PROJECT COMPLETION REPORT FOR SOVEREIGN OPERATIONS

A. Objective and Scope

1. The main objective of a project’s completion report (PCR) is to evaluate the performance of sovereign operations to enhance transparency and accountability, and learn from operational experience in the design and implementation of loan projects. These lessons are expected to be used to improve the design and implementation of ongoing and future Asian Development Bank (ADB)-financed projects. The PCR is validated by the Independent Evaluation Department (IED). Ratings in project validation reports are reported annually in the Development Effectiveness Review and used as an input to country partnership strategy formulation and review. A PCR

   (i) provides a concise description of the project and its rationale;
   (ii) assesses the adequacy of preparation, design, implementation arrangements, and due diligence, including how problems were identified and handled, whether they were foreseen as potential risks at approval, and the adequacy of the solutions adopted during implementation;
   (iii) evaluates relevance of project design at approval and at completion, effectiveness in achieving outcomes and attribution to the project by assessing achievements of output targets, efficiency in delivering outputs and outcomes, and sustainability in terms of likelihood of achieving the outputs and outcomes;
   (iv) assess development impact of the project
   (v) evaluates the performance of the borrower, executing agency (EA), implementing agencies (IA), cofinancers (as applicable) and ADB;
   (vi) identifies remaining issues and lessons learned from the project;
   (vii) suggests follow-up actions, if required; and
   (viii) makes recommendations—based on the evaluation and lessons learned—for future project design and implementation as well as improvements in related ADB procedures.

B. Timing of PCR Preparation and Circulation

2. When a project is nearing completion, PCR preparation should be initiated. A project is complete when all its outputs are completed (i.e., when the project’s facilities are completed and ready to operate. If revenue streams are envisaged, then these should be occurring). The PCR

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1 ‘Project’ is defined as a project with its unique design and monitoring framework, regardless of the number of its financing instruments (generic means of providing or facilitating financing), products or sources (comprising ADB financing such as regular ordinary capital resources (OCR), concessional OCR (COL), Asian Development Fund (ADF), other special funds, cofinancing, and government financing). Hereafter, ‘project’ includes investment project, sector project, financial intermediation loans, policy-based lending including COVID-19 Pandemic Response Option (CPRO), results-based lending, sector development program, multitranche financing facility and its tranches, or technical assistance (TA) loan or project readiness financing loan. If a TA is attached to a project, the project includes the TA. A ‘product’ has its own approved number. For example, if a project is financed by an OCR, COL and an ADF grant, the project has three products.

2 In this PAI, the reference to “loan” also includes grants, unless the context requires otherwise. This PAI also applies to loans and grants from external sources that are administered by ADB, unless agreed otherwise between ADB and cofinanciers.
preparation should consider the timing of data collection if the project needs to see a full year of operation to assess the achievement of the outcome.

3. One PCR per project should be circulated to the Board within 12 months\(^3\) after the financial closing date of the project.\(^4\) Exceptions for PCR circulation due time are:

   (i) if the completion date of outputs supported by government financing (excluding financing of capacity development activities) is later than the other portions, the PCR should be circulated within 18 months after the project completion date of the government-financed portion. In this case, the project completion date for the government-financed portion should be indicated in the Memorandum of Understanding, the Aide Memoire, Back-to-Office Report (BTOR), or seek a written confirmation from the government.

   (ii) if an output financed by parallel cofinancing not administered by ADB is necessary to achieve the outcome\(^5\) of the ADB-financed project (excluding financing of capacity development activities), and the partner-financed output's completion was after the completion date of the ADB-financed project, the PCR should be circulated within 18 months after the completion date of the partner-financed portion. Projects in this category should have the name of the financier and the partner-financed output(s) needed for the outcome of the ADB-financed project clearly identified in the design and monitoring framework (DMF) in the Report and Recommendation of the President (RRP). However, the PCR circulation should not exceed 24 months after the financial closing date of the ADB-financed project.

   (iii) if an attached technical assistance (TA) to the project (regardless of financing source) is still ongoing when all other products under the project are financially closed, the PCR should be circulated within 12 months after the financial closing date of the last product excluding the ongoing attached TA, and a separate TCR for the attached TA should be circulated following PAI 6.08.

   (iv) if a grant for capacity development under a project is still ongoing when all other products under the project are financially closed, a PCR for the project should be circulated within 12 months after the financial closing date of the last financially closed product excluding the ongoing grant, and a separate PCR for the attached grant should be circulated within 12 months after its financial closing date.

   (v) If the financial closing date of the PBL including COVID-19 Pandemic Response Option (CPRO) is earlier than its loan closing date, the PCR should be circulated within 12 months after the loan closing date.

C. Monitoring and Reporting

4. Regional departments should monitor the status of PCR circulation. The regional departments should:

\(^3\) If a PCR was circulated to the Board in January, in case the circulation due date of the PCR is in the fourth quarter of the previous year, it is regarded that the PCR was circulated within the due date.

\(^4\) The financial closing date is the actual loan account closing date. The financial closing date of the project is the last financial closing date of all products under the project.

\(^5\) Guidelines for Preparing a Design and Monitoring Framework.
(i) establish an internal PCR tracking system to ensure timely circulation of PCRs;
(ii) submit their annual PCR circulation schedule to the Portfolio Management Division (PFPM) of Procurement, Portfolio and Financial Management Department (PPFD);
(iii) for the annual circulation schedule, submit a list of projects with PCRs that are due but not yet circulated and not included in the program including projects that fall under exceptions(s) in paragraph 3, and reasons for non-inclusion in the PCR circulation schedule; and
(iv) submit the status of PCR circulation against the annual program on a quarterly basis to PFPM.

5. PFPM informs the Board of the annual PCR circulation program and updates them on a quarterly basis.

D. Content, Length, and Templates

6. In circulating the PCR, sector divisions\(^6\) should utilize information provided in BTORs of review missions, project management information in eOperations, proactive integrity review (PIR) if it was conducted by the Office of Anticorruption and Integrity (OAI), and compliance review-related reports if it has gone through compliance review by the Compliance Review Panel. The PCR should analyze the problems encountered and issues raised during project implementation and include lessons learned from various review reports, including PIRs. The main text of the PCR should not exceed 15 pages, single-spaced. In case of a combined completion report for the facility of the multitranche facility (MFF) and final tranche, the page limit of the main text should not exceed 18 pages. Appendixes should be limited to those considered essential to justify the explanations in the text.

7. To reflect the methodologies used for self-evaluation at completion through the PCR and for the project performance evaluation report (PPER), the PCR should follow the Guidelines for the Evaluation of Public Sector Operations published by IED. Templates of PCRs and descriptions of their contents are accessible through the Office of the Secretary (SEC) website under Board Documents: Templates and Guidelines.

8. A PCR is kept concise by:

   (i) focusing on key findings from an analysis of project inputs, activities, implementation and financial arrangements, costs, outputs, and outcome;
   (ii) focusing on the principal factors affecting performance;
   (iii) using condensed analytical tables and supporting appendixes;
   (iv) using cross referencing to source documents; and
   (v) avoiding repetition.

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\(^6\) The term “sector division” also refers to the regional office or resident mission administering the project.
E. Disclosure of PCR

9. PCRs are disclosed to the Board via the Board Documents System. Subject to the provisions of the Access to Information Policy, all PCRs are to be posted on the ADB website upon circulation to the Board.

F. The Borrower’s Project Completion Report

10. The EA prepares its own PCR for self-evaluation which will also help with the preparation of ADB’s PCR. If the EA’s PCR is delayed and the project is deemed physically complete, the head of the sector division may, after consultation with the EA and considering the findings of the last review mission, decide to proceed with preparing ADB’s PCR in the absence of the EA’s PCR.

11. When the project is approaching physical completion, an ADB review mission should agree with the EA on the outline and timing for the EA’s PCR (the template for a letter to the EA is in Appendix 1). ADB helps the EA produce their PCR by advising them on the required contents and format based on ADB templates on the SEC website. The contents of the EA’s PCR could be reduced based on discussions with the EA, but a description on the DMF, due diligence, project cost and financial sources for each component, and compliance status with loan covenants is essential. Assistance in preparing the EA’s PCR is usually included in 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 template.

G. Procedures for PCR Preparation

12. The head of the sector division determines the need to field a mission to prepare the PCR and the mission’s composition. If a mission will not be fielded, the head of the sector division forms a team to prepare the PCR. The reasons for not fielding a mission should be indicated in the PCR.

13. The PCR mission will submit a brief BTOR, covering major findings and expected timeline of PCR circulation. Any issue or matter requiring action during PCR preparation should be promptly presented to the head of department.

14. A draft of the PCR (after clearance by the head of sector division) is circulated for interdepartmental comments (normally 5 working days) to heads of departments and offices, including the Partner Funds Division (SDPF) of the Sustainable Development and Climate Change Department (SDCC) if the project is cofinanced, OAI if a PIR was conducted on the project, Office of the Compliance Review Panel (OCRP) if the project went through a compliance review, and the Office of the Special Project Facilitator (OSPF) if the project went through an accountability mechanism complaint review. The revised draft is then prepared and sent to the borrowers, EAs, cofinancier(s) if any, inviting their comments within a reasonable period (normally 15 working days). After consideration of their comments, the PCR is finalized, edited, and submitted to the department head concerned for approval. Circulation of the PCR to the Board should be approved by the department head.
H. Specific Procedures for Various Modalities and Financings

1. Financial Intermediation Loans

15. The first loan to a financial intermediary requires a detailed description of its operation and financial performance. In a subsequent loan to the financial intermediary, the PCR deals only with experience relating to the credit line and subprojects covered by the loan, with references provided to the most recent reports on the financial intermediary’s general performance and compliance with financial and institutional covenants. If the most recent available report is more than 3 years old, a detailed description of the operation and financial performance of the financial intermediary is required.

2. Policy-Based Lending

16. Under a programmatic approach of a policy-based lending (PBL), only one PCR is circulated for all subprograms. However, if subsequent subprograms are not approved within 24 months after the financial closing date of the preceding subprogram, then a PCR for all financially closed subprogram(s) should be circulated within 30 months after the latest financial closing date. Another PCR for subsequent subprograms should be circulated within 12 months after the last financial closing date of the subsequent subprograms.

17. Under a stand-alone PBL program, special PBL, or countercyclical support facility lending, only one PCR is circulated regardless of the number of tranches.

3. Multitranche Financing Facilities

18. A facility completion report (FCR) should be circulated within 12 months after the financial closing date of the last financially closed tranche. A PCR for the last financially closed tranche is part of the FCR. The FCR requires an overall summary of implementation for all tranches, a detailed description of the implementation of the final tranche as well as separate project completion ratings for the facility and the last financially closed tranche.

19. A PCR should be circulated for each tranche (excluding the last financially closed tranche) within 12 months after the financial closing date of each tranche. However, in cases where outputs of individual tranche are the same, only one PCR is required. In this case, the PCR should be circulated within 12 months from the last financial closing date of the tranche and only combined completion ratings are provided. If outputs of all tranches are the same, only an FCR is required to be circulated with a detailed description of implementation for all tranches and a completion rating for the facility.

20. Two or more PCRs of tranches with different outputs can be combined under the same facility as long as all PCR circulations are within 12 months from the earliest financial closing date of the tranches. In this case, project completion ratings should be provided by tranche.
4. **Additional Financing**

21. Only one PCR should be circulated for the entire project covering the original loan and any additional financing within 12 months after the financial closing date of the project.\(^7\)

5. **Technical Assistance Loan or Project Readiness Financing**

22. A PCR for the TA loan\(^8\) or project readiness financing (PRF) is not required when it was used for the preparation of projects which resulted in an ADB-financed project. The PCR of each resulting project should indicate how the project was prepared using the TA loan or PRF with an attached table showing the planned and actual utilization of each cost category for the resulting project. If a TA loan or PRF did not result in an ADB-financed project,\(^9\) a simplified PCR for the TA loan or PRF should be circulated within 6 months after its financial closing date.

6. **Project financed by a Trust Fund**

23. Projects financed by a trust fund should follow the corresponding trust fund guidelines if available. A PCR is not required for a project financed by the Asia Pacific Disaster Response Fund (APDRF). However, a grant closing report is required as per the [Asia Pacific Disaster Response Fund: Implementation Guidelines](#). A PCR is required for a project financed by the Japan Fund for Poverty Reduction (JFPR) following its guidelines.

7. **Attached Technical Assistance**\(^10\)

24. When the project has an attached transaction technical assistance (TRTA)\(^11\) (excluding project preparatory TA), the PCR of the project should indicate salient features of the TRTA in the main text and attach the TCR of the TRTA as an appendix of the PCR. In this case, no separate TCR circulation is required for the TRTA.

25. If the attached TRTA is used for project preparation and resulted in an ADB-financed project(s), a TCR is not required. In this case, the PCR for the resulting project needs to describe how the TRTA contributed to the design and readiness of the project.

8. **Cancelled Project**

26. If a project is cancelled without any disbursements, a PCR need not be prepared. Once a disbursement of a loan is made,\(^12\) a PCR is required, regardless of its implementation progress

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\(^7\) The additional financing loan should be approved according to [OM Section H5 (Additional Financing)](#).

\(^8\) After the approval of the New Products Policy (3 July 2018), the TA loan modality has been retired. This is applicable for any ongoing TA loans.

\(^9\) In case a TA loan or PRF supported the preparation of several ensuing projects, a simplified PCR should be circulated for every project that did not result to an ADB-financed project.

\(^10\) Refer to [PAI 6.08 (Technical Assistance Completion Report)](#) for the requirements of a TA completion report.

\(^11\) All attached TAs are classified as transaction TA (TRTA) after the TA reforms introduced in 2016. Capacity development TA, policy advisory TA, and project preparatory TA which were attached to a loan/grant and approved before the TA reform are regarded as TRTA.

\(^12\) If the disbursement is only for capitalization of financial charges during implementation, the PCR is not required.
or amount of disbursement. For a cancelled project for which no major activities have started (for example, civil work has not started for an infrastructure project) the PCR is abbreviated, covering only project background and description, reason(s) for the cancellation, the work done, loan funds disbursed, ratings by criteria and overall rating, lessons learned and recommendations.
Project Completion Report

Transmittal Letter

Name and Address of Executing Agency

Dear ____________,

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

We would appreciate receiving your report within the prescribed period.

Sincerely,

__________________________
Director, Sector Division

Attachments
### PCR Circulation Schedule

#### Project Completion (All outputs completed)
- PCR preparation should start when a project is nearing completion
- 12-month operation

#### Loan Closure (Loan Agreement)
- PCR should be circulated within 12 months from financial closure

#### Financial Closure

<table>
<thead>
<tr>
<th>Exception as reflected in para. 3:</th>
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<tbody>
<tr>
<td>If output supported by government financing is completed later than ADB-financed portion</td>
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<tr>
<td>ADB-financed portion completed</td>
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<tr>
<td>Government portion completed</td>
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<tr>
<td>PCR preparation should start when a project is nearing completion</td>
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<tr>
<td>12-month operation</td>
</tr>
<tr>
<td>PCR should be circulated within 18 months from completion of government-financed portion</td>
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</tbody>
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| If an output financed by parallel cofinancing is necessary to reach the outcome of the ADB-supported project, and the completion of the cofinanced project is after the ADB-financed project |
| ADB Loan Closure (Loan Agreement) |
| ADB-financed project Financial Closure |
| Cofinanced project completed |
| PCR preparation should start when a project is nearing completion |
| 12-month operation |
| PCR should be circulated within 18 months from completion of cofinancing portion |
| Circulation cannot exceed 24 months from financial closure of ADB-financed project regardless if cofinanced portion is not completed |

| If an attached TA is still ongoing after the project’s financial closing |
| Project Completion (All outputs completed) |
| Loan Closure (Loan Agreement) |
| Financial Closure |
| Closing of attached TA |
| PCR preparation should start when a project is nearing completion |
| 12-month operation |
| PCR should be circulated within 12 months from financial closure |
| TCR circulated within 12 months from TA closing |

| If a grant for capacity development is still ongoing when all other products under the project are financially closed |
| Project Completion (All outputs completed) |
| Loan Closure (Loan Agreement) |
| Financial Closure of other products under the project |
| Capacity development grant financial closure |
| PCR preparation should start when a project is nearing completion |
| 12-month operation |
| PCR should be circulated within 12 months from financial closure |
| PCR circulated within 12 months from financial closure of grant |