

**Guidelines for Supervision and Implementation Support of Projects and Programmes  
Funded from IFAD Loans and Grants  
Annex 3: Progress Reports**

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**ANNEX 3**

**PROGRESS REPORTS**

Preparation and submission of regular and timely progress reports is essential for efficient project management. IFAD has no standard format for progress reports, as IFAD's reporting requirements should always to the extent possible be integrated with the reporting requirements and reporting systems of the Borrower and, where applicable other donors. However, the format and content of a progress report could be as suggested below.

**Section A**

Project/ Programme Objectives (brief summary as given in the appraisal report)  
Project/Programme Description (brief summary as given in the appraisal report)

**Section B**

**Executive Summary**

Summarize succinctly, the contents of the information in the succeeding paragraphs, highlighting: performance during the quarter and to date; trends; explanations for large variations from the initially set appraisal targets and objectives; problems and issues, if any; and proposed action during next quarter and beyond. *(In case of half-yearly report it would be performance of two quarters and for an annual progress report the summary of the four quarters)*

**Section C**

**Detailed Report (adopting the following suggested sequence)**

- Discussion of Project/Programme Progress
- Source and Uses of Funds
- Statement of Use of Funds by Expenditure Type
- Reconciliation of the IFAD funded Special Account
- Output Monitoring report
- Procurement Report
- Other Relevant Reports

The information contained in the above statements and tables will provide the linkages between physical and financial progress –a valuable tool for internal project management and recipient/donor monitoring.

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**Discussion of Project Progress**

This part will be an executive summary of the salient aspects of project implementation to date including any special issues that have surfaced and with suggestions for resolution. It will succinctly describe and highlight: progress of all key project components including physical works, implementation and project outputs, actual costs incurred vs. estimates, financing received from donors and major expenditures, large procurements carried out and disbursement performance, critical studies undertaken, technical assistance and training received, and status with regard to IFAD's policies. It will assess performance in reaching and benefiting the intended target groups, in particular the poorer, as well as gender equity in participation and benefits.

**Sources and Uses of Funds Statement (for the Quarter or Period and Year-to-Date)**

This statement shows the opening cash and bank balances, listing of the sources and amounts of funds received during the quarter, expenditures by project component and in line with the IFAD loan withdrawal schedule in the loan agreement, and the cash and bank balances at the end of the quarter. It also shows cumulative figures to date side by side.

**Statement of Use of Funds by Expenditure Type**

This table lists expenditures by disbursement categories and by expenditure type. A meaningful feature here is the comparative listing of the actual expenditure figures with the estimates from the latest available Annual Work Plan & Budget (AWPB) and the showing of the variances and appropriate explanation for each such variance. The total estimated costs of the project components as per the appraisal report are also shown side by side.

**Output Monitoring Report**

Monitoring physical progress (and expenditures in relation to such progress) is the key element of project management. The output indicators are taken from the physical performance targets set at appraisal and generally relate output to cost. Output indicators will be quantifiable, easily measurable and indicative of the performance of each project component, e.g. number of hectares of tree crops planted, number of kilometres of feeder roads constructed or rehabilitated, number of crop marketing centres constructed, etc. Here again, actual and targets set at appraisal will be compared and explanation provided for deviations.

**Procurement Report (Updated Procurement Plan)**

The Procurement Report consists of the initially approved Procurement Plan prepared by the recipient/PIP and submitted to IFAD at loan negotiations or at loan effectiveness and duly updated reflecting all the key procurements made on behalf of the project and their status at the end of the reporting quarter or other agreed period. The Procurement Report will include all key procurement of goods; works and consulting and other services undertaken by the project since project start up.

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**Other Relevant Aspects to be Reported**

Status on the following aspects of the project will be included in this part of the progress report:

**Organisation and Staffing.** The Progress Report will include the latest organisation chart of the Project Implementation Unit and state whether it is a separate, independent entity or part of a larger organisation – e.g. a Government Department/Ministry or a Statutory (state-owned parastatal) enterprise. The chart will give all the names and titles of all the senior managers in the PIA – e.g. Project Manager, Agricultural Services Manager, Rural Credit Manager, etc. Although the Chart will largely remain unchanged during the implementation phase, there may be periodic changes in senior management, in which case IFAD will be kept informed by the PIU as and when such changes occur and the Chart updated accordingly. A summary of the staffing of the PIU will also be given, with numbers under each category, position/job grades and salary and other compensation details. The summary will be compared with PIU personnel costs estimated at appraisal and variations explained.

**Accounts and Audit.** This part will describe the status of the PIU's books of accounts, preparation of quarterly accounts, readiness for the accounts for annual audit and progress or completion of the audit (during the appropriate quarter). Where audits have been completed, key findings, observe any legal covenant by the recipient of PIU will also be highlighted provided in this part of the progress report.

**Compliance with Conditionality/Legal Covenants.** Status of compliance with all stipulated conditions included, as covenants in the loan agreement will be given. Problem relating to non-compliance of legal compliance of any legal covenant by the recipient or PIU will also be highlighted with suggested resolution.