

The ADB PROJECT CYCLE



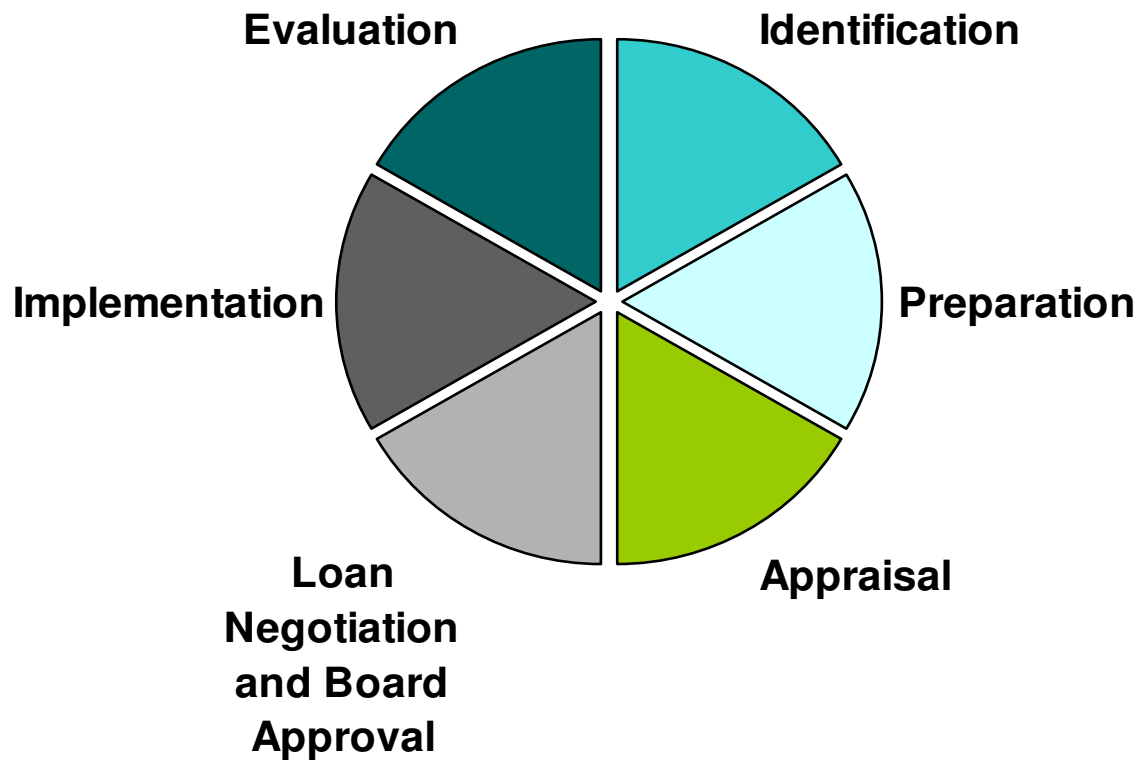
16 November 2007

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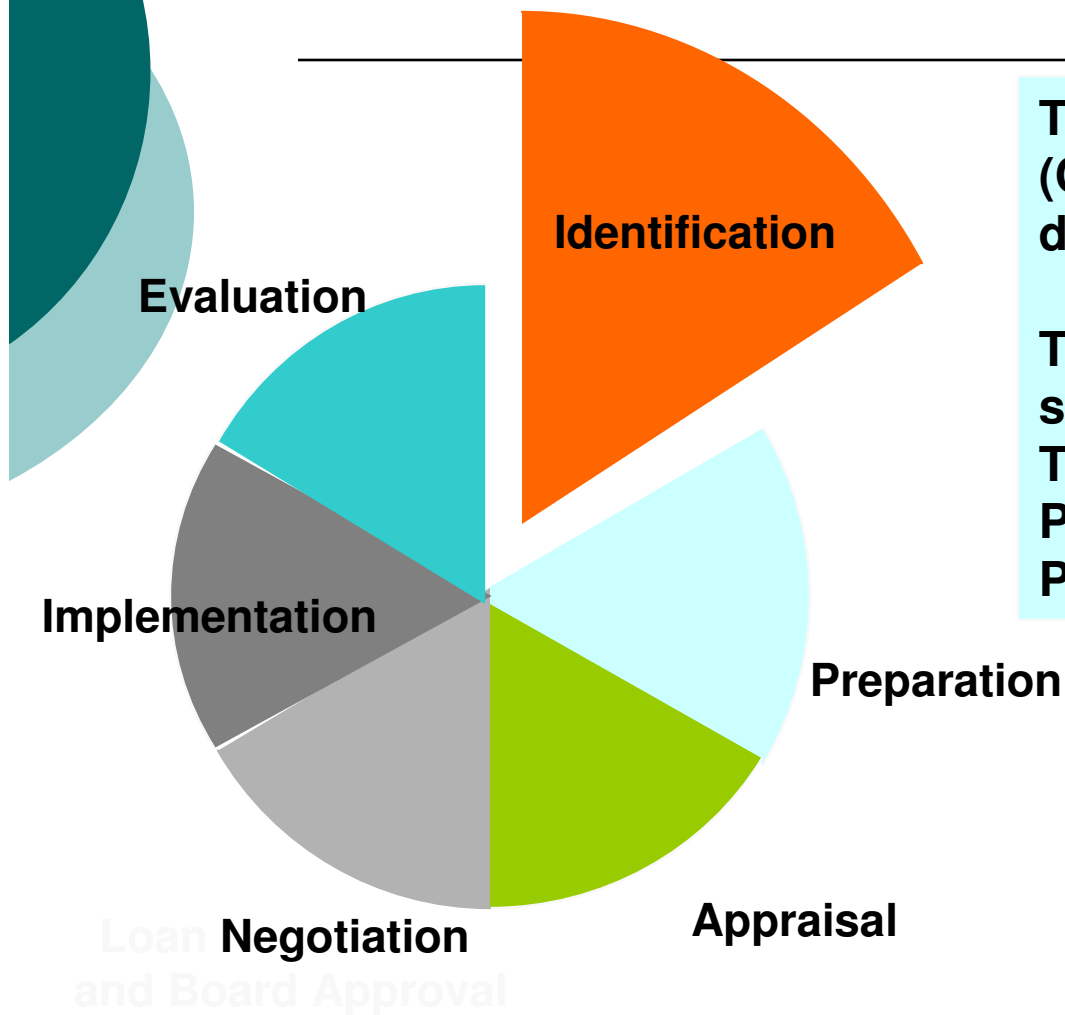


The ADB Project Cycle

PROJECT CYCLE: 6 Major Stages



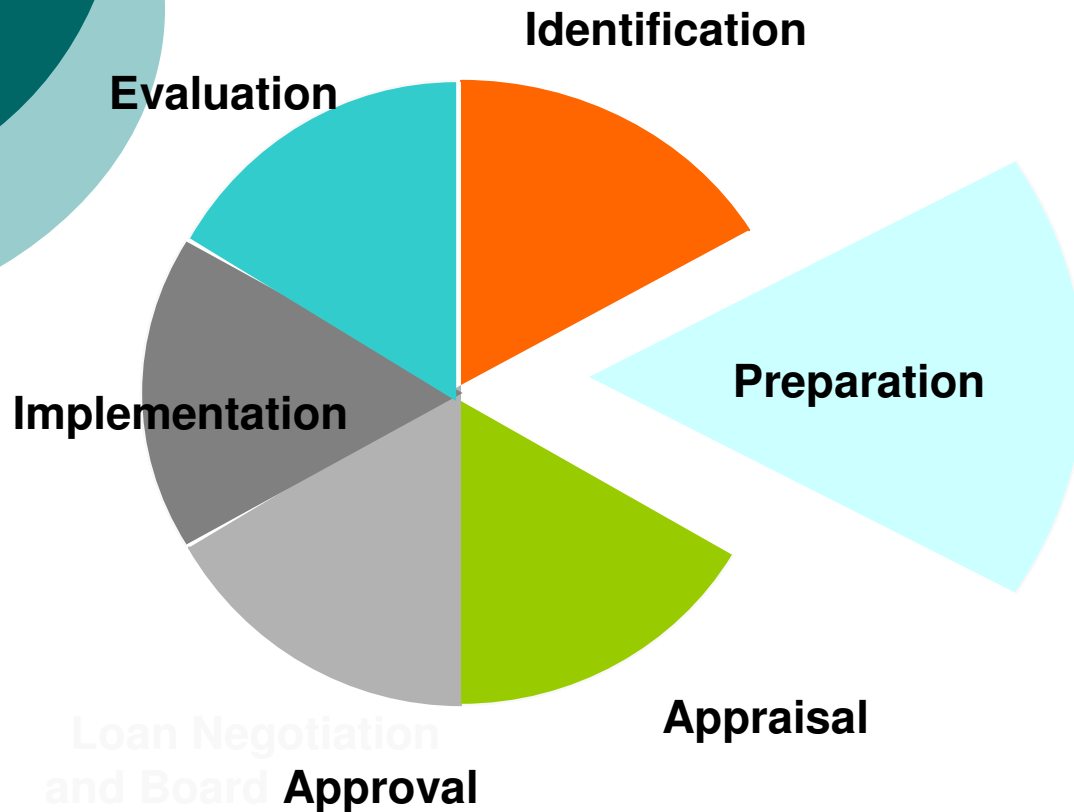
PROJECT CYCLE: 6 Major Stages



The Country Partnership Strategy (CPS) defines the country's development objectives.

The project concept paper states the purpose and rationale of the project and seeks approval to proceed with the PPTA (project Preparatory technical assistance).

PROJECT CYCLE: 6 Major Stages



The project must be designed in detail, with steps including PPTA fact finding, PPTA Inception PPTA mid-term workshop, and finalization of the PPTA. All beneficiaries are encouraged to have input into the design and indicators are selected to measure project effectiveness



Preparation

- Technical Assistance – PPTA
 - Concept development and clearance
 - Agreement with Government on objectives, scope, cost, implementation, and schedule
 - Processing to approval
 - Selecting and engaging consultants
 - Implementing the project
 - Agreeing outcomes and defining subsequent investment project

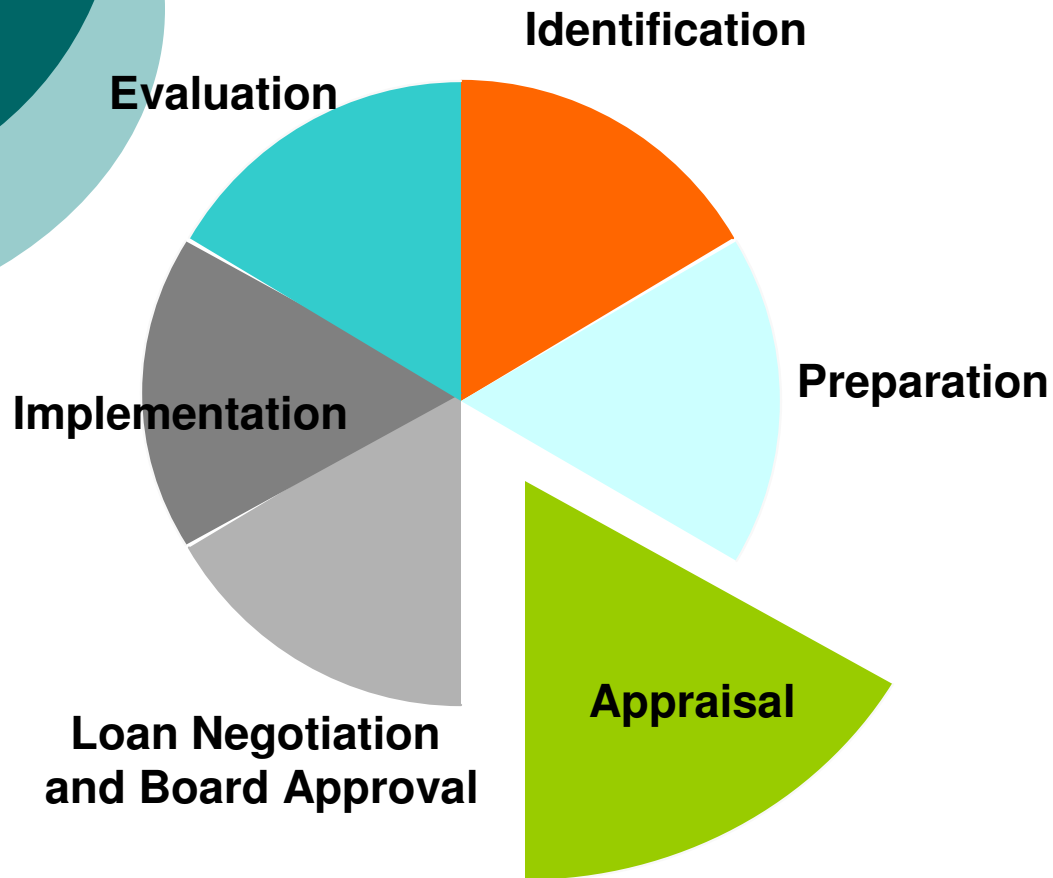


Preparation (cont.)

- Technical assistance covers
 - Sector analysis – the project's fit in the sector
 - Technical designs
 - Economic and financial analysis
 - Safeguards
 - Involuntary resettlement
 - Environment
 - Ethnic minorities
 - Others
 - Implementation arrangements
 - Scheduling
 - Consulting services
 - Procurement

PROJECT CYCLE: 6 Major Stages

A management review meeting and appraisal mission provide the basis for interdepartmental review and set the stage for loan negotiations and board consideration



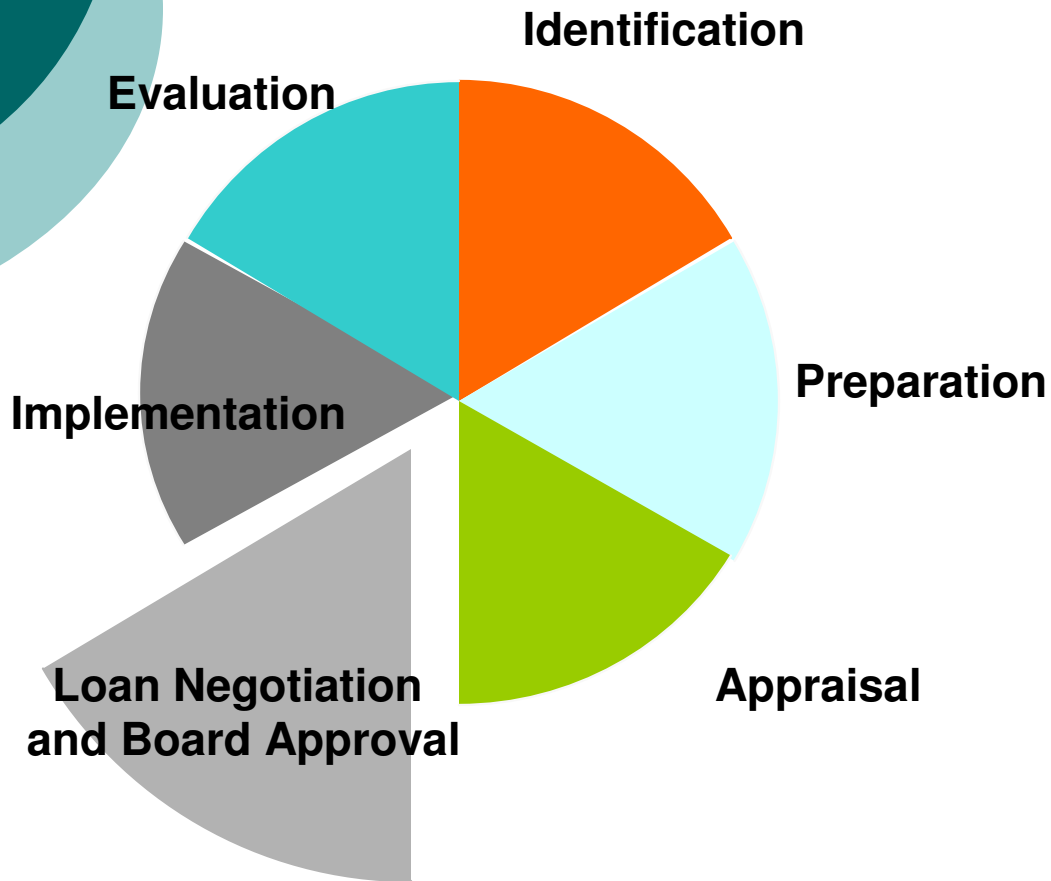


Appraisal

Project Loan Preparation

- End of TA & loan fact-finding coincide
- Fact-finding results in initial agreement between ADB & Government on project goals, objectives, scope, costs, safeguards, assurances, etc.
- Draft project appraisal report prepared
- Management reviews, guides, & agrees to further processing
- Project appraisal, to agree project details
- Departmental review, to confirm Management's requirements have been reflected in the projects design, safeguard policies have been incorporated, draft legal documentation is appropriate, etc.

PROJECT CYCLE: 6 Major Stages



After project appraisal, negotiations are conducted Between ADB and DMC Governments. An RRP is prepared for Board consideration and approval.

Negotiation and Approval

Negotiation

- Basis is documentation cleared at departmental review and sent to Government prior to negotiations
- Negotiations agree on legal and other aspects of project, and end with agreed minutes and agreed loan documentation

Board Approval

- Negotiated documents put into final form
- Submitted to Board 3 weeks prior to scheduled Board date
- Board considers and approves
 - With full discussion for larger or some specifically-defined operations.
 - On a no-objection basis for other projects

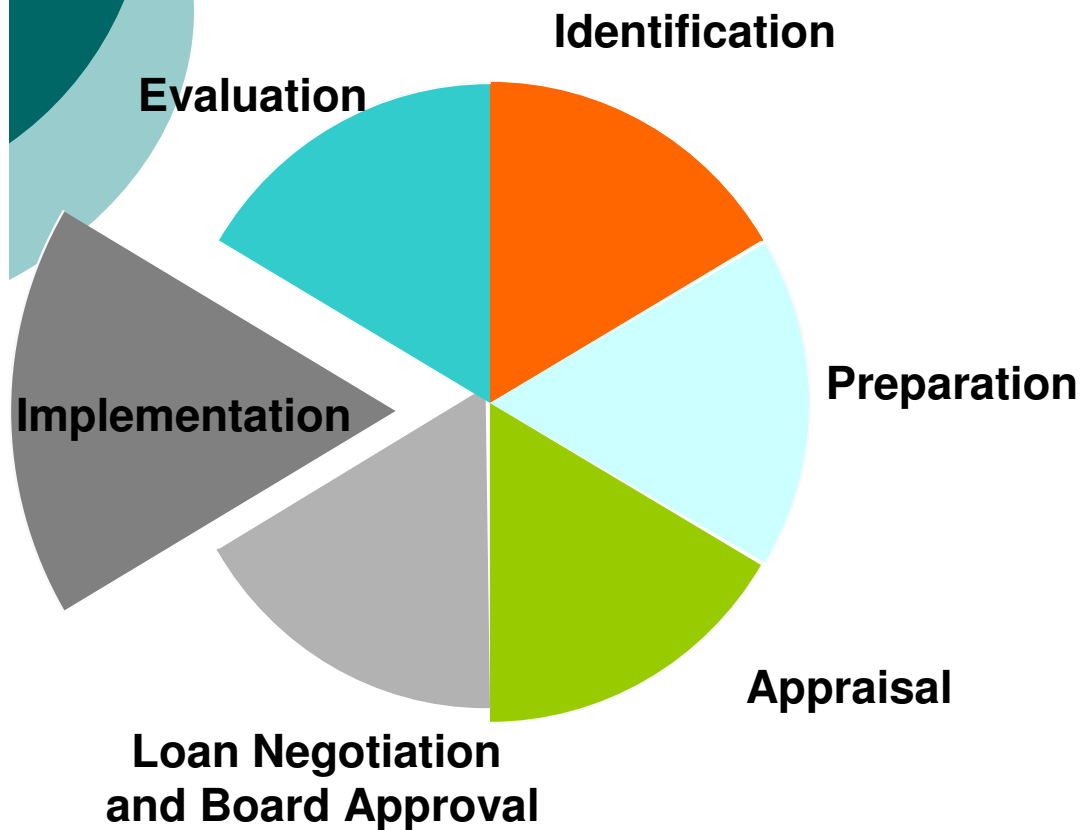
Negotiation and Approval (cont.)

Actions after Approval & Before Implementation

Prepare/update Project Administration Memorandum

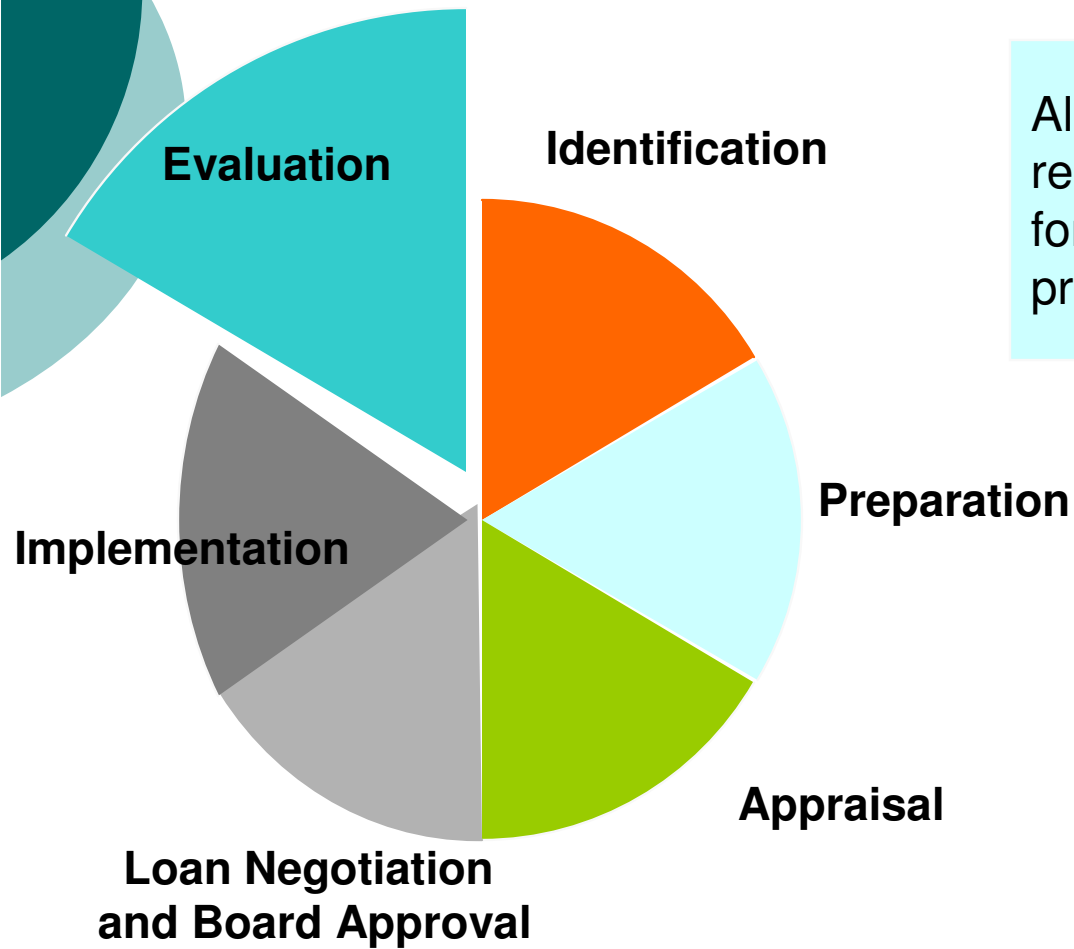
- Loan signing – typically 3 months after approval, but can be less or, typically, more
- Loan effectiveness – the event that permits loan funds to be used for their intended purpose, dependent on:
 - Standard legal conditions – a legal opinion
 - Project specific conditions, as agreed (examples)
 - Sector reforms or other sector-specific activities
 - Safeguard related activities
 - Counterpart funding availability
 - Others as agreed during processing

PROJECT CYCLE: 6 Major Stages

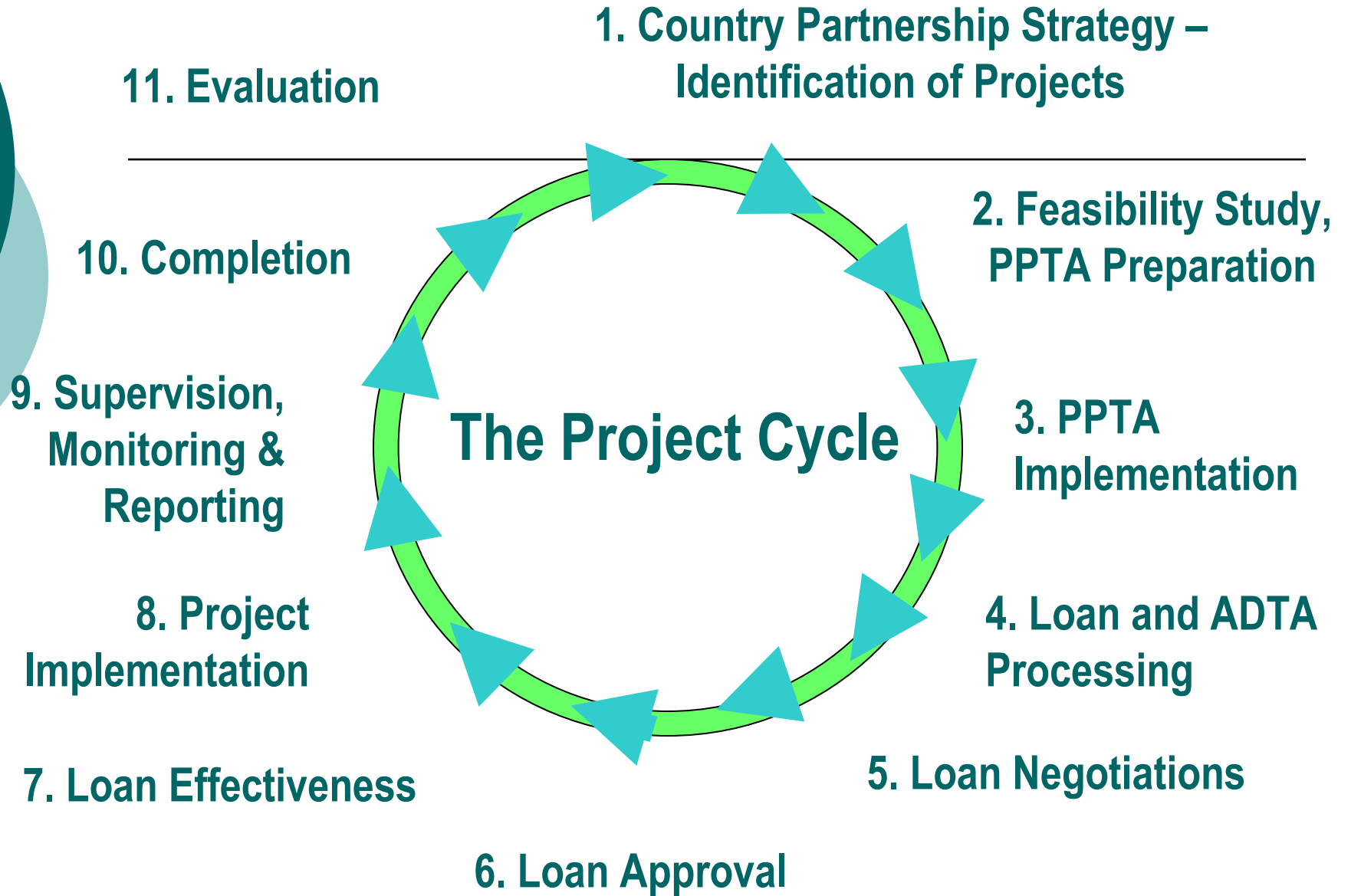


Project Administration Memorandum (PAM) is prepared with detailed implementation arrangements. The project is implemented in accordance with the Project Administration Instructions (PAI).

PROJECT CYCLE: 6 Major Stages



All projects are evaluated, with results fed back into operations for improvements in future project designs.





ADB's New CPS Process



Guiding Principles: The New Business Processes

- Primacy of the CPS in guiding ADB operations.
- Better identification and conceptualization of projects, including greater quality control efforts at the early stages of the process.
- Greater delegation of authority to promote efficiencies in operations is balanced with clear identification of accountability.



Guiding Principles: The New Business Processes

- Greater client participation, and closer involvement of Resident Missions in operational processes.
- Team approach to ensure that ADB products benefit from key competencies across the organization.
- Simplification of documentation.
- Streamlining of procedures and reduction in document circulations to the minimum required.
- More effective use of information technology.



Project Processing and Management



Types of TA

- PPTA - Project Preparatory Technical Assistance
- ADTA - Advisory Technical Assistance
- RETA - Regional Technical Assistance
- SSTA - Small Scale Technical Assistance



Types of Loans

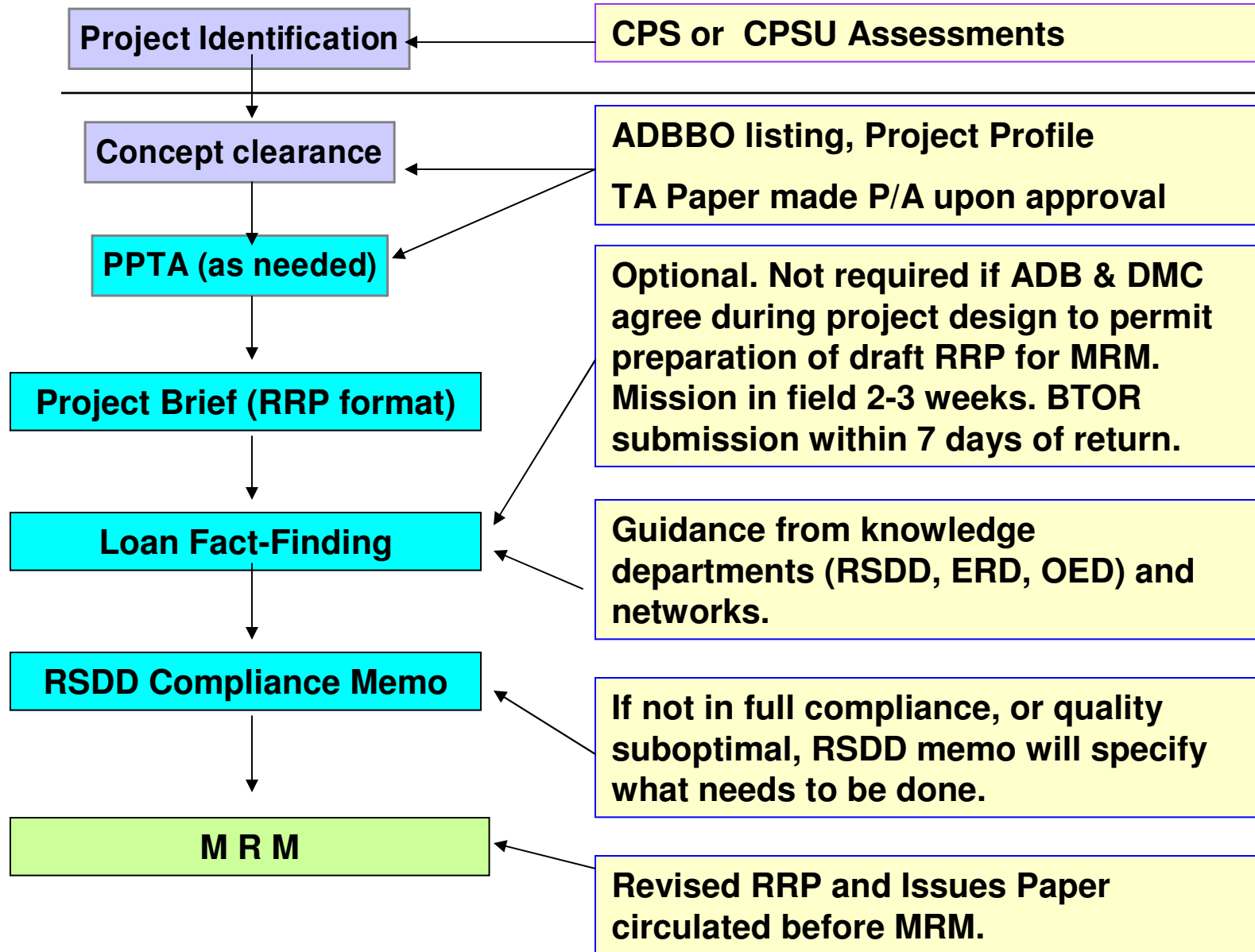
- Project Loan
- Sector Loan
- Program Loan
- Sector Development
- Program Loan (SDP)
- TA Loan

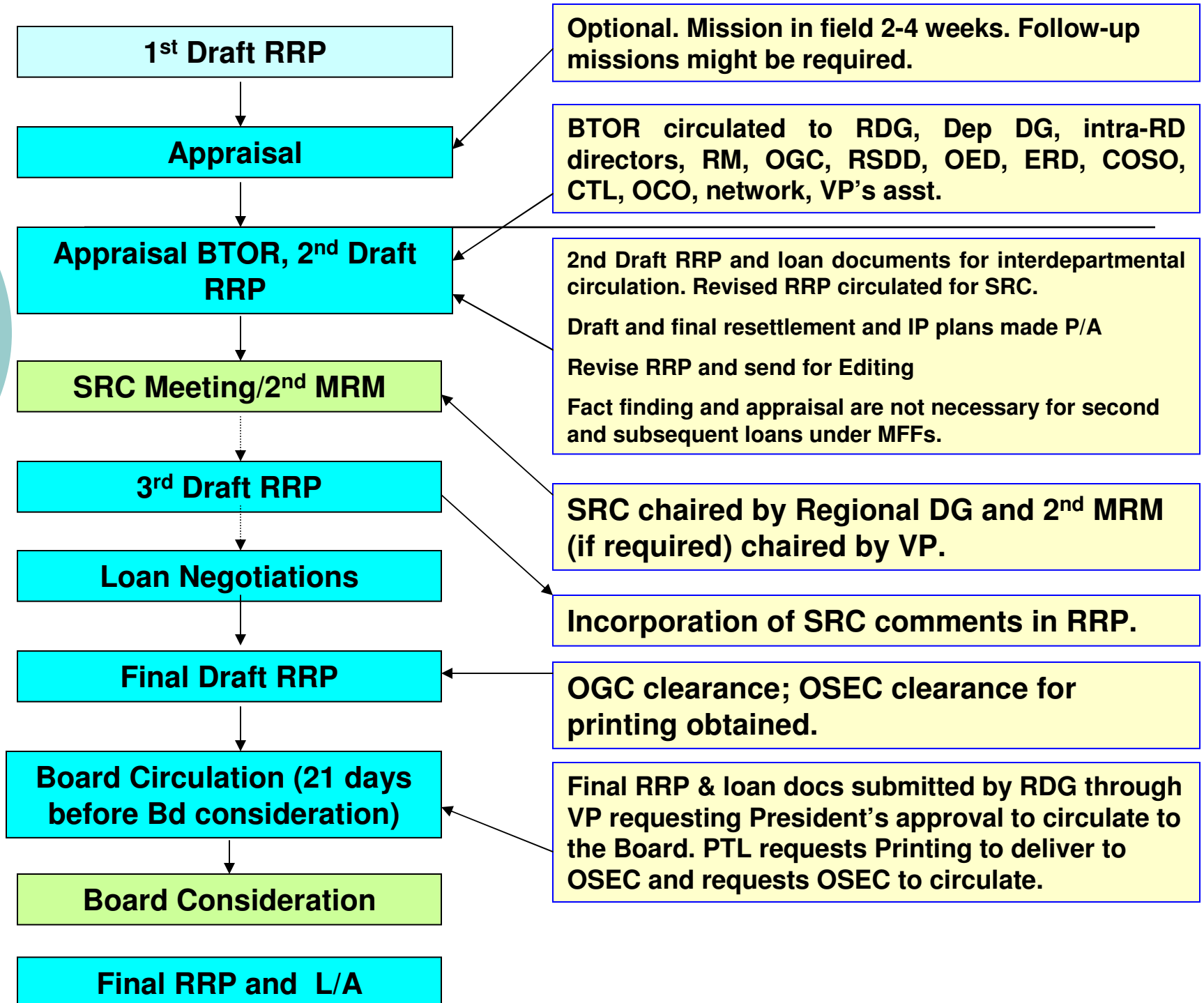


Innovation and Efficiency Initiatives

- Multi-tranche Financing Facility (MFF Staff Instructions dated 12 October 2006 are available on ADB Portal)
- Local Currency Lending
- Non-sovereign Lending to Public Sector Entities (NSL Staff Instructions were circulated for interdepartmental comments)
- Refinancing

Processing Steps For Loan Projects





Project Implementation

Loan Approval

**Loan Effectiveness
(after loan signing)**

**Loan Inception
(Mission discusses PAM
and other project-related
matters with EAs)**

Loan Review

**Special Loan
Administration**

Midterm Review

**Project Completion Review
(PCR)**

**Project Performance Audit
Review (PPAR)**

- Social and environmental reports,
- Projects' changes in scope
- Tranche release reports (program loans)
- Completion, Performance audit, and evaluation reports



Project Processing & Administration Missions

- **Country Programming**
- **Fact-finding**
- **Appraisal**
- **Inception**
- **Midterm Review**
- **Project Completion Review**
- **Country Portfolio Review**
- **Country Performance Assessment**



Thank You...