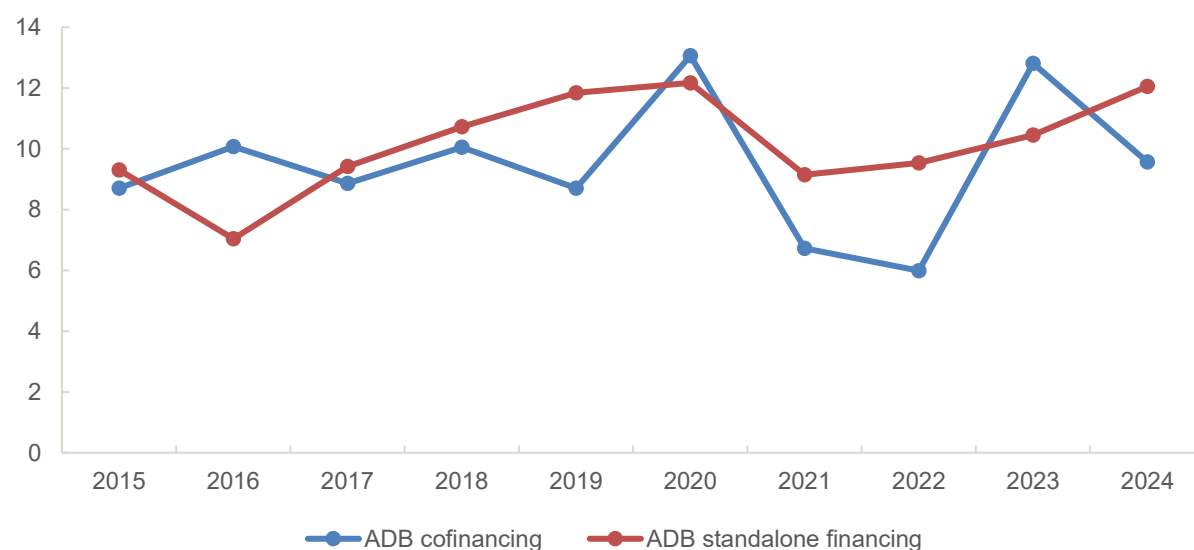
1. ADB placed its regular assistance to Afghanistan on hold effective 15 August 2021. ADB. 2021. ADB Statement on Afghanistan. News release. 10 November. Since 2022, ADB has supported the Afghan people through a special arrangement with the United Nations to address basic human needs, including critical food support, and health and education services.
2. Regional includes two or more regional groupings.

Sources: ADB (Independent Evaluation Department), based on the Procurement, Portfolio, and Financial Management Department Commitment Database and the Partner Funds Division, Climate Change and Sustainable Development Department Cofinancing Database.

Figure A1.6: Global Fund Total Commitment Amount by Sector (\$ million, 2015–2024)

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

Source: ADB (Independent Evaluation Department), based on the Procurement, Portfolio, and Financial Management Department Commitment Database and the Partner Funds Division, Climate Change and Sustainable Development Department Cofinancing Database.

Figure A1.7: Aggregated Commitment Data (\$ billion)

ADB = Asian Development Bank.

Note: ADB cofinancing refers to external funds both administered and not administered by ADB, while ADB standalone financing includes ADB projects with no cofinancing.

Sources: ADB (Independent Evaluation Department), based on the Procurement, Portfolio, and Financial Management Department Commitment Database and the Partner Funds Division, Climate Change and Sustainable Development Department Cofinancing Database.

Figure A1.8: ADB-Administered Trust Funds and Other Cofinancing, by Sector (\$ million, 2015–2024)

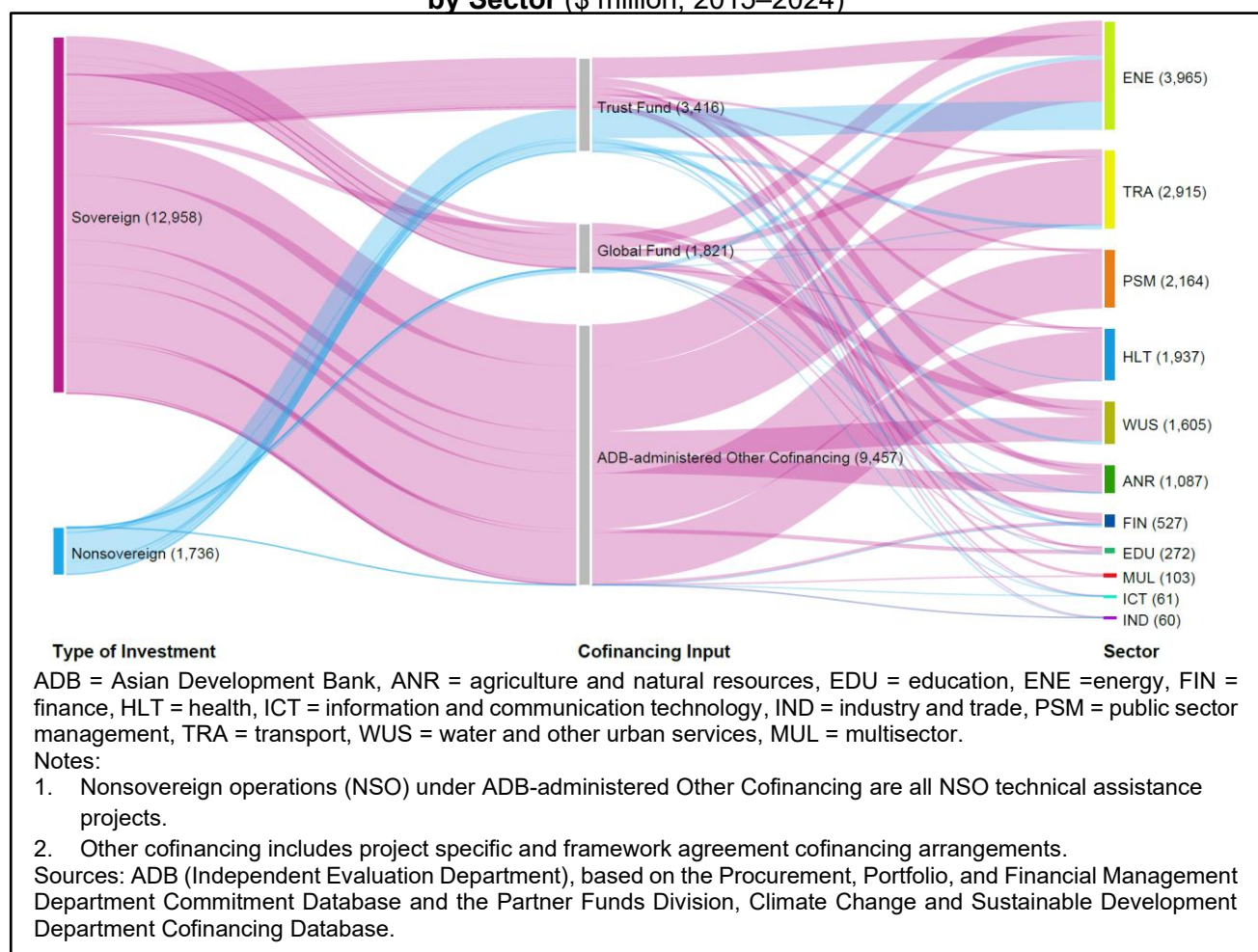
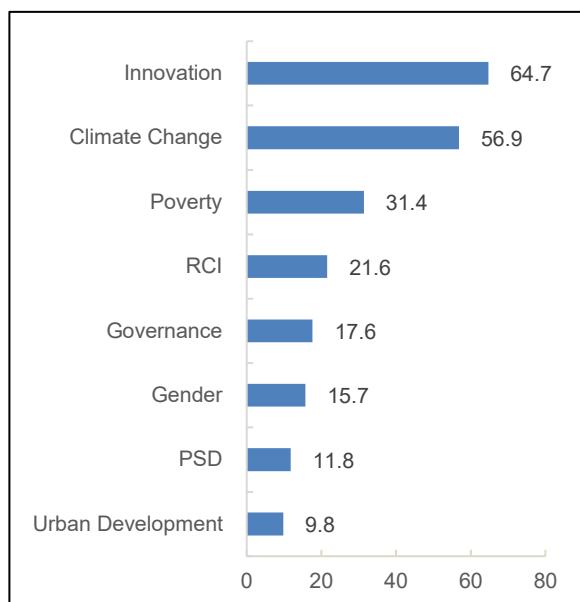
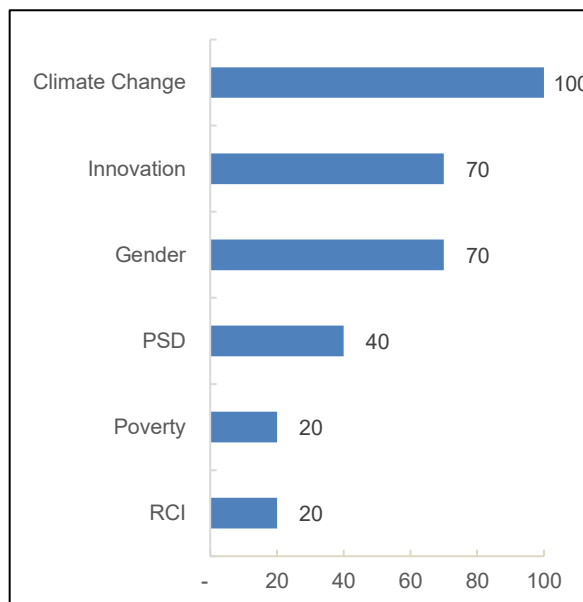
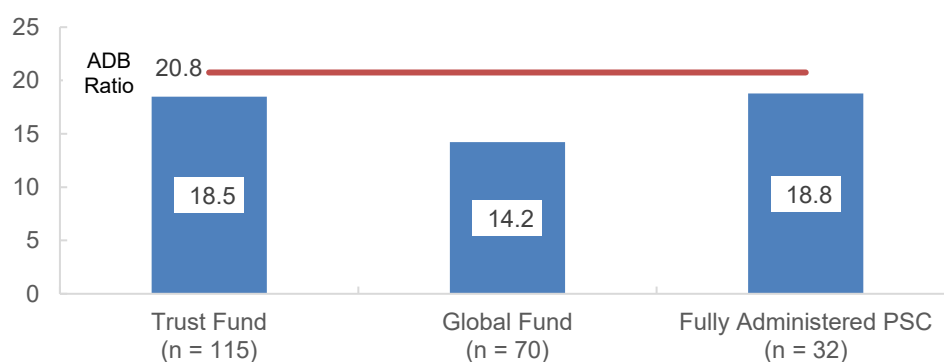


Figure A1.9a: Share of Target Theme to Total (%)
(Total = 51 sovereign-focused trust funds)**Figure A1.9b: Share of Target Theme to Total (%)**
(Total = 10 NSO-dedicated trust funds)

NSO = nonsovereign, PSD = private sector development, RCI = regional cooperation and integration.

Note: Innovation refers to adoption of technology, scaling-up, and piloting.

Source: ADB (Independent Evaluation Department), based on various establishment papers, implementing guidelines, and financial procedures agreements.

Figure A1.10: 2024 ADB Disbursement Ratio (Sovereign Loans and Grants)

ADB = Asian Development Bank, n = number, PSC = project-specific cofinancing.

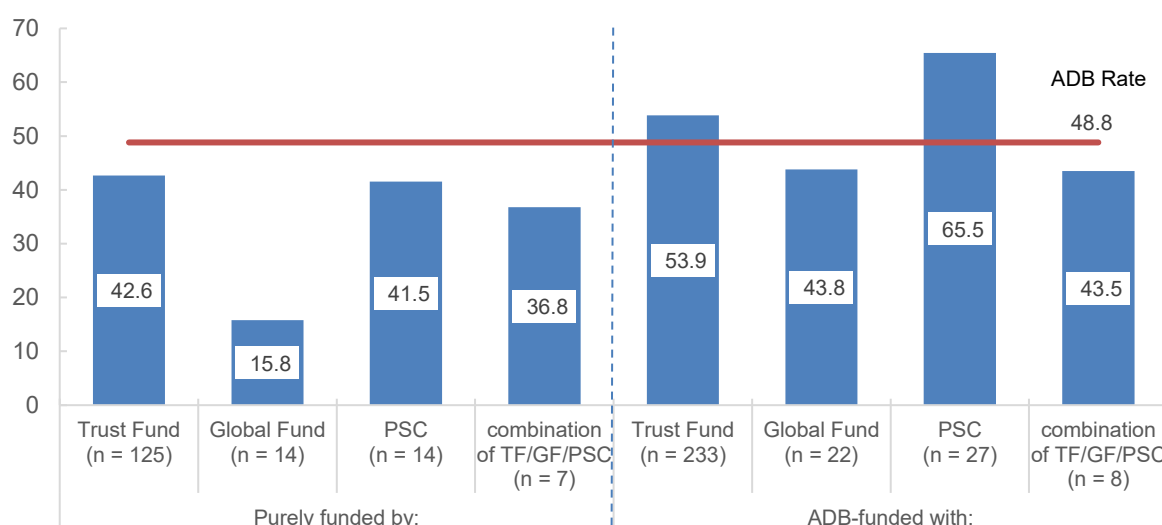
Notes:

1. The disbursement ratio is the volume of total disbursements for sovereign operations (loans and grants) in the year as a percentage of the undisbursed balance of committed sovereign operations (loans and grants) at the beginning of the year.

2. Excludes Afghanistan and Myanmar but includes projects administered by the United Nations to support the people of Afghanistan and Myanmar. ADB placed its regular assistance to Afghanistan on hold effective 15 August 2021. ADB. 2021. ADB Statement on Afghanistan. News release. 10 November. Since 2022, ADB has supported the Afghan people through a special arrangement with the United Nations to address basic human needs, including critical food support, and health and education services. ADB placed on hold its assistance in Myanmar effective 1 February 2021. ADB. 2021. ADB Statement on New Developments in Myanmar. News release. 10 March.

3. Excludes policy-based loans and grants. In 2024, only one PSC-funded project was not ADB-administered with a 100% disbursement ratio.

Source: ADB. 2024. *Annual Portfolio Performance Report*; and ADB (Independent Evaluation Department), based on ADB (Procurement, Portfolio, and Financial Management Department) disbursement data as of the end of December 2024.

Figure A1.11: 2024 ADB Technical Assistance Disbursement Rate (%)

ADB = Asian Development Bank, GF = global fund, n = number, PSC = project-specific cofinancing, TF = trust fund.

Note: The disbursement rate is the volume of total cumulative disbursements as a percentage of the net technical assistance (TA) amount. Excludes Afghanistan and Myanmar. ADB placed its regular assistance to Afghanistan on hold effective 15 August 2021. ADB. 2021. ADB Statement on Afghanistan. News release. 10 November. Since 2022, ADB has supported the Afghan people through a special arrangement with the United Nations to address basic human needs, including critical food support, and health and education services. ADB placed on hold its assistance in Myanmar effective 1 February 2021. ADB. 2021. ADB Statement on New Developments in Myanmar. News release. 10 March.

Source: ADB (Procurement, Portfolio, and Financial Management Department) data on TA disbursements as of the end of December 2024.

Table A1.1: Innovation-Focused Support from 10 Financing Partnership Facilities and 2 Leading Single-Partner Trust Funds

Trust Fund	Innovation-Focused Support
Financing Partnership Facility	
Clean Energy Financing Partnership Facility	- Invest in leading-edge technology to initiate and scale up projects to reduce greenhouse gas emissions and strengthen resilience under climate change. - Support advancements in technology readiness through pilot projects. - Pilot an energy transmission mechanism.
Community Resilience Financing Partnership Facility	- Pilot innovative approaches and solutions for community-led adaptation measures.
Innovative Finance Facility for Climate in Asia and the Pacific	- Enhance ADB's lending capacity through an innovative guarantee mechanism and create lending headroom for new climate projects. - Support innovative climate technologies and scale up climate change-related pilot projects that demonstrate development impacts, particularly in gender equity, poverty reduction, and private capital mobilization. - Support acceleration of inclusive energy access and clean energy solutions.
Health Financing Partnership Facility	- Scale up and implement successful pilot projects. - Pilot cost-effective technologies.
International Finance Facility for Education Trust Fund	- Provide guarantee and grant support to catalyze additional lending capacity for education projects, including implementation of pilot activities.

Trust Fund	Innovation-Focused Support
Ocean Resilience and Coastal Adaptation Trust Fund	- Pilot innovative financial instruments to support investments across coastal areas.
Regional Cooperation and Integration Financing Partnership Facility	- Pilot country programs for inter-subregional cooperation and integration.
Urban Financing Partnership Facility	- Support the use of improved and innovative technologies for urban environment management.
ADB Ventures Financing Partnership Facility	- Support knowledge, innovation, and capacity building through global and regional technology transfers.
Water Financing Partnership Facility	- Support innovation in water financing. - Pilot promising innovations and approaches in the water sector, including sanitation technologies, which can have high potential for replication and scale-up.
Single Partner	
Canadian Climate Fund for the Private Sector in Asia II	- Scale up and replicate high-impact projects in markets with strong potential for growth.
Republic of Korea e-Asia and Knowledge Partnership Fund	- Pilot innovative approaches, such as in information and communication technology.

ADB = Asian Development Bank.

Source: ADB (Independent Evaluation Department), based on various establishment papers.

Table A1.2: Disbursement Rates of Closed Trust Funds

Year Established	Fund Code	Date of Report	Contribution Amount (\$ million)	Actual Expenditure (\$ million)	Disbursement Rate (%)
2013	HFPF-RMTF	2018 Completion Report	28.56	28.41	99.5
2001	CCC	2020 Annual Report	3.85	3.83	99.5
2001	GovCF	2022 Closing Report	7.29	7.23	99.2
2016	PRITF	2023 Closing Report	7.70	7.36	95.6
2013	IDRMF	2020 Annual Report	8.62	8.21	95.2
2006	WFPF-NET	2024 Terminal Report	43.76	41.67	95.2
2006	DREEERA2	2020 Annual Report	3.84	3.65	95.1
2001	DREEERA	2020 Annual Report	4.06	3.64	89.5
2004	CFMfDR	2009 Annual Report	2.97	2.59	87.2
2018	RCIFPF-ARTCF	2024 Completion Report	13.15	11.32	86.0
2009	UFPF-UEIF	2024 Terminal Report	21.02	17.34	82.5
2008	FCF	2022 Annual Report	84.14	51.10	60.7
2009	CEFPF-CCSF	2023 Annual Report	31.24	18.12	58.0
2014	TYMTF	2018 Completion Report	8.32	3.77	45.3

CCC = Canadian Cooperation Fund on Climate Change, CEFPF-CCSF = Carbon Capture and Storage Fund under the Clean Energy Financing Partnership Facility, CFMfDR = Cooperation Fund in Support of Managing for Development Results, DREEERA = Danish Cooperation Fund for Renewable Energy and Energy Efficiency in Rural Areas, DREEERA2 = Second Danish Cooperation Fund for Renewable Energy and Energy Efficiency in Rural Areas, FCF = Future Carbon Fund, GovCF = Governance Cooperation Fund, HFPF-RMTF = Regional Malaria and other Communicable Disease Threats Trust Fund under the Health Financing Partnership Facility, IDRMF = Integrated Disaster Risk Management Fund, PRITF = Project Readiness Improvement Trust Fund, RCIFPF-ARTCF = United Kingdom Fund for Asia Regional Trade and Connectivity, TYMTF = Typhoon Yolanda Multi-Donor Trust Fund, UFPF-UEIF = Urban Environmental Infrastructure Fund under the Urban Financing Partnership Facility, WFPF-NET = Water Financing Partnership Facility–Netherlands.

Note: Actual expenditure excludes Asian Development Bank (ADB) fee, finance charges, and others. For consistency, only expenditure for the project itself is reflected here and not in the financial statement at closing, which includes interest and other charges. Source: ADB (Independent Evaluation Department), based on various trust fund reports.

APPENDIX 2: LESSONS FROM PREVIOUS EVALUATIONS

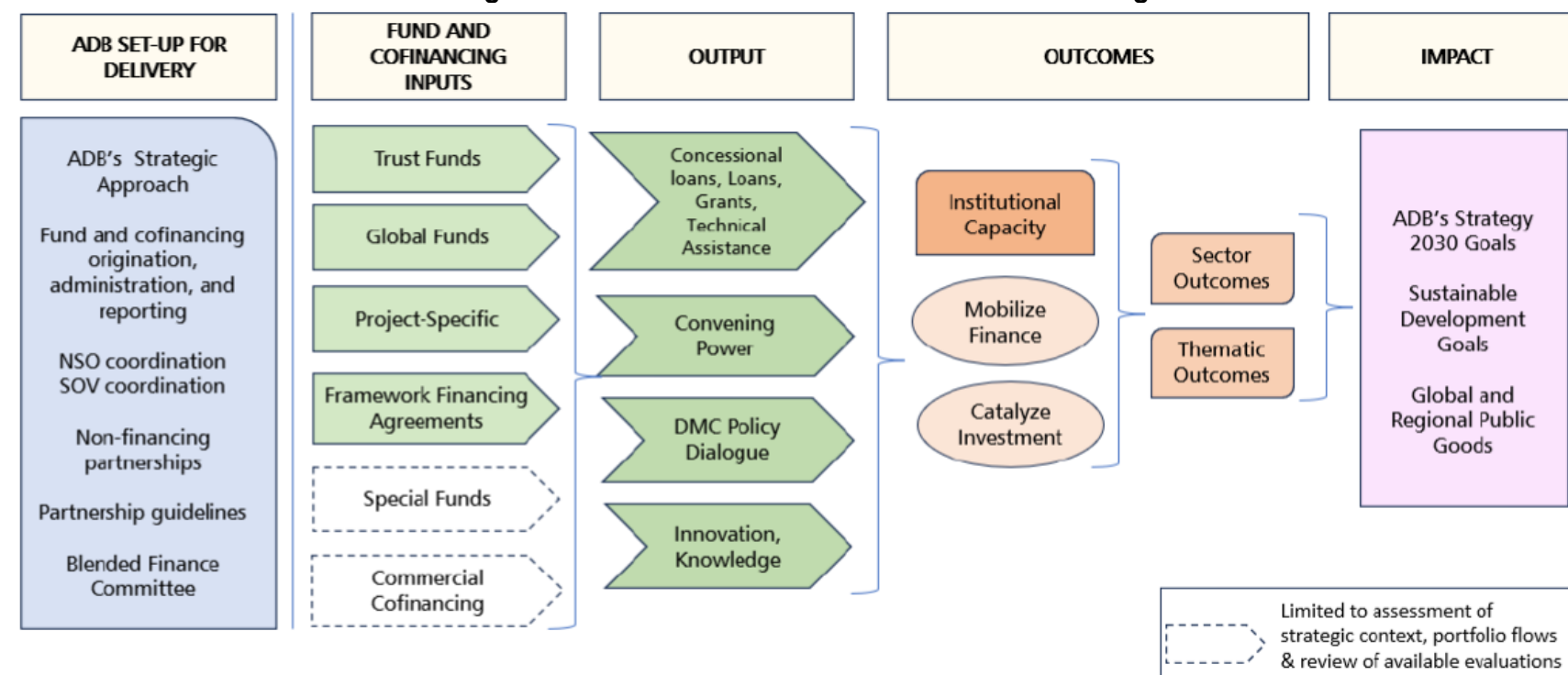
Strategic Value with Risks from Fragmentation, Weak Governance, and Monitoring

1. Trust funds, partnership facilities, and cofinancing are now key features of contemporary multilateral development finance, used to mobilize resources, pilot innovation, and respond quickly to global public goods and crises. Lessons from previous evaluations by the Independent Evaluation Department and other development partners highlight findings relevant to this evaluation.¹
2. Across institutions, trust funds and cofinancing are framed as enablers of strategy: they allow multilateral development banks (MDBs) and funds to scale country operations, convene partners, pilot innovations, and tackle global public goods that exceed single-donor or core budget constraints. Broad convergence exists that trust funds or partnership facilities should be mainstreamed into strategy rather than run as parallel channels.
3. Three domains of value addition are emphasized. First, trust funds and cofinancing are pivotal for global public goods and crisis response, allowing rapid, coordinated action at scale. Second, platform models (e.g., ADB's water and clean energy financing partnership facilities) leverage external finance and fund upstream analytics and preparation that strengthen pipelines and innovation, provided administrative capacity and monitoring are fit for purpose. Third, African Development Bank (AfDB) partnership evaluations show that trust funds catalyze policy dialogue and knowledge work when donors and MDBs invest staff time and technical depth. The Global Environment Facility (GEF) finds that cofinancing realization is positively associated with outcomes and sustainability.
4. Measurement was a recurring vulnerability. The World Bank Independent Evaluation Group notes uneven clarity of objectives and results chains in global or regional programs and inadequate recipient voice in governance. ADB's financing partnership facilities were found to require more outcome-oriented design and monitoring frameworks and stronger tracking of direct-charge modalities. ADB flagged the importance of aligning this support with institutional sector and thematic groups. The AfDB Independent Development Evaluation urged stronger key performance indicators and data quality across partnership types.
5. All evaluations caution against fragmentation. The World Bank Independent Evaluation Group linked trust fund proliferation to parallel systems that dilute coordination and raise transaction costs, recommending consolidation and clearer governance. ADB's financing partnership facilities evaluation noted chronic project delays and the need to strengthen administrative arrangements as facilities expand. AfDB evaluations emphasized the importance of role clarity and consistent frameworks across a growing portfolio. Australia's Department of Foreign Affairs and Trade evaluation flagged risks of non-core support, including fragmentation of the multilateral system and the possibility of aid driven by donor priorities rather than recipient needs.

¹ World Bank Independent Evaluation Group (IEG). 2011. *Trust Fund Support for Development: An Evaluation of the World Bank's Portfolio*; IED. 2010. [Special Evaluation Study: Financing Partnerships Facilities](#). Asian Development Bank (ADB); IED. 2016. [Thematic Evaluation: Effectiveness of Asian Development Bank Partnerships](#). ADB; African Development Bank (AfDB) (Operations Evaluation Department). 2013. [Trust Fund Management at the African Development Bank](#); African Development Bank (Independent Development Evaluation). 2021. [Evaluation of Partnerships of the AfDB Group \(2018–2019\)](#); Global Environment Facility (GEF) (Independent Evaluation Office). 2024. [Evaluation of Cofinancing in the GEF](#); Australian Government Department of Foreign Affairs and Trade. 2015. [Banking our aid: Australia's non-core funding to the Asian Development Bank and the World Bank](#). Office of Development Effectiveness Brief. September.

APPENDIX 3: THEORY OF CHANGE

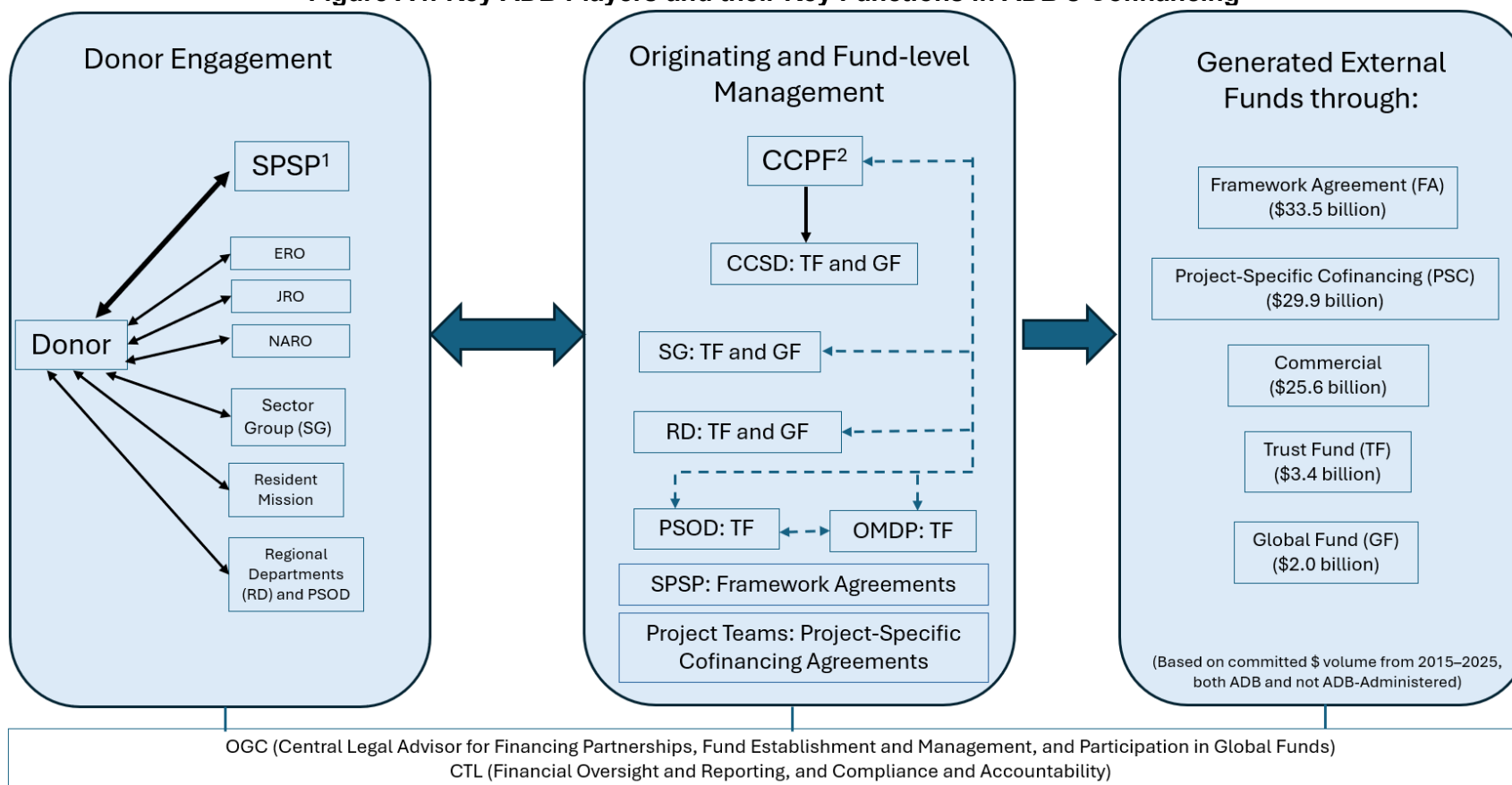
Figure A3: ADB's Trust Funds and Other Cofinancing



ADB = Asian Development Bank, DMC = developing member country, NSO = nonsovereign, SOV = sovereign.
Source: Asian Development Bank (Independent Evaluation Department).

APPENDIX 4: COMPLEXITY OF ADB TRUST FUNDS AND OTHER COFINANCING

Figure A4: Key ADB Players and their Key Functions in ADB's Cofinancing



¹ Although SPSP is not managing trust funds and/or global funds, it is involved in all levels of origination for trust funds, global funds, and project-specific cofinancing.

² For Climate Investment Funds—global funds, the funds are managed by the Climate Change, Resilience, and Environment Cluster under CCSD.

CCPF = Partner Fund Division under CCSD; CCSD = Climate Change and Sustainable Development Department; CTL = Controller's Department; ERO = European Representative Office; JRO = Japanese Representative Office; NARO = North American Representative Office; OGC = Office of the General Counsel; OMDP = Office of Markets Development and Public-Private Partnership; PSOD = Private Sector Operations Department; SPSP = Strategic Partnerships Division under the Strategy, Policy, and Partnerships Department.

Source: ADB (Independent Evaluation Department).