

Project Administration Instructions

PAI 6.06
Revised April 2006
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REPORTS TO THE BOARD OF DIRECTORS ON LOAN AND TECHNICAL ASSISTANCE PORTFOLIO PERFORMANCE

A. Introduction

1. ADB has two focal points for reporting to the Board of Directors on portfolio performance; (i) the Central Operations Services Office (COSO) on the status of the loan and technical assistance (TA) portfolio; and (ii) the Operations Evaluation Department (OED) on the performance of the portfolio. COSO prepares quarterly portfolio updates (QPUs) and OED prepares the annual report on loan and technical assistance portfolio performance (annual report).

B. Quarterly Portfolio Updates

2. COSO submits four QPUs to the Secretary for distribution to the Board. A QPU contains portfolio statistics for the quarter concerned. The statistics may include information on (i) loans/grants approved, closed, not yet signed, awaiting effectiveness, and becoming effective; (ii) contract awards, disbursements, and program loan tranche releases; (iii) project ratings; (iv) cancellation of loan savings; (v) projects with cost overruns and changes in scope and implementation arrangements; (vi) audited project accounts and agency financial statements; (vii) project and TA administration missions; and (viii) preparation of project completion reports (PCRs) and TA completion reports (TCRs). The final QPU of the year will contain this information for the entire year.

C. Annual Report on Loan and Technical Assistance Portfolio Performance

3. OED submits the annual report to the Secretary for distribution to the Board.

4. Without duplicating statistics in the QPUs, the annual report assesses and evaluates trends and issues at the country and sector levels with a particular emphasis on the key measures of loan and TA portfolio performance, namely (i) project ratings in terms of implementation progress and expected achievement of development objectives, (ii) potential problem projects, and (iii) projects at risk. The annual report assesses country portfolio performance and the quality of project performance monitoring by operational staff and executing agencies. It identifies common or systemic problems, and summarizes actions taken and/or required to improve portfolio performance.

5. COSO, the Strategy and Policy Department (SPD), the five regional departments and their regional or resident missions (RMs), and the Private Sector Operations Department (PSOD) provide necessary data, information, and feedback to OED for the preparation of the annual report. COSO provides relevant data from operations-related, computer-based information systems which include the loan financial information system (LFIS), the project performance report (PPR) system, the TA information system (TAIS), and the TA performance report (TPR) system. SPD provides data prepared for the management committee meetings, as well as minutes of such meetings. The regional departments provide the back-to-office reports (BTORs) copy to OED for project review missions, midterm review missions, country portfolio review missions, and PCR/TCR missions. PSOD provides an analytical summary of private sector operations, while regional departments provide, through COSO for

consolidation, information on portfolio performance by country highlighting the main implementation issues and actions taken to address them.

D. Project Performance Report and TA Performance Report

6. The Board can also access PPRs and TPRs from Lotus Notes to monitor the implementation progress and expected achievement of immediate development objectives of individual projects. The rationale for, and content of, the PPR and TPR is provided in PAI 6.05 and 6.09 respectively. Each PPR and TPR is updated at least quarterly. It is also updated after review missions, on receipt of progress reports (PAI 5.01), or after major events. The PPR also includes the implementation status of the TA approved in conjunction with loans.