

Project Administration Instructions

PAI 6.07A
Revised January 2009
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PROJECT COMPLETION REPORT FOR SOVEREIGN OPERATIONS¹

A. Objective and Scope

1. The main objective of a project completion report (PCR)¹ is to learn from the experiences of borrowers, executing agencies (EAs), and ADB in implementing projects, and to use the lessons to improve the performance of ongoing and future ADB-financed projects. The PCR will also be used as a measure of ADB's development effectiveness and as an input to country strategy formulation. A PCR

- provides a concise description and assessment of the project from identification to completion;
- evaluates the adequacy of preparation; design; appraisal; implementation arrangements; and performance of the borrower, EA, and ADB, including how problems were handled, whether they were foreseen as potential risks, and the adequacy of the solutions adopted during implementation;
- provides a preliminary evaluation of initial operation, and achievement and sustainability of benefits;
- provides a preliminary evaluation of the extent of achievement of the outcome of the project and the project's contribution to achieving the expected impact;
- suggests follow-up actions required during project operation; and
- makes recommendations—based on the evaluation and lessons—for future project implementation and operation, as well as improvements in related ADB procedures.

B. Timing of PCR Preparation

2. The percentage of ADB financing of projects is decreasing with the increasing availability of cofinancing and counterpart funding. In this context, ADB financing could be at the front-end of a project. Therefore, commencing a PCR based on the ADB loan closing date (i.e., after disbursement of the ADB loan) may not be appropriate. The whole project, and not just ADB disbursements, must be either complete or substantially complete (para. 3). The Development Effectiveness Committee of the Board is to be kept informed of when project administration staff expect each project to be completed and the estimated date by which the PCR for each project will be prepared (usually 12–24 months after project completion). If a delay in the preparation of a PCR is expected, brief reasons are to be given, cross-referencing the project performance report, which can be accessed by the Board.

C. Determining Project Completion

3. A project is deemed complete when its facilities and components are substantially completed and are ready to operate (regardless of closure of its financial account). If revenue streams are envisaged,

¹ Program completion reports and sector development program completion reports are prepared for all program and sector development program loans. In this PAI, the term "project" refers to projects, programs, and sector development programs.

then these should be occurring. Broad guidelines for determining the completion time of various types of projects are in Appendix 1.

D. Length and Content of PCRs

4. Staff of the unit administering the project (sector division or regional or resident mission [RM]) must ensure that any problems or issues that arose during project implementation are recorded in the PCR. Project performance reports and back-to-office reports (BTORs) prepared during implementation will provide the input for this. Such issues or problems should not go unnoticed and thus lessons ignored. Therefore, all PCRs are to be detailed (up to about 15 pages). Appendixes are limited to those that are essential for explaining the text. A page typed in single space, using the standard typeface, is counted as one page.

5. Methodologies used for self-evaluation at completion through the PCR and for the project performance evaluation report (PPER) should be harmonized. Therefore, the PPER guidelines prepared by the Operations Evaluation Department (OED) and defining the rating categories, rating criteria, etc., should be followed for PCR preparation (see <http://www.adb.org/Documents/Guidelines/Evaluation/PPER-PSO/default.asp>). Major topics to be included in PCRs and a description of their contents are shown in

- Appendix 2, General guidelines for preparing PCRs for project, multiproject, sector, program, sector development program, and technical assistance loans;
- Appendix 3, General guidelines for preparing PCRs for loans to development finance institutions; and

6. A PCR is kept concise by

- concentrating on analyzing project inputs and activities, implementation arrangements, costs, outputs, and impacts;
- focusing on the principal determinants of performance;
- using condensed analytical tables and supporting appendixes;
- using cross-referencing to source documents; and
- avoiding repetition.

E. Intended Use of the Project Completion Report

7. PCRs are intended for use by and will be circulated to the

- Board of Directors;
- vice-president concerned;
- vice-president (finance and administration);
- heads of departments and offices;
- country director, RM concerned; and
- borrowers, and executing and implementing agencies.

F. Procedures

1. General

8. The director, sector division or country director, RM concerned determines the need to field a mission to prepare the PCR and the mission's composition. If a mission will not be fielded, the director, sector division or country director, RM forms a team to prepare the PCR. The reasons for not fielding a mission should appear in the PCR.

9. Ordinarily, a PCR mission does not need to submit a detailed BTOR. A brief BTOR covering major findings and indicating that a PCR will be prepared based on the findings is adequate.

10. A draft of the PCR (after clearance by the director, sector division or country director, RM concerned) is circulated for interdepartmental comments to heads of departments and offices (including Office of Cofinancing Operations if the project is cofinanced), and the country director, RM. The revised draft is then prepared and sent to the borrowers, and executing and implementing agencies, inviting their comments before finalization. After these are incorporated (and discussed at an interdepartmental meeting, if necessary), the PCR is finalized, edited, and submitted to the department head concerned for approval. For projects administered by RMs, approval of the PCR is sought from the country director, RM. Printing and circulation of the PCR to the Board should be approved by the department head.

11. Any matter requiring immediate action arising during PCR preparation must be presented promptly to the head of the department or country director, RM concerned in a separate memo before PCR completion.

2. Development Finance Institution Loans

12. When preparing a PCR for a development finance institution (DFI) loan, duplication by using information and analysis contained in recent reports should be avoided. A chapter on the DFI is required when this is the first loan to the DFI (Appendix 3). In a repeat loan to a DFI, the PCR needs to deal only with experience relating to the credit line and subprojects covered by the loan, with references provided to the most recent reports on the DFI's general performance and compliance with financial and institutional covenants.

3. Supplementary Loans

13. When a supplementary loan is made for a project, only sections A and B of the basic data sheet are prepared for the supplementary loan, while section C shows data covering both the original and supplementary loans and is annotated accordingly (Appendix 2).

4. Multiproject and Sector Loans

14. Only one PCR is prepared for multiproject and sector loans. If the project is substantially completed with more than 95 percent of the individual projects or subprojects complete, the timing of PCR may be determined by the director, sector division or country director, RM, based on the recommendation of the latest review mission and project staff concerned. However, the overall project

must be at a stage that permits the PCR mission to determine if the immediate objectives (purpose) of the project have been achieved or are likely to be achieved.

5. Sector Development Program Loans

16. A single PCR is prepared for a sector development program (SDP) loan. An SDP is designed to achieve a common objective(s) therefore SDP activities should be evaluated within a single PCR. The timing for self-evaluation should be when all loans are substantially complete.

G. The Borrower's Project Completion Report

18. The EA normally prepares its own PCR for self-evaluation; the EA's PCR also help with the preparation of ADB's PCR. If the EA's PCR is delayed and the project is considered complete, the director, sector division or country director, RM concerned may, after consultation with the latest review mission and project staff concerned, decide to proceed with preparing ADB's PCR in the absence of the EA's PCR.

19. ADB helps EAs produce their PCRs by advising them on the contents and format required (appendixes 5, 6, and 7) and on adoption of a results-based monitoring and evaluation system that is consistent with ADB's project performance monitoring system and project performance report.

20. When the project is approaching completion, an ADB review mission should agree with the EA on the outline and timing for the EA's PCR. Assistance in preparing the EA's PCR is usually a part of the terms of reference of project implementation consultants. Other agencies may help prepare the EA's PCR, especially for projects they cofinanced, following ADB's PCR format.

Determining Project Completion

A. Project Loans

1. A project is completed when components and facilities to be constructed or provided have been substantially completed and are ready for operation. In the case of projects with revenue streams, the project should be in operation for sufficient time to provide data for revised financial and economic analyses to be compared with appraisal estimates. The fact that ADB loan disbursement is complete is not in itself the basis to commence the PCR. The whole project, and not just ADB disbursement, must be either complete or substantially complete (PAI 6.03, para. 2). When preparing a PCR, continuing minor work or finishing up does not mean the project is incomplete. A flexible approach should be adopted.¹

B. Multiproject and Sector Loans

2. Multiproject and sector loans are considered complete when all projects under the multiproject loan or subprojects under the sector loan are complete (as determined in line with para. 1). The PCR may commence when the multiproject or sector loan is substantially complete (PAI 6.07, para. 15).

C. Program Loans

3. Some flexibility can be exercised in determining completion of program loans. Generally, a program loan is complete when the

- stipulated program period ends,
- final tranche is released, and
- loan covenants have been complied with.

D. Development Finance Institution Loans

4. Loans to development finance institutions involve a number of subprojects and should be treated on a similar basis to multiproject and sector loans.

¹ PCRs need not be prepared for projects that have been cancelled without any disbursements and related financial activities. Instead a Board information paper should be prepared to show the reasons for cancellation.

**Project Completion Report
General Guidelines for Preparing Project Completion Reports¹
(project, multiproject, sector, program, sector development program, and
technical assistance loans)**

CONTENTS

BASIC DATA

MAP² (Title)

I. PROJECT DESCRIPTION

II. EVALUATION OF DESIGN AND IMPLEMENTATION

- A. Relevance of Design and Formulation
- B. Project Outputs
- C. Project Costs
- D. Disbursements
- E. Project Schedule
- F. Implementation Arrangements
- G. Conditions and Covenants
- H. Related Technical Assistance
- I. Consultant Recruitment and Procurement
- J. Performance of Consultants, Contractors, and Suppliers
- K. Performance of the Borrower and the Executing Agency
- L. Performance of the Asian Development Bank

III. EVALUATION OF PERFORMANCE

- A. Relevance
- B. Effectiveness in Achieving Outcome
- C. Efficiency in Achieving Outcome and Outputs
- D. Preliminary Assessment of Sustainability
- E. Impact

IV. OVERALL ASSESSMENT AND RECOMMENDATIONS

- A. Overall Assessment
- B. Lessons
- C. Recommendations

¹ A template for preparation of the PCR is available in the ADB Portal (Guidelines and Templates for Board Documents) at URL: http://eboard.asiandevbank.org/docs_refs/index.php.

² A revised map showing the impact of the project is to be included. Do not use the map in the report and recommendation of the President (RRP).

BASIC DATA

A. Loan Identification

- 1. Country _____
- 2. Loan Number _____
- 3. Project (Program) Title _____
- 4. Borrower _____
- 5. Executing Agency _____
- 6. Amount of Loan (Give SF loan in SDR) _____
- 7. Project Completion Report Number _____

B. Loan Data

- 1. Appraisal
 - Date Started _____
 - Date Completed _____
- 2. Loan Negotiations
 - Date Started _____
 - Date Completed _____
- 3. Date of Board Approval _____
- 4. Date of Loan Agreement _____
- 5. Date of Loan Effectiveness
 - In Loan Agreement _____
 - Actual _____
 - Number of Extensions _____
- 6. Closing Date
 - In Loan Agreement _____
 - Actual _____
 - Number of Extensions _____
- 7. Terms of Loan
 - Interest Rate _____
 - Maturity (number of years) _____
 - Grace Period (number of years) _____
- 8. Terms of Relending (if any)
 - Interest Rate _____
 - Maturity (number of years) _____
 - Grace Period (number of years) _____
 - Second-Step Borrower _____

9. Disbursements

a. Dates

Initial Disbursement	Final Disbursement	Time Interval
xxx	xxx	xxx
Effective Date	Original Closing Date	Time Interval
xxx	xxx	xxx

b. Amount

Category No. (1)	Category or Subloan (2)	Amount		Last Revised Allocation (5)	Amount Disbursed (6)	Undisbursed Balance ¹ (7 = 5 - 6)
		(loan currency)	(US\$ equivalent)			
(3)	(4 = 3 - 5)					
Total (loan currency)						
Total US\$ Equivalent						
		a	b	c	d	e

¹ For final cancellation

- a = US\$ equivalent per RRP
- b = US\$ equivalent as of date of approval of cancellation
- c = Total of (d + e)
- d = Actual US\$ equivalent
- e = US\$ equivalent as of report preparation

10. Local Costs (Financed)

- Amount (US Dollars)
- Percent of Local Costs
- Percent of Total Cost

C. Project (Program) Data

1. Project (Program) Cost (\$_____)

Cost	Appraisal Estimate	Actual
Foreign Exchange Cost		
Local Currency Cost		
Total		

2. Financing Plan (\$_____)

Cost	Appraisal Estimate	Actual
Implementation Costs		
Borrower-Financed		
ADB-Financed		
Other External Financing		
Total		
IDC Costs		
Borrower-Financed		
ADB-Financed		
Other External Financing		
Total		

ADB = Asian Development Bank, IDC = interest during construction.

3. Cost Breakdown by Project (Program) Components (\$_____)

Component	Appraisal Estimate	Actual
Total		

4. Project (Program) Schedule

Item	Appraisal Estimate	Actual
Date of Contract with Consultants ^a		
Completion of Engineering Designs		
Civil Works Contract		
Date of Award		
Completion of Work		
Equipment and Supplies		
Dates		
First Procurement		
Last Procurement		
Completion of Equipment Installation		
Start of Operations		
Completion of Tests and Commissioning		
Beginning of Start-Up		
Other Milestones ^b		

^a If more than one, show dates for each contract.

^b Show key events not listed above, particularly for projects with elements not involving construction or supply of materials and equipment.

5. Project (Program) Performance Report Ratings

Implementation Period	Ratings	
	Development Objectives	Implementation Progress
(i) From to		
(ii) From to		
(iii) From to		
(iv) From to		
(v) From to		
(vi) From to		

D. Data on Asian Development Bank Missions

Name of Mission^a	Date	No. of Persons	No. of Person-days	Specialization of Members^b
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Project/(Program)
Completion
Review^c

Note:

^a Include identification, fact-finding, preappraisal, project (program) inception, project review, special project administration, loan disbursement, and project (program) review mission. If more than one of each type of mission, number consecutively as review mission 1, 2, etc.

^b May use reference letters in table, e.g., a-engineer, b-financial analyst, c-counsel, d-economist, e-procurement or consultant specialist, f-control officer, g-program officer, h-onward for other categories.

^c The PCR is prepared by [name] , [designation] .

Project Completion Report³
(project, multiproject, sector, program, sector development program, and technical assistance loans)

I. PROJECT DESCRIPTION

1. Briefly describe the project's objectives, components, and outputs; and the rationale for undertaking the project. Cross-reference the report and recommendation of the President (RRP), and use tables to present information concisely.

II. EVALUATION OF DESIGN AND IMPLEMENTATION

2. Deal selectively with the topics discussed in paras.3–20. Cross-reference to the RRP (or and appraisal report). Utilize the results of the project performance management system and project performance report as appropriate. Include a description of remedial actions in response to any “at risk” assessments.

A. Relevance of Design and Formulation

3. Discuss the relevance of the project in terms of consistency with ADB's country strategy and program, the country's development objectives, soundness of the design, and adequacy of the formulation process (including the extent of stakeholder participation and level of ownership generated). Assess relevance at appraisal and at completion. Discuss how changes made during implementation, if any, enhanced relevance. Discuss quality of project preparatory technical assistance (TA), if any.

B. Project Outputs

4. List the outputs by components as anticipated during appraisal. Assess the extent to which the expected outputs were achieved. Give reasons for any deviations and indicate whether these affected project costs, time schedules, expected benefits, or other measures of efficiency.

C. Project Costs

5. Discuss project costs and explain significant overruns or underruns (in a tabular form, by year, currency, and major components or categories) and any major shifts between foreign and local costs. State the reasons for cost changes (design inadequacy, external factors, delays, etc.) and their likely effect on the project's economic and financial rates of return.

D. Disbursements

6. Assess whether the appraisal disbursement schedule was realistic. Assess any delays and corrective actions taken by the borrower, executing agency (EA), and ADB if disbursements did not follow

³ For all PCRs, limited appendixes to those essential to explain the text. Avoid repetition. In this appendix, the term “project” refers to project, programs, and sector development programs.

the schedule made at appraisal. Where imprest fund and/or statement of expenditure dispensation was used, evaluate the impact (negative or positive) of these procedures on implementation and the experience of the EA or ADB.

E. Project Schedule

7. Explain the causes of significant delays, referring to discussions in other paragraphs (e.g., those dealing with procurement or performance of contractors).

F. Implementation Arrangements

8. Discuss the project's implementation as designed at appraisal and any major changes in the arrangements caused by changes in the project. Assess the adequacy of implementation arrangements to deliver project outputs and achieve the project purpose.

G. Conditions and Covenants

9. Explain causes of significant delays in meeting the conditions of effectiveness with attention to procedural problems in the borrower's country that may affect other projects.

10. Assess the relevance of covenants. Indicate the status of compliance with all general and special covenants. If covenant compliance was delayed or breached, discuss the reasons and impact, and whether the covenant was realistic. Discuss the impact of partial or noncompliance of covenants on project performance. Recommend actions for achieving compliance.

11. Indicate if any covenant has been modified, suspended, or waived, and the justification for such actions. Where relevant, undertake a financial analysis of the EA and compare the financial ratios to check compliance with financial covenants. Review the borrower's and EA's compliance with reporting requirements. Discuss any relevant changes in amortization between the borrower and EA, and conversion of the loan to equity.

H. Related Technical Assistance

12. A TCR is not required for a project preparatory TA that results in a loan. A project preparatory TA resulting in a loan should be evaluated in the PCR for the loan project.

13. A separate TA completion report (TCR)⁴ should be prepared for any advisory TA processed in conjunction with a loan. When preparing the project completion report (PCR), an assessment of the advisory TA performance should be reported and incorporated in the overall assessment of the project.

- (i) If the TCR is prepared and circulated before the PCR, the PCR should discuss the salient features of the TCR, including any variations from appraisal, in its text; note the TA rating; and provide a complete citation for the TCR in a footnote.

⁴ A Template for the preparation of a TCR is available in the ADB Portal (Guidelines and Templates for Board Documents) at URL: http://eboard.asiandevbank.org/docs_refs/index.php.

- (ii) If the TCR is prepared concurrently with the PCR, the TCR should be appended to the PCR and salient features, including any variations from appraisal, should be noted in the PCR text. When PCR Board circulation is requested, the Office of the Secretary (OSEC) should also be informed that a TCR is appended to the PCR. This will ensure that the TCR is recorded in OSEC's database and that it is noted in OSEC's circulation memo to the Board.

I. Consultant Recruitment and Procurement

- 14. Discuss arrangements for consultant recruitment, any deviations from agreed procedures, and the causes of disagreements between the borrower or EA and ADB on consultant selection (state how the differences were resolved). Describe any significant problems encountered with packaging contracts, preparing tender documents, and evaluating bids. State how they were resolved.

J. Performance of Consultants, Contractors, and Suppliers

- 15. If any of the consultants, contractors, or suppliers used by the borrower or EA failed to perform well, or vice versa, describe these instances and estimate their negative or positive effects on the quality of the project outputs, schedule, or costs.

K. Performance of the Borrower and the Executing Agency

- 16. Summarize the performance of the borrower and EA in meeting the responsibilities assigned in the implementation plan, and discuss any weaknesses in performance. Indicate whether the assessment of the EA's capabilities at appraisal was reasonably accurate.
- 17. Assess the present institutional capacity and development of the EA, including specific strengths and weaknesses, and whether institutional development measures envisaged at appraisal were adequate or successful. Assess how the project and advisory TA, if any, assisted in improving institutional capacity.
- 18. Rate the performance of the borrower and EA as highly satisfactory, satisfactory, partly satisfactory, or unsatisfactory.

L. Performance of the Asian Development Bank

- 19. Review ADB's part in project implementation (e.g., approvals, disbursements, and monitoring) to determine whether any ADB failure to act promptly, or disagreements with the borrower or EA on terms of reference, bid documents, awards, or other matters affected the implementation procedures, project costs, or implementation schedule. If the effects are insignificant or do not permit generalized conclusions, note such instances but do not include the analysis.
- 20. State the type of advisory services (including training) provided by ADB and whether the assistance was adequate and timely.

21. Rate the performance of ADB as highly satisfactory, satisfactory, partly satisfactory, or unsatisfactory.

III. EVALUATION OF PERFORMANCE⁵

A. Relevance

22. Assess the relevance of design (para. 3) and the impacts of changes made at midterm review or any other point that aimed to improve relevance.

B. Effectiveness in Achieving Outcome

23. Assess the extent to which the project achieved its outcome.

C. Efficiency in Achieving Outcome and Outputs

24. Assess the efficiency of investment (wherever possible, by financial and economic reevaluation or other cost-effectiveness measures) and efficiency of process. For program loans, efficiency of investment is not usually assessed (see program performance evaluation report guidelines).

D. Preliminary Assessment of Sustainability

25. Assess requirements for, and likelihood of, project sustainability. Provide the rationale for recommended follow-up actions to enhance the likelihood of sustainability.

E. Impact

26. Provide a general assessment of significant poverty, institutional, economic, environmental, social, and other impacts (positive and negative whether intended or not) generated during project implementation. If the project included environmental control and other safeguard measures, evaluate their implementation and effectiveness.

IV. OVERALL ASSESSMENT AND RECOMMENDATIONS

A. Overall Assessment

28. Describe briefly (in one or two short paragraphs) whether the project was implemented as conceived and, if not, explain the difficulties and remedial measures undertaken. Analyze the design and monitoring framework and the project performance monitoring and evaluation system, and provide an overall project performance rating. The project should be rated as highly successful, successful, partly

⁵ For project loans, OED guidelines now use four core criteria for the rating of performance. For program loans, there are six criteria. A text section assessing (i) the contribution of program loans to institutional development, and (ii) program loan impact should be added following "Preliminary Assessment of Sustainability". See OED's Guidelines for PPER at <http://www.adb.org/Documents/Guidelines/Evaluation/PPER-PSO/default.asp>.

successful, or unsuccessful, in accordance with the definitions and guidelines provided by the Operations Evaluation Department.

29. The calculations for deriving the ratings and the summary table do not need to be included in the PCR, but should be retained on file for reference during preparation of the PPER.

B. Lessons Learned

30. Clearly describe all major lessons learned. Support identified lessons learned using the results of the project and provide the basis for drawing such lessons in relevant sections of the PCR.

C. Recommendations

31. Include project-specific and general recommendations that may affect projects or may be generally applicable to ADB practices. Recommendations should be specific and within the power of the nominated entity and person responsible to carry them out. Include the name of the entity or person responsible for taking action, time frame, and responsibility for monitoring and reporting compliance.

1. Project-Related

32. Recommendations should include the following:

- **Future monitoring.** Describe aspects of project operation (technical, financial, personnel, management, etc.) that require monitoring, and recommend monitoring tools (specific reports by the borrower or EA, missions, consultants, etc.) and, at least initially, time intervals for project review.
- **Covenants.** Recommend whether the covenants in the loan and project agreements should be maintained in their existing form. Indicate the specific period to maintain such covenants or whether any should be changed or waived, identifying covenants to be changed or waived and the substance or wording of any change recommended.
- **Further action or Follow-up.** Indicate actions that may be needed to complete project implementation (including action needed to complete disbursements and close the loan account), support its initial operation, achieve project benefits, or ensure its sustainability.
- **Additional assistance.** Indicate any additional assistance under new financing arrangements (TA or loan assistance) required to substantially improve the project's performance and sustainability.
- **Timing of PPER preparation.** Indicate the appropriate timing for preparing the PPER. In exceptional cases (e.g., where some works have still to be completed or where supplemental assistance may be proposed, or to allow some time for operations to settle down), the PPER is not to be undertaken before a certain date. Give reasons for proposing deferment.

2. General

33. For project appraisal, the recommendation could focus on
- ensuring the design and monitoring framework is complete and comprehensive;
 - assessing the EA's capacity;
 - estimating costs, including allowance for contingencies;
 - preparing financing plans;
 - planning implementation; and
 - project scheduling.
34. For project implementation, review
- ADB's identification and discussion of design and monitoring framework performance targets with the EA;
 - the borrower's and EA's contracting procedures; and ADB approval of procurement documentation, including shortlists, prequalification documents, contract documents, awards, and contracts;
 - disbursement procedures;
 - monitoring and reporting; and
 - special assistance provided.

Project Completion Report¹
General Guidelines for Preparing Project Completion Reports
(loans to development finance institutions)

CONTENTS

BASIC DATA

Map² (Title)

I. BACKGROUND

- A. History
- B. Scope of Operations
- C. Relationship with Asian Development Bank and Other Lenders
- D. Relevance of Design and Formulation
- E. Related Technical Assistance

II. IMPLEMENTATION

- A. Lending Policies
- B. Characteristics of Subloans
- C. Implementation and Internal Operation of Subprojects
- D. Operational Performance of the DFI (give actual name)
- E. Financial Performance of the DFI (give actual name)
- F. Financial Statements and Ratios
- G. Covenants
- H. Performance of the Asian Development Bank

III. EVALUATION

- A. Loan Appraisal
- B. Implementation

IV. ASSESSMENT AND RECOMMENDATIONS

- A. Relevance
- B. Effectiveness in Achieving Outcome
- C. Efficiency in Achieving Outcome and Outputs
- D. Preliminary Assessment of Sustainability
- E. Impact
- F. Overall Assessment
- G. Lessons and Recommendations

¹ A Template for preparing the PCR is available in the ADB Portal (Guidelines and Templates for Board Documents) at URL: http://eboard.asiandevbank.org/docs_refs/index.php.

² Include a revised map showing the project's impact. Do not use the map in the report and recommendation of the President.

BASIC DATA

A. Loan Identification

1. Country _____
2. Loan Number _____
3. Loan Title _____
4. Borrower _____
5. Name of development finance institutions _____
6. Amount of Loan _____
7. Project Completion Report Number _____

B. Loan Data

1. Appraisal
– Date Started _____
– Date Completed _____
2. Loan Negotiations
– Date Started _____
– Date Completed _____
3. Date of Board Approval _____
4. Date of Loan Agreement _____
5. Date of Loan Effectiveness
– In Loan Agreement _____
– Revised _____
– Number of Extensions _____
6. Terminal Date for Commitments
– In Loan Agreement _____
– Actual _____
– Number of Extensions _____
7. Closing Date
– In Loan Agreement _____
– Revised _____
– Number of Extensions _____

8. Terms to the Borrower
 – Interest Rate _____
 – Maturity (number of years) _____
 – Grace Period (number of years) _____
 – Free Limit _____
 – Repayment Terms _____

9. Terms of Relending (if any)

10. Interest Rate for Subloans
 – Original _____
 – Revised _____

11. Disbursements

a. Dates

Initial Disbursement	Final Disbursement	Time Interval
xxx	xxx	xxx
Effective Date	Original Closing Date	Time Interval
xxx	xxx	xxx

b. Amount

 (loan currency) (US\$ equivalent)

Category No. (1)	Category or Subloan (2)	Original Allocation (3)	Partial Cancellations (4 = 3 - 5)	Last Revised Allocation (5)	Amount Disbursed (6)	Undisbursed Balance ¹ (7 = 5 - 6)
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Total (loan currency) _____

Total US\$ Equivalent _____

a b c d e

¹ For final cancellation

a = US\$ equivalent per RRP
 b = US\$ equivalent as of date of approval of cancellation
 c = Total of (d + e)
 d = Actual US\$ equivalent
 e = US\$ equivalent as of report preparation

C. Implementation Data

1. Number of Subloans
2. Sectoral Distribution of Subloans

Sector (Specify)	Projected	Actual
Total		

3. Size of Subloans (actual) (\$_____)

Range (specify amounts)	Number of Subloans	Aggregate Amount
Up to		
From to		
From to		
Over		

4. Other Breakdown of Subloans (specify any distribution criteria agreed upon in loan documents) (\$_____)

Criteria	Projected	Actual

D. Data on Asian Development Bank Missions

Name of Mission^a	Date	No. of Persons	No. of Person-Days	Specialization of Members^b
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**Project Completion
Review^c**

^a Include identification, fact-finding, preappraisal, appraisal, project inception, project review, special project administration, loan disbursement, and project completion review missions. If more than one of each type of mission, number consecutively as review mission 1, 2, etc.

^b May use reference letters in the table, e.g., a-engineer, b-financial analyst, c-counsel, d-economist, e-procurement or consultant specialist, f-control officer, g-programs officer, h-onward for other categories.

^c PCR is prepared by [name] , [designation] .

E. Related Loans

	Loan No.	Date of Agreement	Amount
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To same development finance institutions

Total

**Project Completion Report
(loans to development finance institutions)**

I. BACKGROUND

A. History

1. Summarize the history of the development finance institution (DFI),³ referring to previous reports (e.g., report and recommendation of the President [RRP], or project completion report [PCR]) for details. Indicate whether the DFI is publicly or privately owned.

B. Scope of Operations

2. Describe the scope of the institution's operations (e.g., foreign exchange and local currency loans, equity investments, underwriting, loan guarantees, and investment promotion).

C. Relationship with ADB and Other Lenders

3. Briefly describe the history of ADB's relationship with the DFI and other lenders. Indicate the term and amount of ADB lending.

4. Summarize lending to the DFI by other financing institutions, and indicate the source of local funds used by the DFI in its operations.

D. Relevance of Design and Formulation

5. Summarize the rationale for the loan and discuss its relevance in terms of consistency with ADB's country program and strategy, the country's development objectives, soundness of the design, and adequacy of the formulation process.

E. Related Technical Assistance

6. Describe technical assistance (TA) provided under the loan and explain any variations from appraisal. A separate TA completion report (TCR) is prepared for an advisory TA processed in conjunction with loans. However, note the nature and performance rating and provide a complete citation for the TCR in a footnote in the PCR.

³ Historical aspects and those dealing with the DFI should be given in brief tabular form in PCRs for repeat loans to the same DFI.

II. IMPLEMENTATION

A. Lending Policies

7. Describe recent changes in the DFI's lending policies. If these changes are discussed in previous RRP's or PCR's, summarize them in the PCR and cite such reports for details by providing a complete citation in a footnote, noting the specific paragraph numbers.

B. Characteristics of Subloans

8. Select criteria from the RRP describing the DFI's specific distribution of subloans as specified in the loan documents (undertakings not mentioned are immaterial to the loan's objectives). Discuss any substantial differences between projections in the RRP or AR and actual distribution. Data for the projected and actual distribution of subloans under those criteria are shown in Basic Data, section C.

9. Discuss any data on other subloan characteristics that may illustrate the DFI's implementation of its own lending policies or the effect of the DFI's lending operations on the development of the country's economy (characteristics might include geographic distribution, proportion of total project costs financed by the DFI, ratio of foreign exchange to local currency loans, or the ratio of loans for establishing new enterprises to loans for expanding or modernizing facilities).

C. Implementation and Internal Operation of Subprojects

10. Describe problems encountered in implementing subprojects financed by the DFI, for example, substantial execution delays, cost overruns, procurement problems, or technical difficulties.

11. Use available data on the initial operation of subprojects financed by the DFI to describe their operational performance. Describe any operational problems observed (e.g., in production, marketing, management, or financing of working capital requirements) and steps taken by the subborrower of the DFI to resolve them. Also, discuss any significant environmental, sociocultural, and other impacts of the subloans. This is an important part of the DFI PCR and should be based on adequate data and detailed research.

D. Operational Performance of the DFI (give actual name)

1. Organization, Management, and Staffing

12. Briefly describe the main aspects of the DFI's organization, emphasizing recent changes (refer to previous reports for details). Describe recent changes in management and the number, specialization, and qualifications of the professional staff.

2. Personnel Administration

13. Briefly describe features of the DFI's personnel administration that are particularly important to the performance of its staff, (e.g., competitiveness of salaries paid, incentive programs, promotion policy, and training programs) emphasizing recent changes. Refer to previous reports.

3. Lending Operations

14. Describe principal aspects of the DFI's lending operations including

- time to process loan applications (include year-by-year comparisons if available);
- attention given to the economic and financial analysis of projects, to marketing questions, and to managing the subborrower's enterprise;
- maturity of subloans;
- project implementation monitoring; and
- administration of subloans.

4. Other Operations

15. Describe the volume or level of DFI operations in areas other than foreign exchange lending, where applicable (e.g., equity investments, underwriting, loan guarantees, local currency loans, and project promotion).

E. DFI Financial Performance (use actual name)

16. Discuss changes in the DFI's loan portfolio during the years reviewed including its overall size and quality (include arrears). Provide comparative tables. Discuss major changes and describe any measures taken to improve portfolio quality. Describe the DFI's policy on providing for bad debts.

F. Financial Statements and Ratios

17. **Balance Sheets.** Discuss major changes in the size and composition of assets and liabilities; provide comparative balance sheets in the report's appendixes.

18. **Income Statements.** Discuss major changes in revenues and expenditures; provide comparative income statements in the report's appendixes.

19. **Cash Flow Statements.** Discuss major changes in the sources and applications of funds; provide comparative cash flow statements in the report's appendixes.

20. **Key Ratios.** Discuss major changes in key ratios (i.e., long-term debt equity, current ratio, gross income, or total assets, etc.) used to measure the DFI's financial performance.

G. Covenants

21. Describe the reasons for noncompliance with any loan covenants.

H. Performance of the Asian Development Bank

22. Describe any delays or disagreements between ADB and the DFI on ADB's approval of subloans, the distribution of subloans with criteria agreed to by ADB and the DFI, and the application of ADB's procurement and disbursement guidelines by the DFI and its borrowers. Summarize the frequency and scope of ADB review missions.

III. EVALUATION

A. Loan Appraisal

1. Distribution of Subloans

23. If substantial differences exist between the DFI's intended and actual distribution of subloans, assess whether the differences in number, amount, or ratios agreed upon are due to

- unrealistic projections;
- lack of effort by the DFI to meet the distribution objectives;
- unpredictable developments in the economy of the country as a whole; or
- conditions in the sectors or regions that were intended to benefit from the distribution.

24. Assess whether distribution criteria different from or additional to those established in the loan documents would have helped achieve the overall development objectives.

25. Assess the significance of the loan's broader development objectives for the substantial differences between forecasts and actual results in the distribution of subloans. This is under criteria that were not the subject of specific undertakings.

2. Covenants

26. Review the covenants in the loan documents and any technical defaults to determine whether all covenants should be maintained in their present form or if any should be modified or waived to account for changed circumstances.

3. Quality of Appraisal

27. Evaluate aspects of loan implementation affecting the adequacy of loan appraisal to determine any changes in scope required. Possible topics include assessment of the general economic situation of the country and development forecasts; sectoral analysis; projections of DFI activities; and assessment of the DFI's organization, management, and staff competence.

B. Implementation

28. Review the facts in Chapter II under each heading except Characteristics of Subloans and Covenants, and determine their significance for future DFI or ADB operations. Discuss any significant problems and explore ways to mitigate them.

IV. ASSESSMENT AND RECOMMENDATIONS

A. Relevance

29. Assess the relevance of design (para. 5) and the impacts of changes made at midterm review or other point that aimed to improve relevance. Compare relevance at appraisal with that at completion.

B. Effectiveness in Achieving Outcome

30. Assess the extent to which the project achieved its outcome, and the likelihood that it will contribute to realizing the wider development impact.

C. Efficiency in Achieving Outcome and Outputs

31. Assess the efficiency of investment (wherever possible, by financial and economic reevaluation or other cost-effectiveness measures) and efficiency of the process.

D. Preliminary Assessment of Sustainability

32. Assess requirements for, and likelihood of, sustainability and viability of the DFI and of the subloans financed.

E. Impact

33. Provide a general assessment of significant poverty, institutional, economic, environmental, social, and other impacts (positive and negative whether intended or not) generated during project implementation. If the project included environmental control and other safeguard measures, evaluate their implementation and effectiveness.

F. Overall Assessment

34. Describe briefly (in one or two short paragraphs) whether the project was implemented as conceived, and if not, explain the difficulties and remedial measures. Analyze the design and monitoring framework and the project performance monitoring and evaluation system, and provide an overall project performance rating. The project should be rated as highly successful, successful, partly successful, or unsuccessful, in accordance with the definitions and guidelines provided by the Operations Evaluation Department.

35. The calculations for deriving the ratings and the summary table need not be included in the PCR, but should be retained on file for reference during preparation of the project performance audit report.

G. Lessons

36. Clearly describe all major lessons. Support identified lessons learned using the results of the project and provide the basis for drawing such lessons in relevant sections of the PCR.

H. Recommendations

37. Include recommendations to maintain or modify covenants. Based on the evaluation in Chapter III, make other recommendations for ADB to improve operations or for the DFI to improve its finances, operational performance, or services to its borrowers. The recommendations could be applicable only to the DFI or generally to ADB loans to DFIs.

Project Completion Report

Suggested Topics for Project Completion Reports to be Prepared by Borrowers (project, multiproject, sector, program, sector development program, and technical assistance loans)

I. PROJECT DESCRIPTION

- A. Objectives
- B. Components (or subprojects for sector and multiprojects)
- C. Implementation methods
- D. Description and justification of changes in components (or subproject appraisal criteria) or implementation methods

II. PROJECT IMPLEMENTATION

- A. Compare original and actual implementation schedules. Indicate delays, length and causes of delays, and remedial action taken.
- B. Compare cost estimates made during appraisal and actual costs (foreign and local). Local currency costs incurred, appropriate exchange rates for their conversion into US dollars, and the foreign exchange costs financed by cofinanciers must be compiled correctly with reference to audited project accounts. Indicate factors that contributed to any significant overruns or underruns.
- C. State problems or difficulties in recruiting consultants, with reference to ADB procedures. Assess the consultant's work and the working relationship between the executing agency (EA) and the consultant. Use of a design and monitoring framework is strongly recommended.
- D. State problems or difficulties encountered in procuring goods and services (including civil works) with reference to ADB procedures. Assess the supplier's or contractor's performance under the contract.
- E. Give the extent of compliance of the borrower and EA with loan covenants, with reasons for noncompliance or delays in compliance and the remedial actions taken.
- F. State reasons for any delays in loan utilization. Evaluate the appropriateness of the disbursement methods used. Justify the reallocation of loan proceeds.
- G. State problems or difficulties with subproject appraisal. Evaluate the EA's performance and capacity to appraise subprojects.

III. INITIAL OPERATIONS

- A. Describe initial operations of the project and transitional problems encountered from project completion to initial operations.
- B. Describe measures taken to ensure continued smooth operation of the project relative to management, staffing, funding, and maintenance of project facilities.
- C. Analyze the prospects of the project benefits being realized.

IV. EVALUATION OF THE ASIAN DEVELOPMENT BANK'S PERFORMANCE

- A. Assess ADB's performance in supervising project implementation. Include comments on the adequacy of the consultants' terms of reference and appropriateness of specifications in tender documents. Evaluate the effectiveness and timeliness of assistance extended by ADB to solve implementation problems.
- B. Comment on problems encountered with ADB's procedures. Note the measures taken to resolve these problems and suggest changes in procedures and requirements.

**Suggested Topics for Project Completion Reports to be Prepared by Borrowers
(loans to development finance institutions)**

I. BACKGROUND

- A. History of the development finance institution (DFI) and scope of the DFI's operations
- B. ADB's past relationship with the DFI
- C. Rationale for the loan

II. LOAN UTILIZATION

- A. Compare expected subloan distribution based on any criteria established during appraisal and actual subloan distribution. State reasons for any deviations.
- B. Evaluate the impact of subloans on the country's development efforts. Note the extent of subloans conforming to the government's economic, financial, and monetary policies.
- C. State problems encountered in implementing and operating subprojects financed by the DFIs.
- D. Give basic details to assess the socioeconomic impact of completed subprojects.

III. OPERATIONAL PERFORMANCE OF THE DFI (give actual name)

- A. Describe the main aspects of DFI organization, emphasizing recent changes in management, size, and composition of staff and personnel policies.
- B. Describe principal aspects of DFI lending operations (e.g., lending procedures, loan criteria, terms and conditions, loan administration, and types of loans).
- C. Describe DFI financial performance in relation to the size and quality of its loan portfolio and financial statements and ratios.
- D. Assess DFI performance with loan covenants, giving reasons for noncompliance or delays in compliance.
- E. Note measures being taken to strengthen DFI institutional and financial capabilities.

IV. PERFORMANCE OF THE ASIAN DEVELOPMENT BANK

- A. Assess ADB's performance in supervising the use of loan proceeds (approval of subloans).
- B. Comment on ADB's guidelines and requirements relating to procurement, free limits, and disbursements; suggest changes.
- C. Describe the effectiveness and timeliness of ADB assistance to solve problems encountered during loan utilization.

Project Completion Report

Transmittal Letter

Name and Address of
Executing Agency

Dear

As provided in the [loan or project] agreement between _____ and the Asian Development Bank, please submit a project completion report to ADB within _____ months from the physical completion of the project (or _____ months after completion of disbursement under loans to development finance institutions). To facilitate your preparation of the report, we attach

- a definition of the physical completion of a project, and
- a list of proposed topics to be covered in the report.

We would appreciate receiving your report within the prescribed period.

Sincerely,

Director, Sector Division

attachments: