

# Project Administration Instructions

PAI 6.01  
Revised December 2001  
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## PROJECT ADMINISTRATION REVIEWS

### A. Introduction

1. Sector divisions, and regional and resident missions (RMs) regularly review all projects to ensure that they are implemented efficiently (i.e., that the projects' inputs and activities are in accordance with the logical framework) and the projects' outputs and immediate development objectives (purpose) are achieved. (See PAI 6.02 for approval procedures and functions of review missions, and PAI 6.03 for back-to-office report submissions and contents.) To supplement these reviews, project administration meetings are held monthly by director, sector division and country director, RM. In addition, project performance report (PPR) meetings are held at department and RM head level at least quarterly. Operations review meetings (ORMs) are also held at the vice-president level (para. 5) shortly after the quarterly departmental PPR meetings, followed by the management committee meetings chaired by the President on ADB-wide issues (para. 10).

2. Within the ADB-wide operations framework, the project administration unit (PAU) has specific responsibility for administering all loans and technical assistance (TA) projects under implementation, and for the overall portfolio performance of the sector division or country concerned. (Appendix 6 provides a detailed description of PAU activities and responsibilities.) The PAU is established in the sector divisions of the regional departments, and within RMs where project administration is substantively delegated to the RMs. The PAU heads form the PAU head network.

### B. Project Performance Report Meetings

3. PPR meetings are held quarterly or more frequently by the regional departments to review the performance of their projects and portfolios, and discuss specific project implementation issues. At the discretion of the director general, the RM may have separate PPR meetings in the country with the borrower, and executing and implementing agencies.

4. The updated PPRs of the projects under implementation by the sector division or RM, and the information on loan and TA performance (provided in forms in Appendixes 1–5) are used to highlight issues for the PPR meetings. PAUs from the concerned sector divisions and RMs are responsible for updating the PPRs for the PPR review meeting. Minutes of the PPR meetings are maintained and circulated within the departments including RMs, and shared with the central operations services office (COSO), operations evaluation department (OED), and other departments if requested. (PAI 6.05 provides details on the content and preparation of the PPR.)

### C. Operations Review Meetings

5. ORM's serve as a management tool for reviewing implementation of the ADB-wide operational program (loan and TA processing and administration, including policy support and capacity building), and individual country portfolios. They are also a mechanism to seek Management's guidance on specific issues and recommendations.

6. ORM's are held quarterly, normally about four weeks after each quarter, or more frequently as the vice-presidents may decide. However, ADB-wide performance of the loan and TA portfolio will be

discussed only during the first and third quarter ORMs covering six-month period prior to the quarter. The first ORM of the year devotes the first part of the meeting to the portfolio performance for each developing member country (DMC) for the second half of the previous year. The third ORM uses the first part of the meeting for the first half of the current year. ORMs are chaired by the operational vice-president and are attended by

- regional departments, COSO, Regional and Sustainable Development Department (RSDD), OED, Office of Cofinancing Operations, and Strategy and Policy Department (SPD); and
- other departments or offices invited at the option of the vice-president concerned.

7. ORM discussions focus on the management information papers prepared and circulated by SPD on loan and TA processing, and on loan and TA implementation. Financial information comes from the data downloaded from the loan financial information system on the eleventh working day following each quarter. The loan and TA implementation paper for the overall portfolio focuses on

- projects “at risk” of which ratings for either implementation progress or achievement of development objectives are partly satisfactory and unsatisfactory, and among satisfactory projects, those identified as potential problem projects (PAI 5.10);
- total contract awards and disbursements for both project and program loans;
- compliance with covenants on audited project accounts and agency financial statements;
- circulation of TA and project completion reports; and
- observations on the portfolio performance of individual borrowers.

8. For the ORM meeting, regional departments submit information (as noted in para. 7) to COSO within three weeks after the end of each quarter using PPRs and the formats in Appendixes 1–5. ADB-wide summaries are prepared by COSO and provided to SPD at least 10 working days before the ORM meeting. SPD then prepares the submissions for the ORM and circulates them in advance to Management and other ORM participants.

9. ORM minutes are prepared by SPD and copied to COSO and OED. The findings of the ORMs are discussed in the management committee meetings each quarter. OED also includes highlights of ORM discussions in the annual report on loan and TA portfolio performance to be submitted to the development effectiveness committee of the Board.

#### **D. Management Committee**

10. The Management committee is the principal management forum for considering ADB-wide strategic and policy matters. The committee provides the President with high-level advice and support. It is expected to consider all matters concerning ADB from an ADB-wide, rather than a departmental or regional, perspective. The President chairs the committee and the three vice-presidents sit as permanent members. The secretary of ADB serves as the committee’s permanent secretary and senior staff are invited to attend according to the agenda. The committee provides a forum for a free and frank exchange of views at senior levels. The areas of focus include

- (i) needs of ADB for strategy and policy development,
- (ii) ADB-wide annual and medium-term work plans,

- (iii) coordinated responses to interdepartmental and regional issues,
- (iv) major ongoing operational matters,
- (v) key nonoperational issues,
- (vi) formulation of coherent and consistent responses by ADB to developments in the external environment, and
- (vii) other issues of ADB-wide importance.

The Management committee meets every week provided at least two vice-presidents are available.

11. The Management committee meets at least quarterly with heads of the regional departments, OED, RSDD, and SPD to review the findings of the ORMs and consider the ADB-wide status of the annual operational program and portfolio. Senior staff are invited to participate according to the agenda.

Regional Department  
 General Data Summary  
 As of DDMMYYYY

Sector Division/ID Country	Loans/Projects Approved in YYYY	No. of Loans (Projects) Under Administration	Net Loan Amount OCR ADF Total	Project Status						Loans Not Yet Disbursed	Loans Cancelled in YYYY	Loans with Cost Overrun Identified in YYYY	Loans with Changes in Implementation in YYYY	PA Visas in YYYY Planned	PCRs in YYYY Planned
				Development Projects	Implementation Projects	PS	U	PS	U						
Country				MS	S	PS	U	MS	S	PS	U				
Country															
Country															
Country															
Div A															
Country															
Country															
Country															
Country															
Div B															
Country															
Country															
Country															
Country															
Div C															
Country															
Country															
Country															
Country															
Div D															
Dept. Total															

PS - potential problem; P5 - partly satisfactory; U - unsatisfactory

Regional Department  
 List of Partly Satisfactory and Unsatisfactory Projects  
 Implementation Progress and Development Objectives  
 (as of DD/MM/YYYY)

Loan No(s) Country	Project Title	Net Loan Amount (\$ million)	Project Rating (PS/U)	Reasons for Ratings	Qtr. First Classified PS/U	Sector Division/ RM	Proposed Action Plan
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DO - development objectives; IP - implementation progress; PP - potential problem; PS - partly satisfactory; U - unsatisfactory.

Regional Department  
 Submission of Audited Project Accounts and Agency Financial Statements  
 (as of DD/MM/YYYY)

Sector/Division/RM Country	Total No. of Loans	Not Required	Not Yet Due	Due for Compliance	Completed		No. of Loans Completed Late		Partly Completed	No. of Loans Completed	No. of Loans Not Yet Completed <sup>a</sup>
					No. of Loans	%	No. of Loans	%			
Country											
Country											
Country											
Country											
DIV A - Total											
Country											
Country											
Country											
Country											
DIV B - Total											
Country											
Country											
Country											
Country											
DIV C - Total											
DEPT. - Total											

<sup>a</sup> Includes loans that were partly completed and not completed.  
 AFS - agency financial statements, AFA - audited project accounts.

Regional Department  
 Project Administration Missions  
 DD/MM/YY to DD/MM/YY

Sector Division/RM Country	Missions											Total No. of Projects	Staff Days			Staff Days/ Project		
	CPR	LD	MTR	OE	PCR	PI	PR	PRA	SPA	Total	PS		SS	SC				
DIV A - Total																		
Country																		
Country																		
Country																		
DIV B - Total																		
Country																		
Country																		
Country																		
DIV C - Total																		
Country																		
Country																		
Country																		
DIV D - Total																		
Country																		
Country																		
Country																		
DIV D - Total																		
DEPT. - Total																		

CPR - country portfolio review; LD - loan disbursement; MTR - mid-term review; OE - operations evaluation; PCR - project completion report;  
 PI - project inception; PR - project review; PRA - project reappraisal; SPA - special project administration.  
 PS - professional staff; SC - staff consultant; SS - support staff

Technical Assistance Administration Missions  
 DDMMYYYY to DDMMYYYY

Project Division No.	TA No.	Country	Project Name	Type of Mission <sup>a</sup>	No. of Staff <sup>b</sup>	Field Start	Field End	Days In Field

<sup>a</sup> TA administration missions consist of TA/Inception, TA review and special TA administration.  
<sup>b</sup> PS - professional staff; NO - national officer; SS - support staff; SC - staff consultant.





## **Project Administration Unit**

### **A. General**

The project administration unit (PAU) has been formalized in the sector divisions of the regional departments (RDs). Where project administration activities have been substantively delegated to an RM, a PAU is established within the RM, and is supported by the sector division PAU at headquarters. The focal point for the PAU head network is the lead portfolio management specialist (COSO).

### **B. PAU Responsibilities**

The PAU

- is responsible for administration of all loans and TA projects including management of contract awards and disbursement, and contributes to overall portfolio performance of the country/division;
- prepares the country/division's operational targets (key results areas) of project administration and monitors their successful achievement;
- prepares the PPRs of the projects under implementation by the RM/division, maintains their quality and accuracy, and analyzes the portfolio performance of the division to identify areas for improvement;
- prepares the RM's/division's annual program for project completion reports (PCRs) and technical assistance completion reports (TCRs) and for meeting the annual target with quality reports;
- plans, conducts, and monitors project inception review, midterm review, and project completion review missions; and undertakes unanticipated but issue-oriented special project administration missions;
- participates in country portfolio review missions led either by the Operations Coordination Division/Unit (OCD/U) or RM; and
- regularly interacts with the executing agencies for smooth implementation of projects, and interacts with other departments and offices in headquarters and RMs on the project administration related matters.

### **C. PAU Operation**

The PAU

- manages all loan and TA portfolio administration activities of the country/division in accordance with PAIs and other guidelines and instructions, including input to development of the project administration memorandum; and
- functions in accordance with the task assignment and allocation approved by the director of the sector division or the country director of RM, under the supervision and guidance of the PAU head; and

The PAU head is delegated to conduct certain internal and external correspondence as agreed by the director of the sector division or the country director of RM, and the director general, RD.

The key outputs of the PAU are as follows:

- PPRs and TA status report,
- PCRs and TCRs,
- contract awards and disbursements,
- division's inputs to the various reports on portfolio management to Management and the Board to be compiled by COSO, OED, and SPD.

### **D. PAU Relationships**

The PAU

- assumes administrative responsibility for the projects as soon as the Board approves them; the project team leader from the processing phase continues as the officer in charge of the administration of the project for a period of one year, under the overall guidance of PAU head; the other project team members assist the PAU head and/or project team leader, as required, in supervising and monitoring the areas that were dealt with by them during the processing;
- functions in close cooperation with COSO, CTL, OED, OGC, RSSD, and RMs for project administration;
- provides COSO with necessary input to the regular reports to be submitted to Management and/or Board on the portfolio management; and
- assists OED in preparing the annual report on loan and TA portfolio performance and project performance audit report of the concerned projects of the sector division or RM.