



About the PFS Guidelines

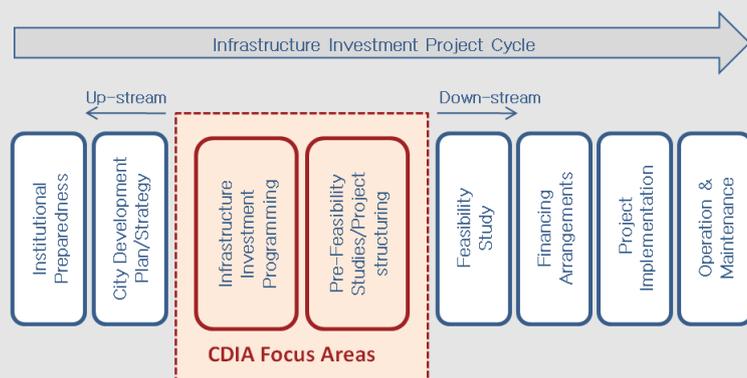
These guidelines were developed to assist cities and PFS consultant teams formulate better integrated, inclusive and sustainable projects addressing institutional, technical, financial economic, social and environmental (climate change) concerns. The guidelines emphasize that the PFS process embody a tri-partite partnership between the city, PFS consultants and CDIA Core Management Team (CMT), to work together to identify, conceive and structure prioritized urban development projects needed to improve the living conditions in a city.

The guidelines clarify the PFS process, describe the content and outputs and set minimum standards for performance by the city. They have been prepared by the CMT in Manila, Philippines, with support and input from a range of stakeholders, including consultants, city officials, program partners and technical experts.

These guidelines consist of 3 key parts:

1. Main document focusing on the PFS process and envisaged outputs;
2. Urban governance and institutional guidelines dealing with a number of cross-cutting aspects; and
3. Sectoral guidelines covering 8 thematic urban infrastructure areas.

CDIA Focus Areas



Guideline Objectives

CDIA experience from hands-on implementation of the PFS process in a range of cities and countries across Asia shows that the definition of a PFS and the perception on what needs to be done can vary significantly. Therefore the guidelines aim to achieve a common understanding of where to go and how to cooperate in a PFS so as to have:

1. the Client city in a better position to host and work in parallel with the consultant team carrying out the PFS assignment;
2. the consulting team better understand what is expected from them and deliver a product of higher quality; and
3. CDIA better placed to provide a more responsive and improved service to the subject city and to other cities involved in the Initiative

The guidelines, “set the scene” for the partnership between the city, the PFS teams and CDIA in the PFS process. It is a joint effort, with the city residents being the ultimate beneficiary.

CDIA Market Niche — Bridging the Gap

The Cities Development Initiative of Asia (CDIA) is a regional initiative established in 2007 by the Asian Development Bank and the Government of Germany, with additional support of the governments of Sweden, Spain and Austria. The initiative provides assistance to medium sized cities to bridge the gap between their development plans and the implementation of their infrastructure investments.

CDIA uses a demand driven approach to support the identification and development of urban investment projects in the framework of existing city development plans that emphasize environmental sustainability, pro-poor development, good governance and climate change.

Focus Areas

The focus of CDIA activities comprise two distinct areas:

1. Medium Term Infrastructure Investment Programs (MTIIP) - Where city master and sectoral plans are insufficiently detailed, a reworking of investment priorities may be necessary. This process may need to be carried out parallel to, and inform, the Infrastructure Investment Programming process.
2. Project PFS - The PFS process includes assessment of one or two priority projects within the MTIIP.

What is a Pre-Feasibility Study?

A PFS is broadly defined as preparatory studies required to enable funders to undertake a successful feasibility study for a particular investment opportunity; this generally will comprise sector investment options and priorities, initial scoping and costing of the identified investment project and designing the governance and financing structures for implementation.

Typical outputs provide the technical, financial, environmental, and social assessments of projects at a level of detail sufficient to write the Terms of Reference for a feasibility study.

CDIA is supported by:



These guidelines are organized into 3 components, comprising of 1) the main document, 2) Urban Governance and Institutional Development Guidelines, focusing on enhancing cross-cutting areas of:

- Urban governance;
- Urban poverty;
- Environmental sustainability, climate change mitigation & adaptation; and
- Capacity development;

and 3) eight Sectoral Guidelines describing the PFS process in a number of key sectors in more detail, tailored to the issues likely to be encountered in the sector. The sectoral guidelines cover the following sectors:

1. Urban Renewal,
2. Slum Upgrading,
3. Urban Transport,
4. Energy Efficiency,
5. Solid Waste Management.
6. Water Supply,
7. Wastewater Management
8. Flood and Drainage Management

1. PFS Guidelines – Main document

Main contents

- Definition of PFS
- Objectives and Approach
- Scope of PFS
- Managing the PFS Process
- Shaping the PFS

Overarching principle

To create integrated, inclusive and sustainable projects with concern to institutional, technical, financial, economical, social and environmental issues including climate change

2. Cross-cutting Guidelines : Urban Governance and Institutional Guidelines

3. Sectoral Guidelines



To assist the cities and consultants in shaping the PFS, the guidelines contain a checklist of key chapters and elements that the resulting work should yield which cover the areas of: Analysis of key development issues; Project identification; Cross-cutting issues; Financial and economic analysis; implementation arrangements; Risks; and Forthcoming Feasibility Study aspects.

Managing the PFS process

Key Milestones in the Process:

The PFS is designed to be an inclusive, open and consultative process. Though implemented through consultant teams, it must be a joint partnership between the consultants and recipient city government or corporation. Each plays a key role in implementing the process.

While the terms of reference guides the PFS assignment, in order to ensure that the process is clear, structured and delivers a coherent output, a set of key milestones are suggested in the documentation as a basic structure to follow when implementing the process. These are outlined in the accompanying diagram.

