

Project Administration Instructions

PAI 1.02
Revised in December 2023
Page 1 of 1

INITIAL PROJECT ADMINISTRATION ACTIVITIES¹

1. This Project Administration Instruction (PAI) describes initial project administration-related actions, including project preparatory actions for project administration.
2. Project preparation should include actions for achieving project readiness prior to loan approval following the *Staff Instruction on Business Processes for Sovereign and Sovereign-Guaranteed Financing*.
3. After loan approval, the executing agency (EA)² should complete any other actions required before the start of project implementation including making available contributions as part of the financing plan. The project team liaises with the EA to ensure timely signing of the legal agreements, compliance with the conditions for loan effectiveness, contract award, and loan withdrawal (if any), and prompt project initiation. The legal agreements include a loan/financing agreement and any project, guarantee or cofinancing agreement.
4. The milestone for completion of processing is the signing of the legal agreements. After signing of the legal agreements, the project team ensures that the required project administration systems are in place, maintained, and supports the EA to:
 - (i) implement Asian Development Bank's (ADB's) requirements for progress reports, including establishing and maintaining separate records and financial management systems for the loan;
 - (ii) implement the performance monitoring and evaluation framework including assignment of responsibilities, and provision of resources;
 - (iii) remain on schedule with procuring goods, works, consulting and nonconsulting services, establishing any advance accounts (including subaccount), and implementing any: (a) environmental management plan(s) and/or environmental assessment and review framework, (b) resettlement plan(s) and/or resettlement framework, (c) indigenous peoples plan(s) and/or indigenous peoples planning framework, (d) gender action plan and (e) agreed environmental and social management system arrangement, and/or other applicable instruments; and
 - (iv) implement agreed measures for risk mitigation.
5. The project team prepares to field the inception mission in communication with the EA.

¹ In this PAI, the term "loan(s)" includes grant(s) and the term "project(s)" includes program(s), unless the context requires otherwise. This PAI also applies to loans from external sources that are administered by ADB, unless agreed otherwise between ADB and cofinancier(s).

² The term "executing agency" also refers to implementing agency, unless the context requires otherwise.