

Project Administration Instructions

PAI 5.01
Revised in December 2018
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EXECUTING AGENCY'S PROGRESS REPORT

1. The Asian Development Bank's loan¹ regulations and agreements require the borrower² to provide reports and information that ADB reasonably requests. This Project Administration Instruction (PAI) describes the content and requirements of the executing agency's (EA)³ 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.⁴

A. Content

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 is appended to the fact-finding mission's memorandum of understanding.

3. The progress report includes sufficient information to be useful to ADB as a funding agency based 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 captures key information for the project performance report (PPR) as suggested in Appendix 1.⁵ Detailed information such as background to a particular problem should be included as an appendix. Simple charts such as bar or milestone charts to illustrate implementation progress, actual versus planned expenditures, and the relationship between physical and financial performance are included. A framework and guidelines for calculating project progress and a sample implementation schedule are shown in Appendix 2.

B. Submission

5. The sector division⁶ 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 will be incorporated in the project administration manual (PAM) to be discussed and finalized during the project inception mission. Generally, the EA submits the progress reports quarterly, regardless of progress achieved during the period.

¹ 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.

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

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

⁴ Refer to OM D4: Policy-based Lending and relevant staff instruction for progress report requirements of policy-based loans.

⁵ Refer to PAI 6.05 (Project Performance Report).

⁶ The term "sector division" also refers to the regional office or resident mission administering the project.

6. If a progress report is not received within two weeks of the scheduled date of receipt, the sector division sends a reminder immediately to the EA. Repeated delays in sending progress reports are recorded in the PPR and discussed with the EA during project administration missions.

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) other project developments, including monitoring and reporting on gender, safeguards (environment, resettlement and Indigenous Peoples), and social safeguards requirements that might adversely affect the project's viability or accomplishment of project outcome;
- (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 reference framework or guidelines in calculating the project progress including examples are shown in Appendix 2.

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 financial loan covenants including the EA's financial management, and the provision of audited project accounts or audited agency financial statements; and
- (iii) the borrower's and EA's compliance with project-specific loan covenants associated with implementation, safeguards (environment, resettlement, and Indigenous Peoples), social and gender dimensions, and other requirements specified in the loan agreement.⁷

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).

⁷ Sections VII. Safeguards and VIII. Gender and Social Dimensions of the PAM.

FRAMEWORK AND 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) towards project implementation. These weights will then be used to calculate the percentage of project progress along the entire time span of the project. This is to provide a holistic view of the pace of implementation.

B. Framework for Compiling Activity List and Assigning Weights

3. The sector division should identify major implementation activities and include them in the implementation schedule, which is included in the PAM. The implementation schedule should follow the critical path of the project's major activities in project implementation taking account of various country, sector, and project constraints.

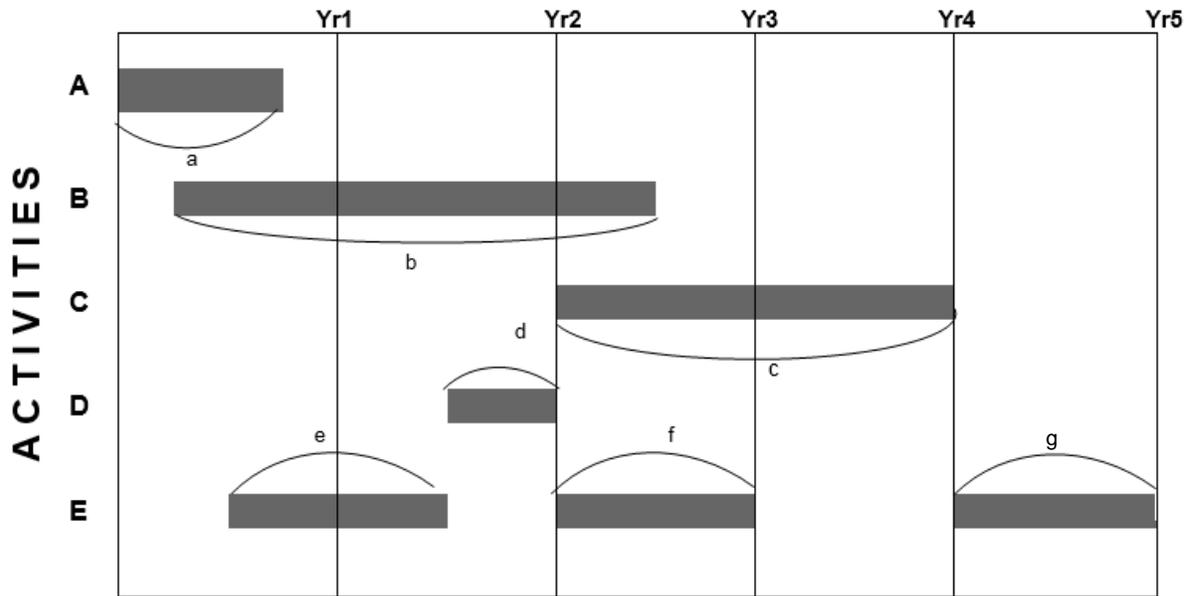
4. Corresponding weights for each activity should be assigned to ensure that project progress measures the percentage of achievement (nonfinancial except when the project has credit components) for all events during the entire duration of the implementation schedule. To avoid disproportionate assignment of weights, to the extent possible, these should be evenly distributed along the implementation schedule. When activities are concurrent, avoid "double counting."

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

Figure 1: Implementation Schedule with Activities and Weights



1. 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 2: Sample Implementation Schedule

Activities	Year 1	Year 2	Year 3	Year 4	(a) Assigned Weight	(b) Actual Progress	(a) x (b) Weighted Progress
Establish PIU	■				5%	100%	5%
Establish Accreditation Board, etc.		■			5%	0%	0%
Appoint Staff and Budget	■				4%	75%	3%
Adopt Architecture Plans		■			2%	100%	2%
Shortlist Consulting Firms	■				6%	100%	6%
Prepare Fellowship Program		■			6%	76%	4%
Prepare Civil Works Tendering		■			30%	0%	0%
Civil Works: Classrooms, Dorms, etc.			■	■	6%	0%	0%
Procurement of Furniture and Equipment				■	16%	10%	2%
Field Work of Consultants		■	■		7%	0%	0%
Provide Fellowships				■	6%	0%	0%
Conduct Study Tours			■		6%	0%	0%
Provide Curriculum Standards				■	6%	0%	0%
				Total Weight	100%		
				Imp. Progress			24%

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