

The PPR is *ADB's early warning system* for management implementation



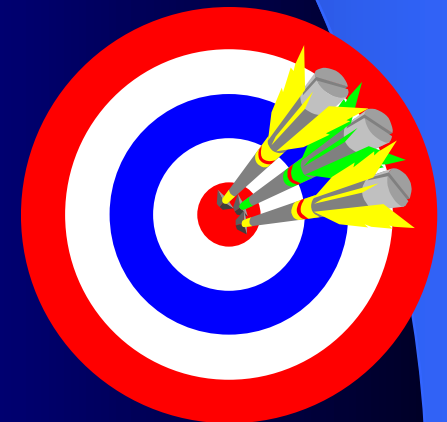
NOTE: The PPR rating of the Project's Performance Status *should not be viewed as a Performance Rating of the officer* responsible for the project's implementation



What Should the PPR Do?

Identify Objectives, key Indicators and Targets, as well as Assumptions & Risks

To be monitored and assessed by the Project officer on at least a Quarterly basis.



An objective assessment whether the project's current status is:

- Bad
- Somewhere in between
 - Good



The PPR Should Reflect whether the Project

- Is Doing OK - no action necessary
- Needs short-term management decision, intervention or follow-up action
- Requires a change in Objectives, Outputs, Indicators, Targets, or Inputs

or *[Rarely]*

- Should be terminated



“Similar to a Physician check -up”

PPR Rating Scale

- **Highly Satisfactory (HS)** - project expected to exceed most of its major development objectives (3 points)
- **Satisfactory** - project is expected to achieve most of its major development objectives. (2 points)
- **Partly Satisfactory** - project is expected to achieve some of its major development objectives. (1 point)
- **Unsatisfactory** - project is unlikely to achieve its major development objectives. (0 points)

Sample PPR Rating

Implementation Progress

Rating Criteria	Rating (HS,S,PS,U)	Remarks
1. Project Implementation	PS	24 months behind appraisal schedule
2. Project Scope	HS	No change
3. Implementation Arrangements	HS	No change
4. Project Costs	HS	No overrun
5. Counterpart Funding/Cofinancing		Not yet due
6. Covenants (exclude #7 below)	S	Covenants are generally being complied with.
7. Audited Project Accounts and Corporate Financial Statements	HS	Complied.
Overall Rating	S	

“ALL RATINGS ARE AGGREGATES OF PROJECT OFFICER ASSESSMENT & AUTOMATIC CRITERIA”

The “AT RISK” Concept

What

- Important “*Early Warning*” Tool for ADB

Why

- To Identify *Potential Problem Project* (in time for corrective measures)

Precedent

- Similar to the World Bank



The Chinese Ideogram

危

Risk

機

Is a combination of

“Crisis” and “Opportunity”

Potential Problem - “Flags”



1. **Implementation Delays**
2. **Poor Compliance with Covenants**
3. **PMU/PIU Operations**
4. **Fielding Consultants**
5. **Counterpart Funds / Co-financing**
6. **Cost Overruns**
7. **Poor Compliance with Audits &/or Financial Statements**
8. **Environmental / Social Problems**
9. **Significant Disbursement Delays**
10. **Risk sector in a Country with History of Past Problems**
11. **ADB Field Mission Visits**

The “AT RISK” Concept

HOW

Project is Automatically Identified as “At Risk” by the Computer:

- **Four (or More) Flags (Potential Problem Projects (PPP))**

OR IF

- **RATED “Unsatisfactory” or “Partly Satisfactory” by the Project Officer**



OVERRIDING FACILITY (OF)



In exceptional cases



Projects Departments can request to Override
i.e. Upgrade or Downgrade

the computer-automated DO & IP ratings
*with sufficient justification to, and approval
of, their Director*

COPP makes the change in the system upon receipt of an approved memorandum.