

MAIN REPORT TEMPLATE

A. EXECUTIVE SUMMARY (3 PAGES)

The Executive Summary is a broad overview of the project that succinctly summarizes the Project Preparation Study. The indicative structure should include major headings on Project Rationale, Description, Impact and Outcome, Environmental and Social Assessments, Investment Plan, Financing Plan, Implementation Arrangements, Benefits and Beneficiaries and Risks and Assumptions

B. MAP (1 PAGE) (the map should clearly illustrate the main point(s) of intervention of the project

C. MAIN TEXT (20 PAGES)

I. INTRODUCTION

Brief narrative on the (i) description of CDIA, (ii) the city application history the purpose and scope of the PPS, the structure of the report and (iii) the series of events that stimulated the application for CDIA support

II. RATIONALE: SECTOR PERFORMANCE, PROBLEMS AND OPPORTUNITIES

A. Performance Indicators and Analysis. Paragraphs under this header (i) provide an overview of sector performance in the national and local context, (ii) describe the city (location assets, development priorities) within the context of the country, (iii) briefly describe the most pressing needs and problems in the city involving urban infrastructure service gaps. More specifically:

- **Socioeconomic context:** A brief paragraph on the socioeconomic profile of the city (particularly as it relates to this project) which includes but may not be limited to population, the size of the country's and the city's economy), significant industries within the city and trends in urban infrastructure financing within the city.
- **Access to Services:** The current level of connection to the city's urban infrastructure (to help provide justification for the **need** for the current project).
- **Social Issues:** Poverty (including unemployment figures) and gender profile of the city.

B. Analysis of Key Problems. Issues to consider may include:

1. Adequacy of present urban infrastructure services.
2. Institutional Issues that hinder urban infrastructure development and sustainability
3. Legal and regulatory issues that hinder urban infrastructure development and financing.
4. Financial sustainability of current urban infrastructure.
5. Environmental Management

C. Development Opportunities. This section highlights the (i) alignment of the PPS objectives to relevant country strategies, legislation and priorities and (ii) funders'¹ or financing agencies' interest.

¹ Identified funding institutions in the CDIA City Application

III. THE PROPOSED PROJECT

- A. Impact and Outcome.** A general description of the expected environmental, social and economic improvements of the project and the associated outcomes, highlighting sector improvements in specific project locations.
- B. Outputs.** Two main components both of which should be completed:
- Infrastructure Improvements. This provides a summary of each infrastructure subcomponent comprising the proposed investment highlighting: (i) beneficiaries and geographical coverage of each subcomponent (including maps where appropriate), (ii) major (technical) project components (including specifications where appropriate), and (iii) project alignment to city/regional objectives and/or development plans.
 - Capacity Development and Institutional strengthening. This section summarizes the capacity development and institutional improvement road map.
- C. Special Features.** This section highlights innovations introduced or used in the PPS, specifically those related to financing, infrastructure technology, institutional arrangements and capacity development.
- D. Project Investment Plan.** Breakdown of project investment cost estimates (both capital and operational expenditure). This should include contingencies, taxes and duties.
- E. Financing plan.** Details on how the project is to be financed. This may be a combination of local / national government grant or debt funding, concessional or commercial debt financing and equity. All assumptions on taxes and duties, land acquisition and resettlement, social programs and detailed design must be clearly laid out in this section.

Where PPP arrangements are being considered, it is important to clearly present the respective responsibilities of both the public and private sector partners (i.e. project funding, project operations, risk allocation, etc.) as well as the reasoning for the selected PPP option to have been chosen.

- F. Implementation Arrangements.** Details of project ownership (project management, steering committee, executing agency, project management office and project implementation office), timeline of project implementation and further studies (the PPS project team will be expected to indicate the need and reasons for further studies, if required. Such studies may, for example, be needed to address an important gap or barrier that is presently hindering project development).

IV. PROJECT BENEFITS, IMPACTS, ASSUMPTIONS AND RISKS

A. Major Benefits and Impacts

- **Institutional and Policy.** How the project builds strong local governance in managing urban basic services (financial management, capacity development and policy making).
- **Social.** This section highlights intended primary beneficiaries and summarizes how the project is linked to urban poverty reduction and social and gender specific opportunities and synergies.
- **Municipal & Project Financial Analysis & Project Sustainability.** Several elements:
 - Municipal fiscal analysis: analysis of revenues (both recurrent internally generated and other revenue sources such as funds from irregular sources that can vary significantly from year to year), expenses (recurrent expenditure, other expenditure and capital development expenditure), debt position and status, and any other material matters that impact upon the municipality's ability to finance and support the proposed investment.
 - Project financial analysis: cash flow, net present value, financial internal rate of return and sensitivity analysis (detailed analysis presented in Appendix IX) to ascertain the financial viability of the project.
 - Project sustainability: summary evaluation as to whether and how to ensure the financial sustainability of the project.
- **Economic Analysis.** Summary of the assessment of the overall costs and benefits of the project(s) (detailed analysis presented in Appendix X). Summary of the EIRR analysis, wherein the social and economic benefits of the investment(s) are assessed together with the financial analysis. Yardsticks used and underlying assumptions should be clearly presented and justified
- **Environmental Safeguards:** Summary of Environmental due diligence report (detailed analysis presented in Appendix XI) which includes environmental impact, climate sensitivity and urban resilience.
- **Social Safeguards:** Summary of the social due diligence report (land acquisition and resettlement – detailed analysis presented in Appendix XII)

B. Major Risks and Mitigation Measures

- **Risks:** Risks that may impede or slow project implementation, this includes, but is not limited to: lack of (i) city commitment, (ii) capacity to implement the project, (iii) cost escalation and (iv) viability gap funding.
- **Mitigation Measures:** Actions and activities to be done in advance to pre-empt foreseen impediments and bottlenecks to project implementation.

APPENDICES (40 PAGES)

1. Design and Monitoring Framework

A 5-page maximum framework following ADB's Guideline for preparing a Design and Monitoring Framework. (Refer to: <https://www.adb.org/documents/guidelines-preparing-design-and-monitoring-framework>)

2. Urban Sector Analysis

A 4 page maximum overview of the current level of urban infrastructure services in the city (in contrast to the national context), city financing on the operation and maintenance of urban infrastructure services and issues and challenges related to urban infrastructure development that hamper the city's economic development.

3. Urban Resilience Assessment

Assessments on urban infrastructure that identifies and prioritizes fragile systems that face the greatest threats from climate change. This section enumerates required resilience building interventions for the project.

4. Project Preparation

This section details recommendations and analysis to improve the urban situation. Description of alternative technical options and design, and social, environmental, and institutional aspects. A detailed project description/profile is included in the supplementary appendices.

5. Detailed Cost Estimates and Financing Plan

A table summarizing project capital, operation & maintenance cost costs (US\$) broken down by major category, and perceived financing from local/national and international funding agencies.

6. Implementation Arrangements

A figure showing the relationships of each project stakeholder along with project implementation and management responsibilities. While this is the responsibility of city authorities and relevant government agencies, the PPS team must communicate the required process to relevant agencies and assist where possible.

7. Implementation Plan

Details of the project implementation schedule.

8. Institutional Development and Capacity Building

Details of the needs assessment and the Institutional and Capacity Development Roadmap

9. Financial Analysis

Multiple elements including:

- Preliminary estimates and summary of project costs of identified and prioritized projects (and associated project components) based on input from Appendix V).
- Identification of direct and indirect project revenues including proposed tariffs / charges and demand estimates.
- Review the city's current investment situation to derive a financial envelope to finance the identified and recommended investment project(s).
- Financial analysis of the project(s) (including FIIR) and produce financial statements / projections to help evaluate the financial viability of the project(s).
- (Refer to ADB guidelines on financial analysis for guidance <http://www.adb.org/documents/financial-management-and-analysis>).

10. Economic Analysis

This will assess the overall costs and benefits of the project(s). An EIRR analysis is to be prepared in which the social and economic benefits of the investment(s) are assessed together with the financial analysis. Yardsticks used and underlying assumptions should be clearly presented and justified. (See ADB guidelines on economic analysis for guidance projects & <http://www.adb.org/documents/guidelines-economic-analysis-projects>.)

11. Environmental Safeguards

- **Environmental Impact:** Assessment of environmental and climate links to the project and how the proposed investment may help / hinder in this regard. Identify potential mitigation measures, their estimated cost and expected impact. Refer to ADB checklists on environmental and climate assessments as a guide <http://www.adb.org/documents/adb-environmental-assessment-guidelines>).
- **Climate Sensitivity Screening:** Examine and assess how climate change affects or can affect existing and proposed infrastructure, and put forward mitigating solutions.

12. Poverty, Gender and Social Impacts

Assessment of how the project is linked to urban poverty reduction and social and gender specific opportunities and synergies plus an assessment of any resettlement requirements. Elaborate potential mitigation measures and safeguards (including gender specific, indigenous peoples and resettled people protection and representation). (Refer to CDIA Checklist for Inclusive Urban Infrastructure Investments: <http://cdia.asia/resources/downloads> and ADB Guidance Note on poverty and social assessments: <http://www.adb.org/documents/guidance-note-poverty-and-social-dimensions-urban-projects>).

SUPPLEMENTARY APPENDICES

This material should not be directly relevant to the findings of the Report but rather provide reference and supporting evidence. Examples include:

- Additional Maps
- Technical Designs
- Detailed Financial and Economic Analyses
- Detailed Project Cost Estimates
- Initial Development Impact Assessment
- Reference Material (e.g. case studies, other project references, etc.)