

# Project Administration Instructions

PAI 5.01  
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Page 1 of 7

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## EXECUTING AGENCY'S PROGRESS REPORT<sup>1</sup>

1. The Asian Development Bank's (ADB's) loan regulations and agreements require the borrower<sup>2</sup> to provide reports and information that ADB reasonably requests. This Project Administration Instruction (PAI) describes the content and requirements for the executing agency's (EA)<sup>3</sup> periodic progress reports that enable the borrower and ADB to monitor project progress, become aware of issues during implementation, and assess whether the project outputs and outcome will be achieved.<sup>4</sup>
2. During loan processing, the EA and ADB will agree on the format, content, and timing for the submission of progress reports, taking account of the nature of the project and the information and reporting systems for such project. The agreed format should be appended to the fact-finding mission's memorandum of understanding/aide-mémoire.
3. The progress report should include sufficient information on detailed reports prepared by consultants or contractors under the EA's management. These reports should be made available for ADB review, midterm review, and project completion review missions.
4. The progress report should capture key information as suggested in Appendix 1. Such information will be used to update the project record in eOperations, including performance rating indicators. Detailed information such as background to a particular problem should be included as an annex to the report. Simple charts such as bar or milestone charts to illustrate implementation progress, actual versus planned expenditures, and the relationship between physical and financial performance should be included. The guidelines for calculating project progress and a sample implementation schedule are shown in Appendix 2.
5. The project team provides the EA with the latest report format after the loan approval and before the project inception mission to remind them of ADB's progress reporting requirements. The report format should be discussed and finalized during the project inception mission and incorporated in the project administration manual (PAM), if applicable. Generally, the EA submits the progress reports quarterly,<sup>5</sup> regardless of progress achieved during the period.
6. The project team will review the progress report once received. If a progress report is not received within 2 weeks of the scheduled date of receipt, the project team sends a reminder immediately to the EA. Repeated delays in sending progress reports should be discussed with the EA promptly and during project administration missions.

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<sup>1</sup> In this PAI, the term "loan(s)" includes grant(s), and the term "project(s)" excludes program(s) and results-based loans, unless the context requires otherwise. This PAI also applies to loans from external sources that are administered by ADB, unless agreed otherwise between ADB and cofinancier(s).

<sup>2</sup> In this PAI, the term "borrower" also refers to recipients of grants, executing agencies, and/or implementing agencies, unless the context requires otherwise.

<sup>3</sup> The term "executing agency (EA)" also refers to implementing agency, unless the context requires otherwise.

<sup>4</sup> Refer to Operations Manual Section D4: *Policy-based Lending* and relevant staff instruction for progress report requirements of policy-based loans.

<sup>5</sup> The progress report is normally required to be submitted within 6 weeks after the end of each quarter.

## EXECUTING AGENCY'S PROGRESS REPORT CONTENTS

### A. Introduction and Basic Data

- (i) loan number, project title, borrower, executing agency(ies) (EA), implementing agency(ies) (IA);
- (ii) total estimated project cost and financing plan;
- (iii) status of project financing including availability of counterpart funds and cofinancing;
- (iv) dates of approval, signing, and effectiveness of ADB loan;
- (v) original and revised (if applicable) ADB loan closing date and elapsed loan period based on original and revised (if applicable) loan closing dates; and
- (vi) date of last ADB review mission.

### B. Utilization of Funds

- (i) cumulative contract awards financed by the ADB loan, cofinancing, and counterpart funds (commitment of funds to date), and comparison with time-bound projections (targets);
- (ii) cumulative disbursements from the ADB loan, cofinancing, and counterpart funds (expenditure to date), and comparison with time-bound projections (targets); and
- (iii) re-estimated costs to completion, need for reallocation within ADB loan categories, and whether an overall project cost overrun is likely.

### C. Project Purpose and Implementation Progress

- (i) status of project scope and implementation arrangements compared with those in the report and recommendation of the President (RRP), and whether major changes have occurred or will need to be made;
- (ii) an assessment of the likelihood that the project outcome and outputs will be achieved in part or in full, and whether remedial measures are required based on the current project scope and implementation arrangements;
- (iii) an assessment of changes to the key risks that affect achievement of the outcome and outputs, and quantifiable implementation targets;
- (iv) monitoring and reporting on gender equality and social dimensions, safeguards (environment, resettlement and indigenous peoples), other requirements that might adversely affect the project's viability or accomplishment of project outcome, and other development priorities such as climate change;
- (v) assessment of project implementation arrangements such as establishing, staffing, and funding of the project management office or project implementation units;
- (vi) information relating to the EA's internal operations that impacts on implementation arrangements or project progress;
- (vii) assessment of the progress of each implementation activity, such as,

- a. recruitment of consultants and their performance;
  - b. procurement of goods and works (from preparation of detailed designs and bidding documents to contract awards);
  - c. the performance of suppliers, manufacturers, and contractors for goods and works contracts; and
  - d. comparison with the original implementation schedule—quantifiable and monitorable target, (include charts such as bar or milestone to illustrate progress and actual versus planned expenditure, S-curve graph showing the relationship between physical and financial performance, and actual progress in comparison with the original schedules and budgets). The guidelines in calculating the project progress including examples are shown in Appendix 2.
- (viii) status of implementation of financial management action plan, and risk assessment and risk management plan; and
- (ix) status of implementation of action plan from ADB’s review missions.

#### **D. Compliance with Covenants**

- (i) the borrower's compliance with policy loan covenants such as sector reform initiatives and EA reforms, and the reasons for any noncompliance or delay in compliance;
- (ii) the borrower’s and EA’s compliance with covenants in legal agreements including the EA’s financial management, and the timely submission of audited project financial statements and audited entity financial statements; and
- (iii) the borrower’s and EA’s compliance with project-specific loan covenants associated with implementation, gender equality and social dimensions, safeguards (environment, resettlement, and indigenous peoples), anticorruption and other requirements specified in the loan agreement.<sup>6</sup>

#### **E. Major Project Issues and Problems**

Summarize the major problems and issues affecting or likely to affect implementation progress, compliance with covenants, and achievement of project outputs and outcome, including the findings of any project procurement-related review that may have been undertaken. Recommend actions to overcome these problems and issues (e.g., changes in scope, changes in implementation arrangements, and reallocation of loan proceeds). If any substantial cost savings are anticipated, a proposal for partial cancellation of the surplus loan proceeds, or their utilization through a change of scope, should be discussed. If any substantial cost overruns are anticipated that exceed the available resources from all sources of financing, a proposal for additional financing (or adjustment of project scope to stay within the available funding sources) should be discussed. Incorporate the audit qualifications and internal control recommendations (from the internal audit report, external audit report and management letter) and the timebound action plan to address them.

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<sup>6</sup> Sections VII. Safeguards and VIII. Gender Equality and Social Dimensions of the PAM.

## **GUIDELINES IN CALCULATING PROJECT PROGRESS**

### **A. Introduction**

1. Physical and pre-commencement activities are considered in calculating project implementation progress. These activities, which may include recruitment of consultants, capacity building, detailed design, preparation of bid and prequalification documents, etc., could constitute a significant proportion of overall implementation and should be counted.

2. Each activity in the implementation schedule will be weighed according to its overall contribution (using time as a reference) to project implementation. These weights will then be used to calculate the percentage of project progress along the entire implementation period of the project. This is to provide a holistic view of the pace of implementation.

### **B. Compiling Activity List and Assigning Weights**

3. The project team should identify major implementation activities and include them in the implementation schedule, which is included in the PAM. The implementation schedule should be consistent with the outputs in the design and monitoring framework.

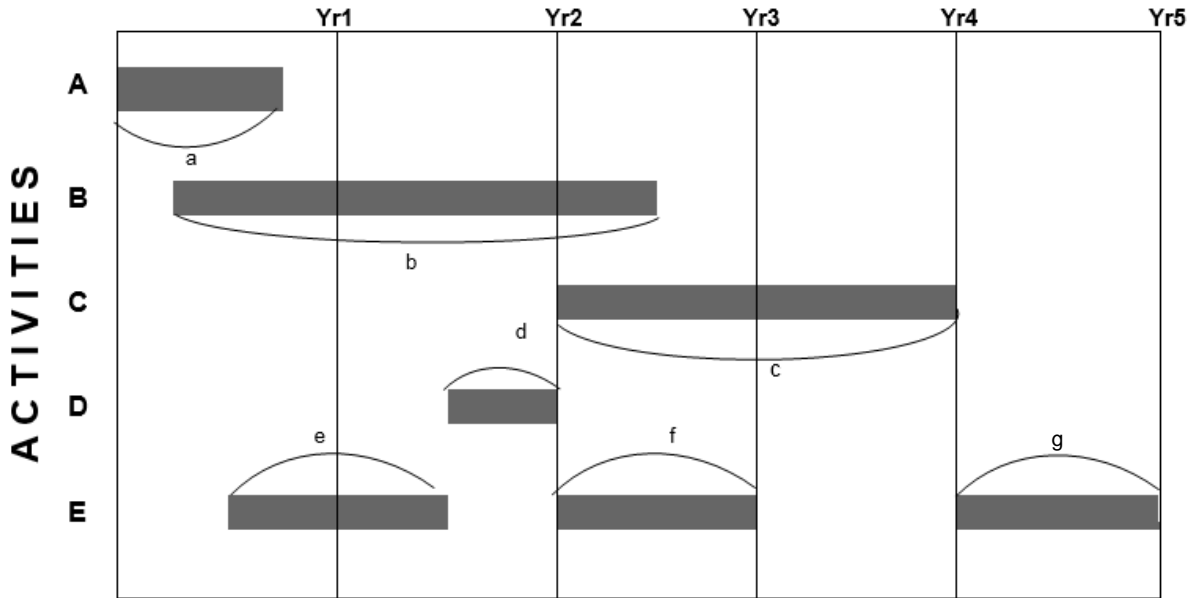
4. Corresponding weights for each activity should be assigned to ensure that project progress measures the percentage of achievement for all events during the entire duration of the implementation schedule. To avoid disproportionate assignment of weights, to the extent possible, these should be evenly distributed along the implementation schedule. When activities are concurrent, avoid “double counting.” The total weight for all activities should be equal to 100.

5. Once all activities are identified and corresponding weights assigned, project progress should be calculated using the following steps:

- (i) Determine the actual percentage progress (nonfinancial) of each activity;
- (ii) Multiply these percentages by the assigned weight of each activity to arrive at the weighted progress; and
- (iii) Add up the resulting weighted progress of all activities to determine the project progress.

6. Figure A2.1 provides an illustration of the calculation using a generic sample implementation schedule and Figure A2.2 is a specific example.

**Figure A2.1: Implementation Schedule with Activities and Weights**



1. The sum of all weights should equal 100 percent ( $a+b+c+d+e+f+g = 100\%$ ).
2. When calculating the percentage of "project progress," all completed activities should be counted as accomplished, regardless of when they were scheduled to be completed. For example, when calculating the percentage of "project progress" after year 3, if Activity D is completed in year 3 rather than in year 2, it should still be included in the computation.
3. Total weight of each activity is as follows: Activity A = a; Activity B = b; Activity C = c; Activity D = d; and Activity E = e+f+g.
4. Project progress of a project is the summation of the actual percentage of progress for each activity multiplied by the total weight of each activity.

**Figure A2.1: Sample Implementation Schedule Progress at Q4 Year 1**

Activities	Year 1				Year 2				Year 3				Year 4				(a)	(b)	(a) x (b)
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Assigned Weight	Actual Progress	Weighted Progress
<b>DMF</b>																			
<b>Output 1: Rural road conditions between selected rural communities, productive agricultural areas, and socioeconomic centers improved</b>																			
Activity 1.1: Award contracts for improving about 3,980km of roads to all-weather standards by Q2 Year 2.	■																10%	50%	5%
Activity 1.2: Complete construction by Q1 Year 4.					■												15%	0	0
Activity 1.3: Maintain improved roads until Q4 Year 4.									■								15%	0	0
<b>Output 2: Capacity of rural infrastructure agency and road users in project areas enhanced</b>																			
Activity 2.1: Recruit and mobilize project implementation support consultants and other capacity development consultants by Q4 Year 1.	■																8%	80%	6.40%
Activity 2.2: Develop capacity development training programs for LGED and project communities by Q2 Year 2.					■												2%	0	0
Activity 2.3: Conduct the training programs until Q2 Year 4.									■								10%	0	0
<b>Output 3: Rural road master planning enhanced</b>																			
Activity 3.1: Recruit and mobilize information technology consultants for road master planning by Q4 Year 1.	■																8%	100%	8%
Activity 3.2: Develop capacity development training programs on system-based road master planning by Q2 Year 2.					■												8%	0	0
<b>A. Management Activities</b>																			
Advance procurement of civil works packages	■																3%	100%	3%
Recruitment of individual consultants					■												2%	0	0
Environmental management plan implementation			■		■												5%	5%	0.25%
Gender action plan key activities			■		■												5%	5%	0.25%

Activities	Year 1				Year 2				Year 3				Year 4				(a)	(b)	(a) x (b)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Assigned Weight	Actual Progress	Weighted Progress			
Preparation of submission of reports — QPR, SMR, EMR, and consolidated annual report				[Blue bar spanning Q4 Year 1 to Q4 Year 4]																3%	0	0
Annual and/or midterm review									[Blue bar]								1%	0	0			
Inception/Review missions			[Orange bar]								[Blue bar]			[Blue bar]			2%	25%	0.50%			
Project completion report			[Blue bar]												[Blue bar]		3%	0	0			
<b>Total Weight</b>																<b>100%</b>						
<b>Implementation Progress</b>																		<b>23.40%</b>				

- (i) Where, (a) is the assigned weight for each activity, (b) is the actual progress of each activity, and (a) x (b) is the weighted progress for each activity. Project progress is the sum of all weighted progress for each activity.
- (ii) Blue bars represent the planned schedule. Orange bars represent the actual progress as of the reporting period.