

# Project Administration Instructions

PAI 1.05  
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## PROJECT ADMINISTRATION MANUAL

### A. Objective and Scope

1. The project administration manual (PAM) describes how the borrower or grantee (executing and implementing agencies) will implement the project and deliver the results on time, with quality, within budget, and in accordance with government and Asian Development Bank (ADB) policies and procedures. It is mandatory (except for program lending<sup>1</sup> and technical assistance (TAs)), and serves as the main document describing implementation details.

2. The PAM, among other things:

- includes all the information and schedules describing project implementation including project readiness filters to enable rapid start-up and disbursement;
- specifies roles and responsibilities of the executing agency (EA), implementing agency (IA), consultants, and ADB for satisfactory project implementation;
- provides concise and accurate detail on major aspects of project implementation including: costs, financing and financial management; procurement and consulting services; safeguards; performance monitoring, evaluation, reporting and communication;
- references ADB's Anticorruption Policy and accountability mechanism; and
- assists EA, IA, and ADB staff to anticipate problems and initiate timely remedial actions;

### B. Timing of the PAM

3. One of the most basic requirements for successful project implementation is the preparation of a good quality PAM through a consultative process between ADB and the government. The PAM is prepared in the course of loan processing and initially agreed with the government at loan fact-finding. It is reviewed at the Management Review Meeting (MRM) or Staff Review Meeting (SRM), during loan/grant negotiations, and by inception, midterm, and other review missions. It is mandatory that it be referenced in the report and recommendation of the President (RRP) and in the loan/grant (or facility) agreements. It is presented as a stand-alone linked document to the RRP.

4. At loan/grant negotiations, the borrower/grantee and ADB shall agree upon the PAM to ensure consistency with the Loan/Grant Agreement, and such agreement shall be reflected in the minutes of the loan/grant negotiations. The PAM is provisionally approved by the sector director pending Board approval of the loan/grant.

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<sup>1</sup> In case of a program loan, the development policy letter and policy matrix presented as part of the RRP should specify required actions in the form of reform implementation and the PAM would be optional.

### **C. Preparing and Updating the PAM**

5. The EAs and IAs are wholly responsible for the implementation of ADB-financed projects, as agreed with ADB and in accordance with ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by EAs and IAs of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures. The PAM table of contents is attached as Appendix 1.

6. The PAM is a living document subject to change after ADB Board approval of the project's RRP. It is concise yet informative, providing checklists of all activities related to project implementation along with the necessary procedures for the borrower/grantee, EAs, and IAs to effectively implement and monitor the project.

7. After ADB Board approval of the project's RRP, changes in implementation arrangements are subject to agreement and approval pursuant to relevant Government and ADB administrative procedures, and upon such approval, they will be subsequently incorporated in the PAM.

8. Subject to the approval procedure described above, the overall implementation plan may be updated annually by the EA together with ADB. The updated draft implementation plan will normally be submitted to ADB in month 10 of the preceding year for no objection, a response on which will normally be provided on or before month 12.

### **D. Intended Use of the PAM**

9. Upon approval of the loan/grant, the sector director ensures that copies of the PAM as agreed during loan negotiations (including subsequent updates) are given to the Central Operations Services Office, Controller's Department (Loan Administration Division), Office of the General Counsel (if needed), and the regional or resident mission concerned for monitoring implementation and compliance with the agreed implementation arrangements and covenants. The sector director follows up with the EA to ensure all IAs are given a copy of the PAM and its subsequent updates. The PAM is also given to the concerned government agencies for monitoring external assistance programs. This will assist any government intervention in project implementation issues.

10. When necessary, the EA may translate the PAM or relevant sections into the local language to make it more accessible and more easily referenced. When translation is deemed necessary, the mission should work with the EA to ensure that translations of the PAM are available.

11. In the event of any discrepancy or contradiction between the PAM and the Loan/Grant Agreement and Project Agreement, if any,<sup>2</sup> the provisions of the Loan/Grant Agreement and Project Agreement shall prevail.

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<sup>2</sup> The name of the operative agreement may vary on a project to project basis; this reference shall encompass such other agreements as applicable, e.g. Framework Financing Agreement.

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