

Project Administration Instructions

PAI 1.02
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ORGANIZATIONAL FRAMEWORK FOR PROJECT ADMINISTRATION

1. Regional departments are primarily responsible for project administration. However, because of the varied tasks, other departments and offices are involved. Regional departments are usually assisted in project administration by Management, Central Operations Services Office, Controller's Department, Economics and Research Department, Office of Cofinancing Operations, Office of the General Auditor, Office of the General Counsel, Operations Evaluation Department, Regional and Sustainable Development Department, and Strategy and Policy Department. While these departments and offices have other functions, including those associated with project identification and loan processing, their project administrative functions are as follows.

A. Management¹

- approves actions or decisions described in PAIs requiring submission to Management.

B. Central Operations Services Office

- advises on procurement, consulting services, and matters associated with project implementation;
- acts as the consultant selection committee secretariat, chairs the committee, provides specialist advice, and negotiates TA contracts for consulting services;
- acts as the procurement committee secretariat, chairs the committee, and provides specialist advice;
- reviews project administration procedures, and prepares guidelines, staff instructions, project administration memorandum, and handbooks (including those on consultant recruitment, procurement of goods and works, and project implementation);
- produces, issues, and amends standard contracts for consulting services;
- prepares standard bidding documents;
- identifies and comments on cross-sectoral project implementation problems;
- monitors contract awards, disbursement, and other project administration indicators;
- compiles and reports project statistics;
- coordinates training programs on project implementation and administration, and provides resource speakers on consulting services and procurement; and
- becomes the focal point of the project administration unit head network (lead portfolio management specialist).

C. Controller's Department

- reviews, approves, and administers fund withdrawals under loans and technical assistance (TA);
- accounts for loan and TA commitments and disbursement;
- assists project departments in designing disbursement mechanism for loans;
- provides assistance to borrowers and executing agencies (EAs) in solving disbursement-related issues;

¹ Management means the vice-president of the region concerned or, where a department or an office reports directly to the President.

- maintains the database for financial information on loans and TAs;
- reviews and advises on improving disbursement performance of loans by project and by developing member country (DMC);
- reviews accounting, administrative, and internal control systems of borrowers and EAs, and recommends measures to improve them;
- maintains accounting records of loans and TAs;
- bills and monitors loan service payments; and
- provides financial reports, disbursement-related statistics, and information to other departments, borrowers, and EAs.

D. Economics and Research Department

- assists in, and provides advice on, economic analysis of projects;
- prepares projected price escalation factors, domestic and foreign, as part of the ADB-wide database on country-economic parameters; and
- assists in, and provides advice on, financial analysis and financial management aspects of projects and project entities (Lead Financial Management Specialist).

E. Office of Cofinancing Operations

- coordinates and exchanges project information with cofinanciers on ADB's administration of cofinanced projects.

F. Office of the General Auditor

- investigates allegations of fraud and corruption among staff, DMC agencies, suppliers, and contractors involved in implementing ADB-funded projects;
- provides advice to strengthen financial management including internal controls, and undertakes audit review missions for making independent assessment of the economy, efficiency, and effectiveness of ADB's project administration policies and procedures; and
- undertakes other auditing activities.

G. Office of the General Counsel

- advises on legal issues relating to all aspects of ADB projects including preparation and implementation of legal agreements, interpretation and application of all ADB policies and guidelines, and recruitment of consultants and procurement of goods and works;
- advises on legal aspects of project administration, including changes in scope and project implementation, reallocation, use of savings, and suspension and cancellation;
- participates as a member of the procurement committee;
- reviews draft bid documents and bid evaluation reports as set out in PAI 3;
- attends consultant selection committee meetings, reviews consultant contracts, and assists in contract negotiations when required;
- advises on compliance with conditions of loan effectiveness and disbursement; and
- reviews draft project completion reports.

H. Operations Evaluation Department

- disseminates and encourages use of evaluation findings at all stages of the project cycle;
- promotes the adoption of a more seamless evaluation framework starting with the development of key indicators in a logical framework, and monitoring and reporting on these during implementation, at completion, and at postevaluation;
- provides assistance and training on the preparation of logical frameworks;
- supports improved project performance management by providing input and training on the design of the project performance report and the effective monitoring of key indicators;
- provides input on lessons learned for country portfolio review missions; and
- provides input and assistance to improve the quality of self-evaluation in program, project, and TA completion reports.

I. Regional and Sustainable Development Department

- helps administer compliance with ADB's safeguard and relevant loan covenants (safeguard policies include environmental impact assessments, involuntary resettlement) and acts as ADB's center for compliance and oversight; and
- helps administer compliance with thematic and sectoral loan covenants, disseminate information or best practices through ADB wide networks, maintain quality and technical excellence across ADB, and support regional cooperation and linkages with regional institutions.

J. Strategy and Policy Department

- prepares analysis of regional and ADB-wide portfolio performance for Management review and guidance;
- prepares and advises on guidelines on project classification such as thematic and poverty classification;
- prepares and advises on guidelines on implementation of policy issues in relation to project administration;
- provides and advises on guidelines on the administration of projects under selected special funds or trust funds;
- reviews and advises on TA operations and coordinates overall TA management; and
- ensures consistency between PAIs and OM/GP.