

Project Administration Instructions

PAI 6.07A
Revised in December 2023
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PROJECT COMPLETION REPORT FOR SOVEREIGN OPERATIONS¹

1. This Project Administration Instruction (PAI) provides the requirements and procedures for project² completion report (PCR).

A. Objective and Scope

2. The main objective of a 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. All PCRs are validated by the Independent Evaluation Department.³ 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 outcome targets and attribution to the project by assessing achievements of output targets, efficiency in delivering outputs and outcomes, and sustainability in terms of likelihood of maintaining the outputs and outcomes;
- (iv) assess development impact of the project;
- (v) evaluates the performance of the borrower,⁴ executing agency (EA), implementing agencies (IA), cofinanciers (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.

¹ In this PAI, the term “loan(s)” includes grant(s) and the term “project(s)” includes program(s), 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).

² ‘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, multitranches financing facility (MFF) and its tranches, technical assistance (TA) loan, project readiness financing loan, and small expenditure financing facility Activity. If a TA is attached to a project, the project includes the TA. A ‘product’ has its own approval number. For example, if a project is financed by an OCR, COL and an ADF grant, the project has three products.

³ [Guidelines for the Evaluation of Public Sector Operations](#).

⁴ In this PAI, the term “borrower” also refers to recipients of grants, unless the context requires otherwise.

B. PCR Circulation Requirement

3. One PCR per project should be circulated to the Board within 12 months⁵ after the financial closing date of the project.⁶ 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-mémoire, back-to-office report, 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 outcome⁷ 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 in the report and recommendation of the President. 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 TA completion report for the attached TA should be circulated following PAI 6.08 (*Technical Assistance Completion Report*).
 - (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 policy-based lending (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.

⁵ 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.

⁶ 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.

⁷ Guidelines for Preparing and Using a Design and Monitoring Framework: Sovereign Operations and Technical Assistance.

C. PCR Programming, Monitoring and Reporting

4. The regional departments (RDs) in coordination with Sectors Group should prepare the annual PCR program with support from the Portfolio Management Division (PFPM) of Procurement, Portfolio, and Financial Management Department, which includes all PCRs due in the year. If exceptions in para. 3 apply, justifications should be provided. PFPM will seek approval of the annual PCR program from the President. PFPM informs the Board of the annual PCR program.

5. The RDs and Sectors Group should jointly monitor the status of PCR circulation. The RDs should submit the achievement of PCR circulation against the annual PCR program on a quarterly basis to PFPM. PFPM informs the Board of the updates on the annual PCR program through the quarterly portfolio updates.

D. Preparatory Activities for PCR and Borrower's PCR

6. When the project is approaching physical completion for investment projects or loan closing date for PBLs and results-based lendings, the project team should agree with the EA during the ADB review mission on the outline and timing for the government's PCR and the timing of the PCR mission. 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 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.

7. The EA prepares the borrower's PCR for self-evaluation which will also help with the preparation of ADB's PCR. If the borrower's PCR is delayed and the project is deemed physically complete, the regional sector project administration unit head 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 borrower's PCR.

8. ADB helps the EA produce the borrower's PCR by advising them on the required contents and format based on ADB templates on the Office of the Secretary website. The contents of the borrower'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 borrower's PCR is usually included in the terms of reference of project implementation consultants. Other agencies may help prepare the borrower's PCR, especially for projects they cofinanced, following ADB's PCR template.

9. PCR preparation missions should be conducted timely following PAI 6.02 (*Project Administration Missions*). Any issue or matter requiring action during PCR preparation should be promptly presented to the sector director (SD) and country director for country-specific issues. If a mission was not fielded, the reasons should be indicated in the PCR.

E. One ADB Team Approach for PCR Preparation⁸

10. The project team proactively contributes to and takes responsibility for the preparation of their respective parts of the PCR within their functional area, ensuring quality in their parts of the PCR. The project team members will seek guidance and clearance from their functional reporting line, where necessary. The project team leader (PTL) retains the overall responsibility for PCR preparation, ensuring the quality and sufficiency of the PCR, and compliance with relevant PCR requirements.

11. In addition to the contribution from the project team members in their respective functional areas, the PTL should consult with the country operations head (COH), the Partner Funds Division of the Climate Change and Sustainable Development Department if the project is cofinanced, Office of Anticorruption and Integrity if a proactive integrity review (PIR) was conducted on the project, Office of the Compliance Review Panel if the project went through a compliance review, and the Office of the Special Project Facilitator if the project went through an accountability mechanism complaint review. The PTL should consult with other supporting departments/offices as necessary. The role of other supporting departments/offices is to review the draft PCR, provide advice and support to the project team in evaluating results of the project and providing lessons learned if necessary in their respective functional areas.

12. Once the project team concludes drafting the PCR, the PTL shares the draft PCR (locked to prevent further editing) with the project team; COH; regional head, operations coordination (RHOC); and the supporting departments/offices for their confirmation within 5 business days.

13. If there are remaining unresolved issues between the PTL and the concerned department/office, the SD convenes a Resolution Meeting at the request of the PTL or director/head from concerned department/office to resolve the issues. The SD will chair the Resolution Meeting, facilitate the resolutions and make the decision, normally within 5 business days to proceed with the PCR or instruct the project team to take further actions.

F. PCR Approval and Circulation

14. If there are no remaining issues, the PTL will submit the PCR to the SD, in consultation with the RHOC and COH (consultation is not needed if there are no substantial changes), for approval to send to the borrower, EAs, IAs, and cofinancier(s) if any, inviting their comments within a reasonable period (normally 15 working days). After consideration of their comments, the PCR is edited, finalized, and submitted to the senior sector director (SSD) for approval and circulation to the Board, with the concurrence of the RHOC.

⁸ For project team members and other supporting departments/offices, refer to *Staff Instruction on Business Processes for Sovereign and Sovereign-Guaranteed Financing*.

G. PCR Content, Length, and Templates

15. In circulating the PCR, the project team should utilize information provided in back-to-office reports of review missions, project management information in eOperations, PIR if it was conducted by the Office of Anticorruption and Integrity, 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 PIR reports. The main text of the PCR should not exceed 15 pages, single-spaced. In case of a facility completion report (FCR) of the multitranche financing facility (MFF) combined with its last financially closed 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.

16. To reflect the methodologies used for self-evaluation at completion through the PCR and for the project performance evaluation report, the PCR should follow the [Guidelines for the Evaluation of Public Sector Operations](#) published by the Independent Evaluation Department. Templates of PCRs and descriptions of their contents are accessible through the Office of the Secretary Information Access Unit's SharePoint site: [Board Document Templates](#).

17. A PCR is kept concise by:

- (i) focusing on key findings from an analysis of project inputs, activities, implementation and financial management arrangements, costs, financing, 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.

H. Specific Procedures for Various Modalities and Financing⁹

1. Financial Intermediation Loan

18. 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.

⁹ Results-based lending follows the *Staff Instruction on Business Processes for Results-Based Lending for Programs*.

2. Policy-Based Lending

19. Under a programmatic approach of a 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.

20. 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 Facility

21. The FCR should be circulated within 12 months after the financial closing date of the last financially closed tranche.¹⁰ An MFF tranche completion report (MTCR) 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.

22. An MTCR¹¹ should be circulated for each tranche (excluding the last financially closed tranche) within 12 months after the financial closing date of each tranche.¹² However, in cases where outputs of two or more individual tranches are the same, only one MTCR is required for these tranches. In this case, the MTCR should be circulated within 12 months from the financial closing date of the last financially closed tranche¹³ and only combined project completion ratings are provided.

23. In case of an MFF which supported a large stand-alone project¹⁴ or if outputs of all tranches under the MFF are the same,¹⁵ only an FCR is required to be circulated within 12 months from the financial closing date of the last financially closed tranche with a detailed description of implementation for all tranches and a project completion rating for the facility.

24. The MTCR for a tranche which provided additional financing to another tranche within the facility is part of the MTCR of the tranche for the original financing. In case a subsequent tranche partially financed the previous tranche, the MTCR of the previous tranche should be circulated within 12 months after completion of the additional financing component. The MTCR provides one project completion rating including the additional financing component.

¹⁰ Subject to the exceptions in Section B.

¹¹ A project completion report for a tranche is named as tranche completion report in alignment with the *Staff Instruction on Business Processes for the Multitranche Financing Facility*.

¹² Subject to the exceptions in Section B.

¹³ Subject to the exceptions in Section B.

¹⁴ Definition of MFF which supported a large stand-alone project follows para. 6 of the *Staff Instruction on Business Processes for the Multitranche Financing Facility*.

¹⁵ MFFs which were approved before 31 January 2022 and considered to be equivalent to an MFF supporting a large stand-alone project.

25. Additional financing for a project outside an MFF¹⁶ will be reported in the MTCR and the PCR of the relevant project. In this case, the MTCR includes a brief summary of the outputs and the cost, and the PCR of the relevant project includes rationale and project outputs and cost. The MTCR provides one project completion rating, excluding the component which financed projects outside the MFF. The PCR's project completion rating includes the additional financing component.

26. Two or more MTCRs with different outputs can be combined under the same facility as long as the combined MTCR is circulated within the earliest circulation due date of all the MTCRs. In this case, project completion ratings should be provided for each tranche.

4. Additional Financing

27. 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.¹⁷

5. Technical Assistance Loan or Project Readiness Financing

28. A PCR for the TA loan¹⁸ 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,¹⁹ a simplified PCR for the TA loan or PRF should be circulated within 6 months after its financial closing date.

6. Small Expenditure Financing Facility Activity

29. Completion report requirements will depend on the nature of Activity, as follows:²⁰

- (i) For a project readiness Activity under a Small Expenditure Financing Facility, the performance of the Activity will be included in the completion report of the ensuing project(s). If such an Activity does not lead to an ensuing project(s), an Activity completion report should be approved by the SSD and circulated to the Board and disclosed on the ADB website within 12 months from the Activity financial closing date. In case another Activity under the facility ensued a project, the completion report of the Activity that did not lead to an ensuing project may be included in the completion report of the ensuing project. The contents of this report will include a description of the Activity, including expected outputs, delivery of inputs and

¹⁶ Para. 45 (iii) of the *Staff Instruction on Business Processes for the Multitranche Financing Facility*.

¹⁷ The additional financing loan should be approved according to [OM Section H5 \(Additional Financing\)](#).

¹⁸ 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.

¹⁹ 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.

²⁰ For this reason, it is generally advisable that the project team for the ensuing loan seek Board approval for retroactive financing of the expenditures described in the *Staff Instruction on Business Processes for the Small Expenditure Financing Facility*. Consideration should be given to whether any expenditures were incurred more than 12 months prior to the signing of the ensuing loan. For an ongoing loan, a minor change in project may need to be approved to make such expenditures eligible for financing under the ongoing loan.

- activities, an evaluation of outputs, overall assessment and rating, lessons, and any recommended follow-up actions.
- (ii) For support to ongoing projects, the completion report for the ongoing project(s) will include an evaluation of the Activity outputs.
 - (iii) For an Activity that supports pilot-test activities, depending on whether the Activity is implemented prior to, or in parallel with, an ongoing project, (i) or (ii) above will apply.
 - (iv) For project post-completion activities, if the completion report for the project has not yet been circulated, the performance of the Activity will be included in the completion report of the project. If the project completion report has already been circulated, the Activity completion memorandum for post-completion activities should be approved by the SSD and disclosed as an additional (ex-post) appendix to the project completion report within 12 months from the Activity financial closing. The Activity completion memorandum includes the achievement of the outputs and outcomes, due diligence, overall assessment, and lessons and recommendations.

7. Project Financed by a Trust Fund

30. 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. 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 Prosperous and Resilient Asia and the Pacific following its guidelines.

8. Cancelled Project

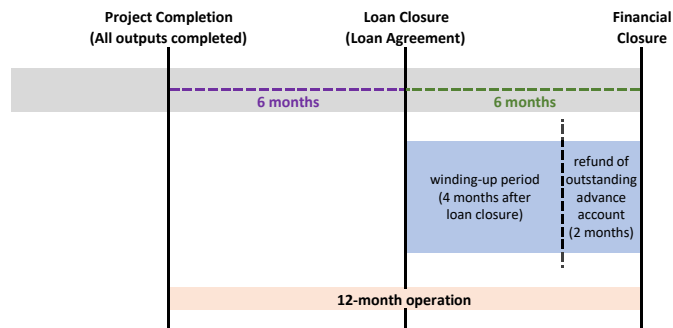
31. If a project is cancelled without any disbursements, a PCR need not be prepared. Once a disbursement of a loan is made,²¹ a PCR is required, regardless of its implementation progress or amount of disbursement. For a cancelled project for which no major activities have started (for example, civil 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 project completion rating, lessons learned and recommendations.

I. PCR Disclosure

32. PCRs are disclosed to the Board via the ADB Disclosure Management 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.

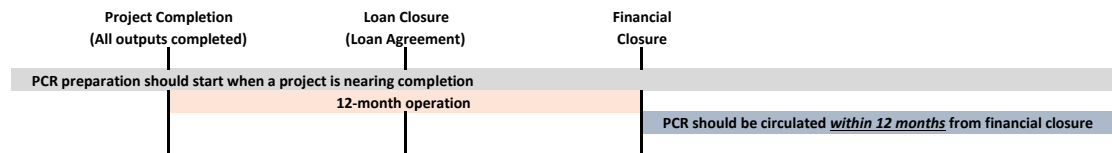
²¹ If the disbursement is only for capitalization of financial charges during implementation, the PCR is not required.

Project implementation schedule at approval (for investment projects)



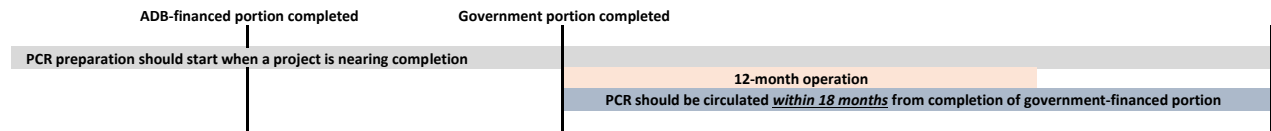
Illustrative sample of PCR circulation timeline
 (guidelines should follow the main text of this PAI)

PCR Circulation Schedule

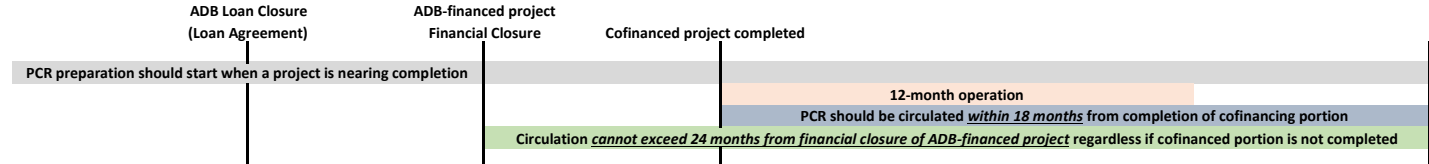


Exceptions as reflected in para. 3:

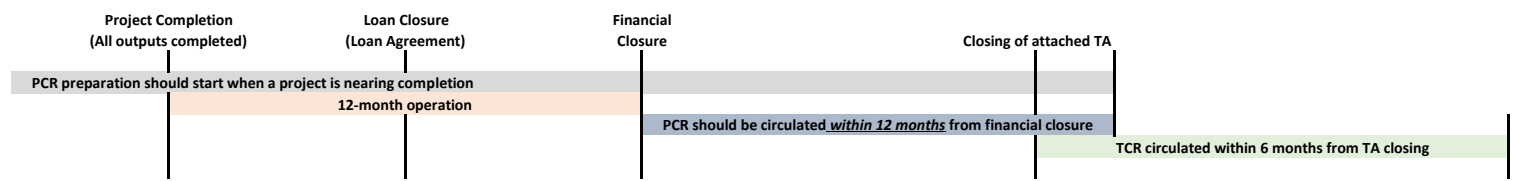
If output supported by government financing is completed later than ADB-financed portion



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



If an attached TA is still ongoing after the project's financial closing



If a grant for capacity development is still ongoing when all other products under the project are financially closed

