



Asian Development Bank

8 January 2009

Changes to Project Administration Instructions (PAIs) – SUMMARY

1. Particular changes to PAIs 1, 2, 5 and 6 have been approved. See the companion link for details on section by section modifications.

2. The major changes are summarized below:

a) Project Risk Management Plans:

PAI 1.05 has been amended to require project risk management plans (PRMPs) and implementation guidelines to be included in the Project Administration Memorandum and to be monitored. This change was necessary to align PRMPs with ADB's Second Governance and Anticorruption Action Plan.

b) Technical Assistance (TA) Reform:

Under recently approved procedural changes in TA processing¹, for project preparatory TA, the TA paper approval process has been replaced by application of a concept paper clearance and approval process that has been delegated, in most instances, to the responsible departmental head; for other types of TA, concept paper approval has been made more substantive. This revised process aims to expedite TA processing. Particular provisions of PAIs 2.02 (A), (B), (D), and (E) have been updated to reflect these new processing procedures.

c) Advance Action

To engage consultants without delay under both TA and loans/grants, advance action is now the default option and user divisions are required to make extensive use of advance action contracting procedures as detailed in PAIs 2.02 (D) (37) and 2.02 (E) (21).

d) Bio-Data Technical Proposal:

For fuller evaluations, the criterion of 'proposal presentation' for bio-data technical proposals has been added with a weighting of 50 points and a corresponding adjustment to the weighting for 'Personnel.' PAI 2.02 (B) has been modified to reflect this.

¹ R-Paper 87-08, *Increasing the Impact of the Asian Development Bank's Technical Assistance Program*, 6 May 2008 (TA Reform Paper).

e) Standard Expression of Interest (EOI) Short-listing Evaluation Criteria:

Application of standard EOI short-listing evaluation criteria, including an updated standard template, has been introduced for TA and loans in PAIs 2.02D (J) and 2.02E(M) (and related appendices), respectively. This EOI evaluation approach is recommended for high-value consulting assignments, and for all cases using Consultants Qualification Selection (CQS) and Indefinite Delivery Contracts (IDCs). In addition to confirmation of eligibility, this standard shortlisting evaluation criteria focuses on management, technical and geographic competence, with typical weightings at 20%, 60% and 20%, respectively.

f) Consultants Qualification Selection (CQS) Method:

Checklists for processing CQS recruitment by user departments for ADB TAs and by EAs for loan/grant projects have been introduced at PAI 2.02D and 2.02E, Appendices 4 and 7, respectively.

g) Associations and Joint Ventures:

Previously, there was lack of clarity about use of association, joint ventures and sub-consultancies at expression of interest (EOI) and proposal submission stages under TA and loan consultant recruitment. Particular provisions of PAI 2.02 (D) and (E) have been amended to make the position more consistent and clearer. In summary:

- At EOI submission stage:
 - Qualifications and experience of all proposed JV partners and all proposed associate firms will be evaluated and more weight may be given to the lead firm/ lead partner
 - If more than one EOI is submitted by an international JV partner or associate firm, ADB will select the most qualified EOI for short-listing and disregard the other less-qualified EOI(s) in which the same international JV partner or associate firm has been included in the absence of exceptional circumstances
- At proposal submission stage:
 - Lead international or national short-listed firms cannot participate in more than one proposal
 - International partners of a short-listed JV or international associate firms cannot participate in more than one proposal
 - National partners of a short-listed JV or national associate firms may participate in more than one proposal
 - Short-listed JVs or associations can add partners or associate firms but cannot drop partners or associates identified in their EOIs in the absence of exceptional circumstances

h) Individual Consultants:

PAI 2.03, Part A has been modified to:

- Incorporate guidelines to facilitate the decision on whether to opt for a team of individual consultants or a consulting firm

- Enhance transparency for the selection of individual consultants where shortlisting is required by requiring mandatory advertising on ADB website for a minimum period of 7 calendar days
- Permit monitoring of cases where user divisions repeatedly use single-source selection (SSS) to recruit individual consultants.

i) Consultant Performance:

PAI 2.05 (A) and (B) have been revised to emphasize the importance of timely and candid evaluation of consultant performance; PERs not completed within the stipulated deadline will be classified as "Not Rated" and reported to the head of the department concerned.

j) Administering Grant-Financed TA:

PAI 5.11 has been modified to:

- Streamline and simplify the approval procedure for increasing the TA amount
- Streamline and simplify the approval procedure for changing TA scope or implementation arrangements without increasing the TA amount
- Provide standard memoranda for requesting an increase in the TA amount, and change in TA scope or implementation arrangements; and
- Clarify procedures to be followed by user divisions in closing TA accounts after consultant assignment completion.

k) Project Completion Report for Sovereign Operations:

PAI 6.07 (A), Appendices 2 and 3 were revised to incorporate non-US currencies in the templates for non-US\$ loans, including Special Drawing Rights (SDR) loans.

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Revised Project Administration Instructions (PAIs)

*** Please click on the relevant links to see the full text of the revised provisions:**

- Section 1.05
 - [1.05 \[Project Risk Management Plans\]: Appendix 1](#)

- Section 2.02
 - [2.02 A \[Selection Methods\]: paras 3, 9, 10, 12, 19, 29, 40, 43, 47-49](#)
 - [2.02 B \[Types of Technical Proposals\]: paras 3, 12, 18-19](#)
 - [2.02 D \[Technical Assistance\]: paras 10, 14, 15, 17-27, 30-31, 34, 37, 41-44, 46, 49, 57, 60, 68, Appendices 3 paras 2, 3 \(vi\), 7 \(i\), \(ii\), \(iv\), 4, 5](#)
 - [2.02 E \[Grants/Loans/Delegated TAs\]: paras 3, 16, 21-22, 25-38, 40-41, 44-45, 54, 59, Appendices 1 para 2, 2, 4 para 8 \(i\), 7, 8](#)

- Section 2.03
 - [2.03 A \[Recruiting Individual Consultants\]: paras 3, 4, 13-14](#)

- Section 2.04
 - [2.04 B \[Supervising the Implementation of Consulting Services\]: para 1](#)

- Section 2.05
 - [2.05 A \[Evaluating Consultants' Performance: Consulting Firms\]: paras 1-12](#)
 - [2.05 B \[Evaluating Consultants' Performance: Individual Consultants\]: paras 1-11](#)

- Section 5.09
 - [5.09 \[Submission of Audited Project Accounts and Financial Statements\]: Appendix 1](#)

- Section 5.11
 - [5.11 \[Administering Grant-Financed TA\]: paras 33-35, 66, 68, Appendices 2, 4-6](#)

- Section 6.07
 - [6.07 A \[PCR for Sovereign Operations\]: Appendices 2 and 3](#)