1. This Project Administration Instruction (PAI) outlines the preparation, contents, and procedures in maintaining the accuracy of the project administration manual (PAM).

2. The PAM is mandatory (except for policy-based loans and technical assistance (TA) projects) and serves as the main document describing how the executing agency (EA) will implement the project and deliver quality results on time, within budget, and in accordance with the borrower and Asian Development Bank (ADB) policies and procedures.

3. The PAM, among other things:
   (i) includes all the information and schedule describing project implementation including project readiness filters to enable rapid start-up and disbursement;
   (ii) specifies roles and responsibilities of the EA, consultants, and ADB for satisfactory project implementation;
   (iii) provides concise and accurate detail on major aspects of project implementation including: cost estimates, disbursement arrangements, financial management, auditing, procurement plan including procurement and recruitment of consulting services, safeguards, performance monitoring, evaluation, reporting, disclosure, and communication;
   (iv) references to applicable ADB policies, including ADB’s Anticorruption Policy and Accountability Mechanism Policy; and
   (v) assists EA and ADB staff to anticipate problems and initiate timely remedial actions.

4. One of the most basic requirements for successful project implementation is the preparation of a good quality PAM through a consultative process between the borrower and ADB. The PAM is prepared during loan processing and initially agreed with the government at fact-finding. It is reviewed by the project team during loan negotiations, and by inception, midterm, and other project administration missions. It is mandatory to reference the PAM in the report and recommendation of the President (RRP) and in the loan agreements. It is presented as a supplementary document to the RRP.

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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 For policy-based loans, the development policy letter and policy matrix presented as part of the RRP and the PAM would be optional.
3 In this PAI, the term “executing agency” also refers to implementing agencies, unless the context requires otherwise.
4 In this PAI, the term “borrower” also refers to recipients of grants, executing agencies, and/or implementing agencies, unless the context requires otherwise.
5 The PAM also refers to the grant implementation manual. For a multitranche financing facility (MFF), a facility administration manual (FAM) is developed and is subject to the same general considerations and guidelines as the PAM, subject to particularities of the MFF. References to the PAM shall be understood to include reference to the FAM in cases of MFFs, and program implementation document in cases of results-based lending.
6 The procurement plan section in the PAM is initialed by the government during loan negotiations.
5. At loan negotiations, the borrower and ADB shall review and confirm the PAM to ensure consistency with the loan agreement, and such confirmation shall be reflected in the minutes of the loan negotiations. The PAM is provisionally reviewed by the regional sector PAU head pending Board approval of the loan.

6. With support from ADB, the EA is responsible for implementing ADB-financed projects in accordance with ADB’s policies and procedures. The PAM template and descriptions of their contents are accessible through the Office of the Secretary’s website under Board Documents: Templates and Guidelines tab. When necessary, the EA may translate the PAM or relevant sections into the local language in coordination with the project team and resident mission to ensure consistency and accuracy of translation.

7. The PAM is a living document. Changes to the PAM after ADB Board approval should be compliant with the loan agreement and is approved pursuant to the respective administrative procedure of the developing member country government and ADB. Upon such approval, changes will be incorporated in the PAM.

8. In the event of any discrepancy or contradiction between the PAM and the loan and/or project agreements, the provisions in the loan and/or project agreements shall prevail.

7 The name of the operative agreement may vary on a project-to-project basis; this reference shall encompass such other agreements as applicable, e.g., Framework Financing Agreement.