

Project Administration Instructions

PAI 1.03
Revised in December 2018
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ORGANIZATIONAL FRAMEWORK FOR PROJECT ADMINISTRATION

1. This Project Administration Instruction (PAI) describes the support and function of relevant departments to project administration.

A. Management¹

- i. approves actions or decisions described in the PAIs requiring submission to Management.

B. Budget, Personnel and Management Systems Department

- i. provides clearance to engage former ADB staff or spouses of ADB staff for consulting services that ADB administers in accordance with PAI 2.01 (Definitions, Principles and Responsibilities); and
- ii. provides budget for mission travels.

C. Controller's Department

- i. reviews, approves, and administers fund withdrawals under loans² and technical assistance (TA) projects;
- ii. processes and oversees loan and TA project disbursements;
- iii. assists regional departments and borrowers³ in designing disbursement mechanism for loans, and solving disbursement-related issues;
- iv. maintains the database for financial information on loans and TA projects;
- v. maintains accounting records of loans, grants and TA projects;
- vi. bills and monitors loan service payments; and
- vii. provides financial reports, disbursement-related statistics, and information to other departments and borrowers.

D. Economic Research and Regional Cooperation Department

- i. undertakes development policy research, supports statistical capacity building, and develops and maintains statistical databases on member countries; and
- ii. assists in, and provides advice on, economic analysis of projects and impact evaluation.

¹ Management means the Vice-President of the region concerned. Where a department or an office reports directly to the President, Management means the President.

² In this PAI, the term "loans" includes grants, unless the context requires otherwise. This PAI also applies to loans and grants from external sources that are administered by ADB, unless agreed otherwise between ADB and such cofinanciers.

³ In this PAI, the term "borrower" also refers to recipients of grants, executing agencies, and/or implementing agencies, unless the context requires otherwise.

E. Independent Evaluation Department

- i. independently and systematically evaluates ADB policies, strategies, operations, and special concerns that relate to organizational and operational effectiveness;
- ii. disseminates and encourages the use of evaluation findings at all stages of the project cycle;
- iii. promotes the adoption of a more seamless evaluation framework starting with the development of key indicators in a design and monitoring framework, and monitoring and reporting on these during implementation, at completion, and at post evaluation;
- iv. prepares project completion validation report;
- v. provides input on lessons learned for country portfolio review missions; and
- vi. provides input and assistance to improve the quality of self-evaluation in program, project, and TA completion reports.

F. Office of Anticorruption and Integrity

- i. conducts project procurement-related reviews of ADB-financed activities to determine whether the procurement process for awarded contracts in ADB-related projects followed ADB's loan agreement and guidelines, assess whether contracts were implemented in accordance with contract specifications, ensure ADB funds were used for their intended purpose, and help prevent and detect integrity violations;
- ii. serves as the initial point of contact for all allegations of (a) integrity violations as defined by ADB pursuant to its anticorruption policy in any ADB-related activity, including its staff members; and (b) all other forms of misconduct (including harassment and bullying);
- iii. conducts investigations of (a) integrity violations pursuant to ADB's anticorruption policy known to or identified by Office of Anticorruption and Integrity; and (b) all other forms of misconduct (including harassment and bullying);
- iv. advises Management or concerned departments/offices on integrity or Money Laundering (ML) and/or Financing of Terrorism (FT) concerns, including investigations to facilitate ADB's ability to assess significant integrity or ML/FT concerns;
- v. provides conflict of interest advice to staff, Management or concerned departments/offices, and serves as the final authority for conflict of interest determinations under ADB's Anticorruption Policy and Administrative Order No. 2.02; and
- vi. provides guidance to concerned departments/offices on integrity and ML/FT risks and on integrity due diligence, which encompasses ML/FT checks.

G. Office of the Auditor General

- i. provides independent and objective audit and advisory services designed to improve ADB operations; and
- ii. provides assurance that ADB's financial and operational controls designed to manage risks and achieve development objectives are operating in an efficient and effective manner.

H. Office of Cofinancing Operations

- i. plans, promotes and arranges financing partnerships and cofinancing for ADB projects;
- ii. administers official cofinancing and other concessional cofinancing; and
- iii. promotes cofinancing approaches at the policy level and provides support and advice at the transaction level.

I. Office of the Compliance Review Panel

- i. conducts outreach programs within ADB and with the public including a holistic introduction to the Accountability Mechanism while focusing on specific subjects.

J. Office of the General Counsel

- i. advises on legal issues relating to all aspects of ADB projects including preparation and implementation of legal agreements, interpretation and application of all ADB policies and guidelines, and recruitment of consultants and procurement of goods and works;
- ii. advises on legal aspects of project administration, including changes in scope and project implementation, reallocation, use of savings, and suspension and cancellation;
- iii. participates as a member of the Procurement Committee;
- iv. reviews draft bidding documents and bid evaluation reports as set out in PAI 3;
- v. advises on any legal matters (such as liability or governing law) arising during contract negotiations; and
- vi. advises on compliance with conditions of loan effectiveness and disbursement.

K. Office of Information Systems and Technology

- i. manages information systems and telecommunications services required for operational activities and knowledge exchange; and
- ii. partners with regional departments and knowledge units to deliver information and communication technology-related components of ADB programs and projects.

L. Office of Public-Private Partnership

- i. provides ADB-wide coordination and support to the implementation of Public-Private Partnership operations in consultation with the regional departments; and
- ii. originates all transaction advisory services (TAS) mandates and provides TAS to developing member country clients in coordination with regional department(s).

M. Office of the Special Project Facilitator

- i. assists project-affected people with specific problems caused by ADB-assisted projects through a number of informal, consensus-based methods with the consent and participation of all parties concerned, e.g., consultative dialogue or mediation;
- ii. collate and integrate internal and external experiences of problem-solving to be fed back into ADB's operations, including the formulation, processing, or implementation of projects;
- iii. review and assess complaints;
- iv. facilitate a consultative dialogue, use its good offices, and/or facilitate the establishment of a mediation mechanism; and
- v. informs the Board and other stakeholders about the results of specific problem-solving activities, as mandated by the Accountability Mechanism Policy (AMP) and information disclosure requirements, through the following reports:
 - a. Problem-Solving Completion Report: (AMP para. 172: The Special Project Facilitator (SPF) will issue this report and furnish it to the complainants, the borrower, the Compliance Review Panel (CRP), and the Board for information)
 - b. Monitoring Report: (AMP para. 175: The SPF's monitoring report/s will be sent to the complainants, the borrower, and the operations department concerned; submitted to the President and the Board for information)
 - c. Final Report: (AMP para. 176: ...the SPF will prepare a final report and submit it to the President, the complainants, the borrower, the operations department, the CRP, the Board Compliance Review Committee, and the Board for information).

N. Procurement, Portfolio and Financial Management Department

- i. reviews the borrowers' procurement activities to ensure compliance with ADB guidelines and procedures, and advises on procurement to ADB Management and staff;
- ii. prepares the standard bidding documents;
- iii. acts as the Procurement Committee secretariat, chairs the committee, and provides specialist advice;
- iv. advises on consultant recruitment policies and procedures, and produces issues and amends standard contracts for consulting services;
- v. acts as the Consultant Selection Committee secretariat, chairs the committee, and provides specialist advice;
- vi. negotiates TA contracts for consulting services;

- vii. maintains a database of consulting firms and individual consultants available for assignments;
- viii. provides financial management and related policy advice to regional departments and Management;
- ix. reviews project-related financial analysis including audit and provides technical advice on financial management system assessments; monitors contract awards, disbursement, portfolio performance, and other project administration indicators to generate reports on project and portfolio statistics;
- x. provides Management with independent advice on portfolio performance and issues in Operations Review Meetings;
- xi. serves as the coordinator in updating the PAIs;
- xii. conducts a range of capacity building activities for internal and external audiences in project design, management and implementation, procurement, and consultant recruitment; and
- xiii. becomes the focal point of the project administration unit head network.

O. Strategy, Policy and Review Department

- i. maintains and advises on the interpretation of business process Staff Instructions; and
- ii. reviews change of scope for Multitrance Financing Facility.

P. Sustainable Development and Climate Change Department

- i. undertakes initiatives in terms of research, promotes regional policy dialogues, and provides operations support related to regional cooperation and integration (RCI) through project review and validation;
- ii. provides corporate coherence in the development and implementation of sector and thematic policies and strategies; and
- iii. promotes compliance of ADB operations with Safeguard policies on gender, environment, involuntary resettlement, and Indigenous Peoples.