

Project Administration Instructions

SCOPE AND GENERAL GUIDELINES

A. Scope of Project Administration Instructions

1. The Project Administration Instructions (PAIs) outline Asian Development Bank's (ADB) rules and procedures for administering loan and technical assistance (TA) and portfolio management. Loan and TA administration includes a range of activities, such as:¹

- (i) reviewing and approving the government's signing of loan and TA agreements, including TA letters;
- (ii) conducting project administration related missions;
- (iii) monitoring the government's compliance with the conditions for loan effectiveness;
- (iv) updating the project administration manual including the procurement plan;
- (v) procuring goods, works, consulting services and nonconsulting services;²
- (vi) monitoring implementation and development performances;
- (vii) disbursing loan and TA proceeds, and monitoring project cash flows, both from ADB and other financing sources;
- (viii) supporting and monitoring the government's compliance with applicable ADB policies and legal requirements as set out in the loan and TA agreements, including TA letters;
- (ix) preparing project and TA completion reports; and
- (x) assessing the achievement of the project outcome and outputs, and the contribution to achieving the development impact.

Portfolio management covers the supervision, monitoring, and reporting on projects and TAs. The PAIs define organizational and functional roles of portfolio management, which includes activities such as:

- (i) setting up of portfolio management indicators and targets;
- (ii) monitoring of portfolio performance at country, sector, regional, and corporate levels; and
- (iii) reporting of portfolio performance.

2. The PAIs apply to sovereign operations. However, PAIs 5.08 (*Administering Technical Assistance*), 6.05 (*Reports to the Board of Directors on Loan and Technical Assistance Portfolio Performance*), and 6.08 (*Technical Assistance Completion Report*) apply to both sovereign and nonsovereign operations. PAI 6.07 (*Extended Annual Review Report for Nonsovereign Operations*) applies to nonsovereign operations only.

3. The project/TA team assumes the responsibility of loan/TA administration. The project/TA team is composed of staff from various departments following the *Staff Instruction on Business Processes for Sovereign and Sovereign-Guaranteed Financing* and *Staff Instruction on Business*

¹ For review of audited project financial statements and/or audited entity financial statements, refer to *Staff Instruction on Business Processes for Financial Reporting, Auditing, Management, and Monitoring in Sovereign Operations*.

² Any staff instruction related to procurement will apply to loans and/or TAs to the extent defined by that staff instruction.

Processes for Technical Assistance. The staff instructions also outline the roles and responsibilities of supporting departments/offices.

4. In all PAIs, the head of department/office does not include senior director unless specified.³

5. In PAIs,⁴ the senior sector director can delegate approval and concurrence authorities of sector director to their respective sector project administration unit (PAU) head through a memorandum in consultation with Portfolio Management Division of the Procurement, Portfolio, and Financial Management Department and Office of the General Counsel.⁵ Relevant departments/offices (including regional departments, Controller's Department; Office of the General Counsel; and Procurement, Portfolio, and Financial Management Department) should be informed of such delegation. The delegation should be published on the Sectors Group website.

B. Guidance on Cofinancing

6. When ADB administers a loan or TA on behalf of a cofinancier, ADB's agreement with the cofinancier describes ADB's project administration responsibility. When ADB acts on behalf of the cofinancier, the project team/TA team shares relevant project information with the cofinancier and complies with other obligations outlined in the cofinancing agreement in coordination with the Partner Funds Division of the Climate Change and Sustainable Development Department.

C. Definition of Terms

7. In all PAIs, the term "loan(s)" includes grant(s) and the term "project(s)" includes program(s), unless the context requires otherwise. The PAIs also apply to loans from external sources that are administered by ADB, unless agreed otherwise between ADB and cofinancier(s).

8. In all PAIs, the term "borrower" also refers to recipients of grants, executing agencies, and/or implementing agencies, unless the context requires otherwise.

9. The term "executing agency" also refers to implementing agency, unless the context requires otherwise.

10. In all PAIs, the term "resident mission" also refers to regional/subregional office and the term "country director" also refers to regional director of regional/subregional office.

11. In all PAIs, project completion date under investment projects is the date on which the project is expected to be physically completed. This date precedes the loan closing date (normally 6 months before). Loan closing date is the date on which ADB may terminate the right of the borrower to make withdrawals from the loan account as specified in the loan agreement. Financial closing date is the date on which all project-related financial transactions financed from the loan account are finalized and the respective loan account is closed in ADB's books.

³ The term "senior director" includes senior sector director.

⁴ This does not apply to PAI series 2 and 3.

⁵ In cases where the sector PAU head is the project/TA team leader, the authority remains with the sector director.

12. In all PAIs, the term “approval” means a decision by approving authority (decider) on the entire proposal and/or the proposed matter(s). The term “concurrence” means an endorsement by concurring authority of the entire proposal and/or proposed matter(s) before the final proposal is sent to the decider for approval. The terms “concurrence” and “endorsement” have the same meaning and are used interchangeably. The term “clearance” means attestation by clearing authority that the proposal and/or proposed matter(s) complies with essential requirements in their respective functional area(s). The approval and concurrence authorities are indicated in each PAI. For reference, the [key accountability and decision-making \(ADM\) framework](#) can be accessed in the Portfolio Management section of Procurement, Portfolio, and Financial Management Department website. In case of discrepancy between the ADM framework and PAIs, PAIs prevail. Approval and concurrence require a signature or equivalent.⁶ Clearance should be recorded.

⁶ Examples of “equivalent” to signature are email confirmation and IT systems workflow approval.