



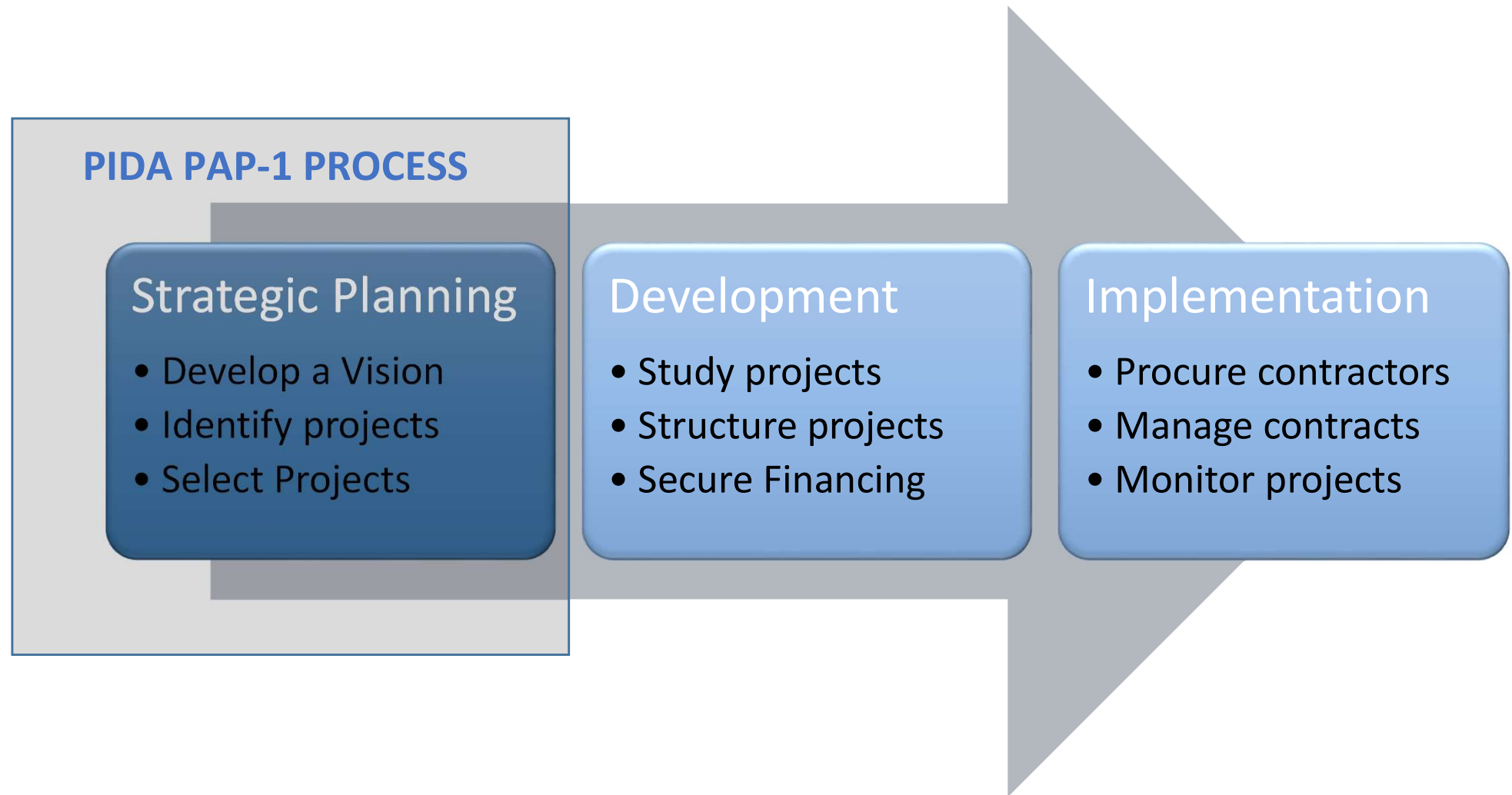
The PIDA Quality Label: Certifying Excellence in Project Preparation

PIDA Week Plenary Sessions

November 27th, 2019



The Infrastructure Project Cycle



The absence of solid early-stage project preparation has been recognized as one of the key bottlenecks for PIDA's implementation

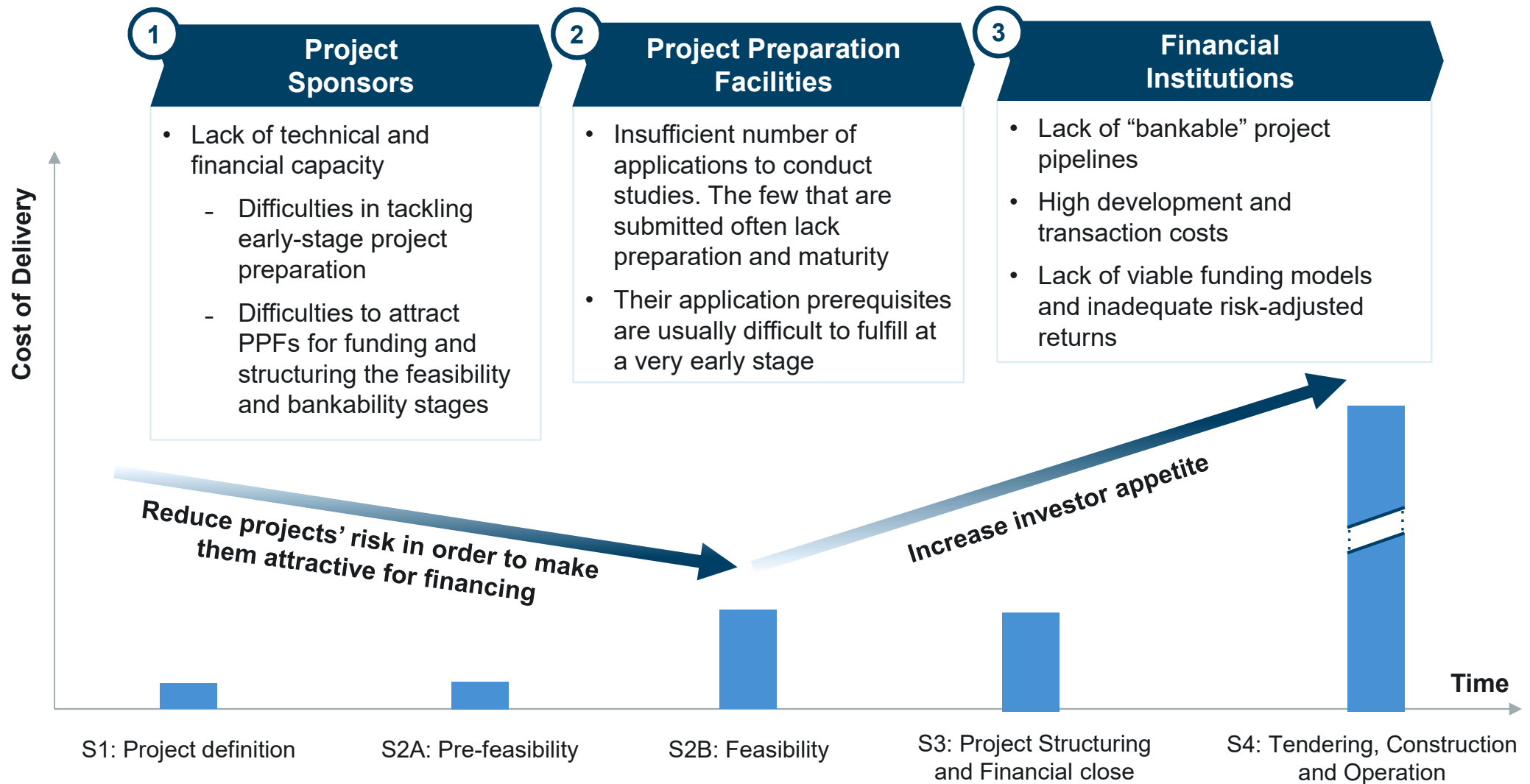
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The current situation when seeking financing for early-stage cross-border projects



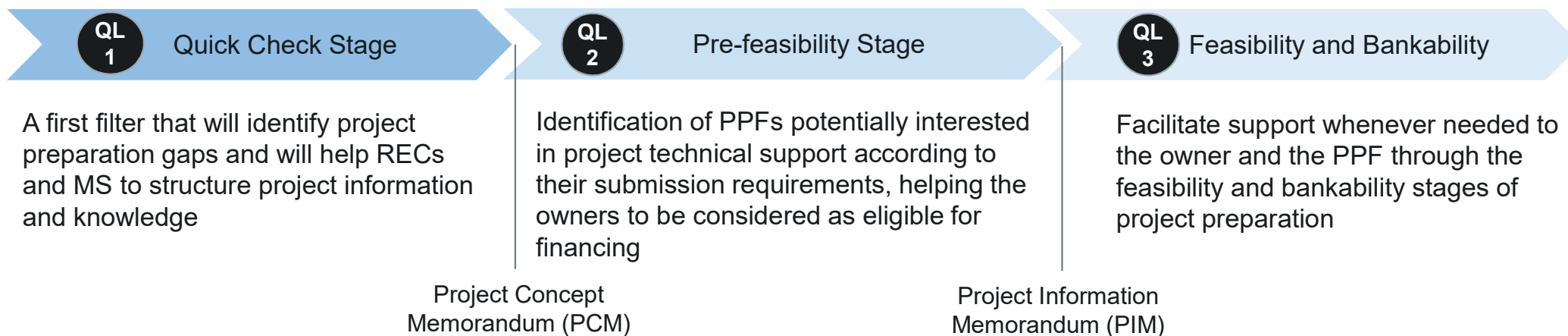
Outlook to secure faster finance on technical studies due to improved project structure

The PIDA Quality Label is a quality recognition by the SDM awarded to projects that excel in the preparation of PIDA projects at an early stage

Objectives

- To **shorten** the period needed by PIDA projects to reach the feasibility and bankability stages
- To **identify** project preparation gaps, in terms of information, justification, coordination or political support and to help project owners to access Project Preparation Funds (PPF) funding
- To **certify** excellence in project preparation with a label recognized by relevant PIDA stakeholders

Stages



Bridging the existing maturity gap between project proposals and PPF requirements will boost the number and quality of project applications for further preparation




Contents

Introduction to PIDA Quality Label

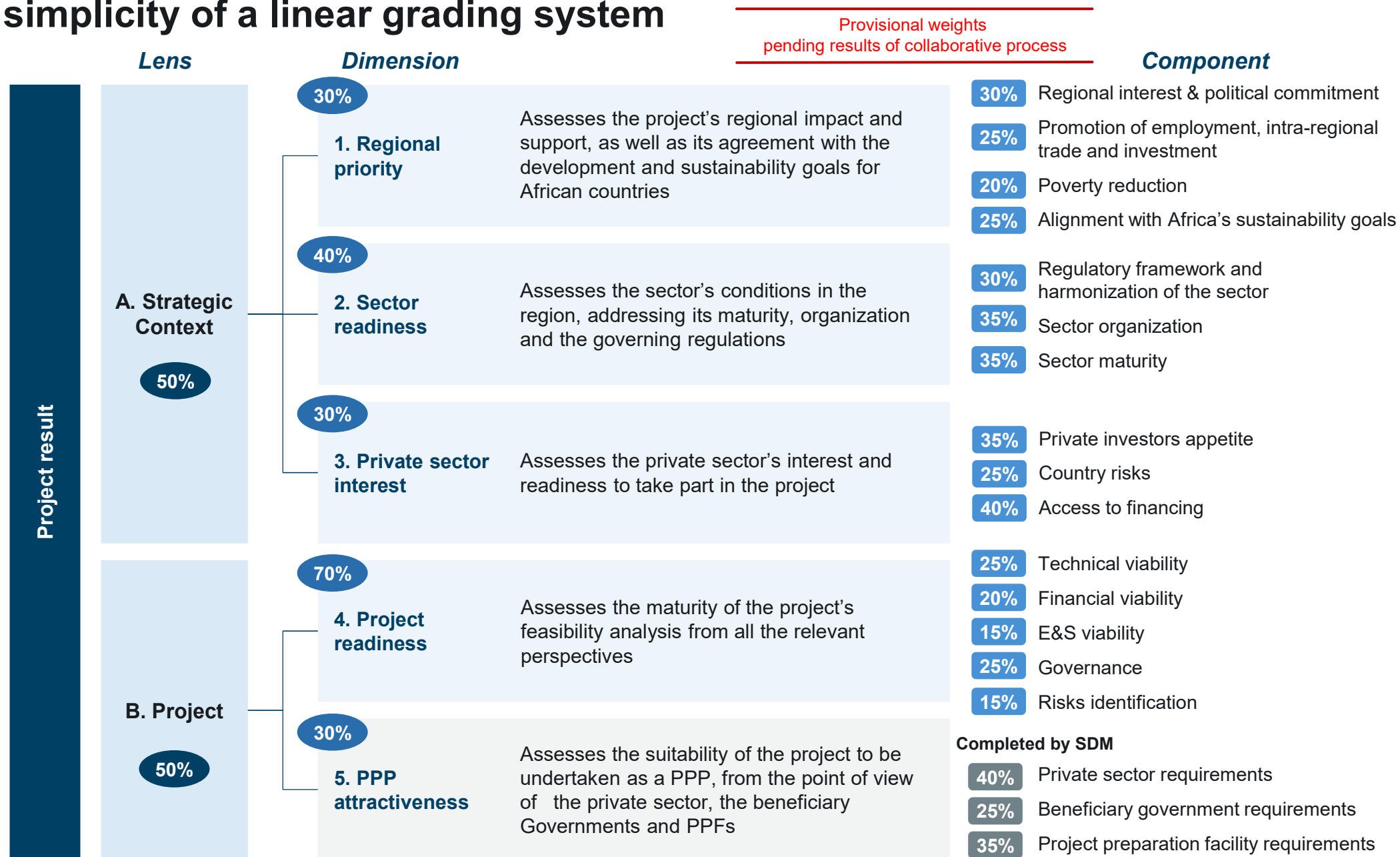
The Quick Check Methodology: structuring project information and knowledge

Open discussion

Proposed Quick Check Methodology (QCM) steps

	Eligibility		Appraisal
	 <p>QL 1a</p> <p>Entry</p>	 <p>QL 1b</p> <p>Screening</p>	 <p>QL 1c</p> <p>Evaluation</p>
Purpose	<ul style="list-style-type: none"> • Check compliance with basic eligibility criteria and information requirements • Help applicants to gather and structure information in a systematic manner 	<ul style="list-style-type: none"> • Identify missing project justification elements and reject unsuitable projects • Check that the project complies with minimum requirements in key variables 	<ul style="list-style-type: none"> • Assess the project's early stage weaknesses and strengths • Evaluate projects according to different variables (region, sector...) • Lay out a roadmap for projects to secure successful access to PPF
Key steps	<ul style="list-style-type: none"> • Application submission and review • Decision communication 	<ul style="list-style-type: none"> • Transfer input data from Project Data Sheet (PDS) to SDM's analytical tool • Verify that score threshold for relevant dimensions is achieved • Communicate refusal or go-ahead 	<ul style="list-style-type: none"> • Issue a draft Project Concept Memorandum (PCM) for committee assessment • Evaluate and compare projects • Issue committee recommendations
Input / Output	<ul style="list-style-type: none"> • Input: QL1a form and Project Data Sheet (PDS) • Output: Entry/No entry 	<ul style="list-style-type: none"> • Input: Project Data Sheet (PDS) • Output: Eligibility / Non-eligibility to appraisal phase 	<ul style="list-style-type: none"> • Input: SDM Early-stage Project Preparation Toolkit • Output: PCM and next steps recommendations from the committee
Timeline	5 days		1 month

Management of the complexity of the cross-border projects through the simplicity of a linear grading system



The state of maturity of the project is evaluated by the information submitted by the project owner through the Project Data Sheet (PDS)

Project Data Sheet (PDS)



PIDA SERVICE DELIVERY MECHANISM (SDM) APPENDIX TO APPLICATION FORM: PROJECT DATA SHEET (PDS)

A. APPLICANT INFORMATION

Project Name:		
Organization:		
Address:		
Contact Person:	Position:	
Telephone:	Fax:	Email:

B. INSTRUCTIONS

Applicants must fill in the PDS and submit it, along with the application form, to make the project eligible for further analysis.

The completion of the PDS is structured into four chapters, for which several questions must be answered through selecting from multiple-choice answers. Some answers require complementary evidence, as indicated in their description.

- Documentary evidence indicates that the applicant must attach to the PDS official or third-party documents that supports the selected answer.
- Written evidence indicates that the applicant must fill the selected answer.
- If evidence is not provided where required, SDM will downgrade the project score or reject the application.

C.2 Promotion of intra-regional trade and investment		
Definition: The development of international infrastructure in terms of air, road and rail networks, telecommunication, energy and water, will ease and promote intra-regional trade and investment at regional level.		
<i>Please check one option below, and indicate if evidence is provided.</i>		
	Selected option	Evidence
• The project description does not address improvements in economic output, trade or connectivity at a regional level.	<input type="checkbox"/>	
• The project description addresses improvements in economic output, trade or connectivity between two countries.	<input type="checkbox"/>	
• The project description addresses improvements in economic output, trade or connectivity between two countries, including a landlocked one.	<input type="checkbox"/>	
• The project description addresses improvements in economic output, trade or connectivity between two or more countries according to a socio-economic impact study. <i>(Please, attach documentary evidence)</i> .	<input type="checkbox"/>	<input type="checkbox"/>
• The project description addresses improvements in economic output, trade or connectivity between two or more countries, including a landlocked one, according to a socio-economic impact study. <i>(Please, attach documentary evidence)</i> .	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please, write down the number and title of the attachments providing documentary evidence:</i>		

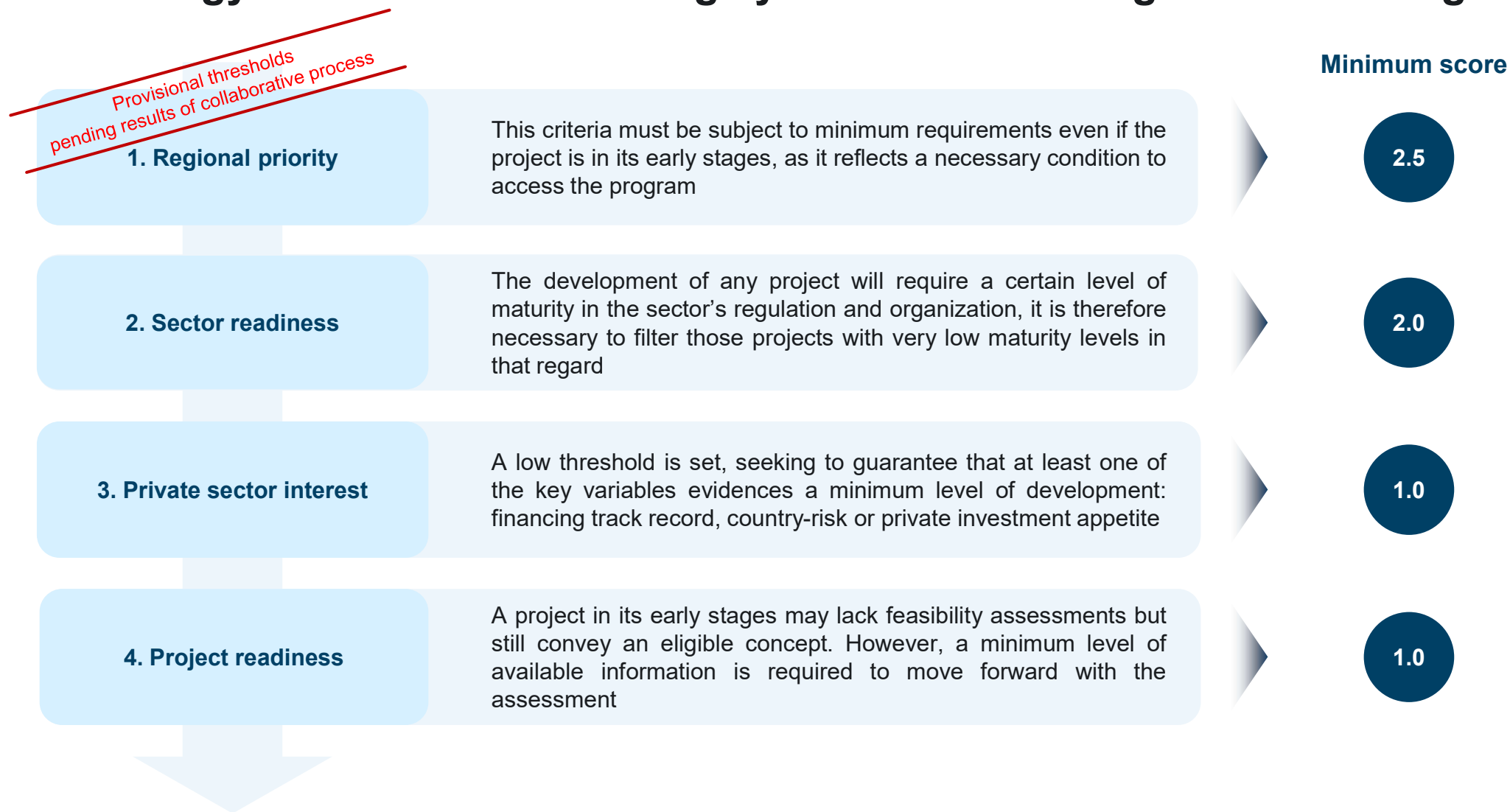
- The PDS, to be filled by the applicant aims to collect project information, allowing the SDM to screen and evaluate candidate projects
 - It is structured through 4 dimensions (regional priority, sector readiness, private sector interest and project readiness) and 15 components
 - The applicant must answer the questions, providing supporting documentary evidence or written elaboration when required
- The PDS will allow SDM to carry out a quick analysis of the project's maturity
 - Projects that are not mature enough will be rejected
 - If considered eligible, the information contained in the PDS will feed the evaluation methodology
- The chosen approach allows measuring data quality and transfers the burden of the project concept structuring to the applicant
 - The preparation will help the applicant in structuring information and knowledge while reflecting on the project's feasibility and maturity
 - The evaluation will take into account the quality of data and the provision of supporting evidence

Regional priority evaluation component (example)

Provisional weights pending results of collaborative process

Component	Score	Description
1.1 Level of regional Interest and political commitment 30%	0	The project enjoys political commitment at national level, but there is no evidence of its regional impact
	2.5	The project is included in the PIDA PAP programme, but there is no evidence of national-level commitment
	5	The project is included in the PIDA PAP programme, and there is a national-level commitment
	7.5	The project has evidence of regional-level commitment, but is not included in the PIDA PAP programme
	10	The project enjoys regional-level commitment and it is included in the PIDA PAP programme
1.2 Promotion of employment, intra-regional trade and investment 25%	0	The project description does not address improvements in economic output, trade or connectivity at a regional level
	2.5	The project description addresses improvements in economic output, trade or connectivity between two countries
	5	The project description addresses improvements in economic output, trade or connectivity between two countries, including a landlocked one
	7.5	The project description addresses employment creation, and improvements in economic output, trade or connectivity between two or more countries according to a socio-economic impact study
	10	The project description addresses employment creation, and improvements in economic output, trade or connectivity between two or more countries, including a landlocked one, according to a socio-economic impact study

Eligibility thresholds are set against dimension scores, an agile methodology uses the same scoring system for screening and evaluating



The score requirement for the Project Readiness dimension will allow filtering those projects with an insufficient level of information structuring and quality of data

The SDM Early-Stage Project Preparation Toolkit, available for a non-sectorial expert official to make appraisal process as efficient as possible

The Toolkit is an excel tool with four different tabs tabs:

Input

An SDM official fills out the multiple choice answers for each project and introduces the data in the tool

Dimension 5: PPP attractiveness (to be completed by the SDM)

CRITERIA 16	Private sector requirements	Answer 1	Answer 2	Answer 3
Definition: 10 issues will be binary checked (Yes/No) Quality of available data, political support, political stability, clear/legal / regulatory structure, tariff/fee setting mechanism, sector PPP track record in the region, acceptable risk allocation, project size and readiness to be implemented within a targeted period, fair profit soundness, bankability soundness				
Answer 1	2 or less positive favourable responses			
Answer 2	3 or 4 favourable responses			
Answer 3	5 or 6 favourable responses			
Answer 4	7 or 8 favourable responses			
Answer 5	9 or 10 favourable responses			

CRITERIA 17	Beneficiary Government requirements	Answer 1	Answer 2	Answer 3
Definition: 9 issues will be binary checked (Yes/No) Leveraging funding, accelerating project implementation, technological know-how/upgrade, improving service levels, improving service coverage, efficiency gains, ease of implementation, knowledge transfer, creation of employment				
Answer 1	3 or less positive favourable responses			
Answer 2	4 or 5 favourable responses			
Answer 3	6 or 7 favourable responses			
Answer 4	8 favourable responses			
Answer 5	9 favourable responses			

Database

Inputs are automatically stored in a separate tab with all previous project scores

Project ID	Region	Country	Project Name	Project Type	Project Status	Project Size	Project Complexity	Project Risk	Project Impact	Project Score	Project Rating
SDP12401	North Africa	Tunisia	Maritime Ports	1	Complete	1	1	1	1	1	1
SDP12402	North Africa	Tunisia	Maritime Ports	2	Complete	2	2	2	2	2	2
SDP12403	North Africa	Tunisia	Maritime Ports	3	Complete	3	3	3	3	3	3
SDP12404	North Africa	Tunisia	Maritime Ports	4	Complete	4	4	4	4	4	4
SDP12405	North Africa	Tunisia	Maritime Ports	5	Complete	5	5	5	5	5	5
SDP12406	North Africa	Tunisia	Maritime Ports	6	Complete	6	6	6	6	6	6
SDP12407	North Africa	Tunisia	Maritime Ports	7	Complete	7	7	7	7	7	7
SDP12408	North Africa	Tunisia	Maritime Ports	8	Complete	8	8	8	8	8	8
SDP12409	North Africa	Tunisia	Maritime Ports	9	Complete	9	9	9	9	9	9
SDP12410	North Africa	Tunisia	Maritime Ports	10	Complete	10	10	10	10	10	10
SDP12411	North Africa	Tunisia	Maritime Ports	11	Complete	11	11	11	11	11	11
SDP12412	North Africa	Tunisia	Maritime Ports	12	Complete	12	12	12	12	12	12
SDP12413	North Africa	Tunisia	Maritime Ports	13	Complete	13	13	13	13	13	13
SDP12414	North Africa	Tunisia	Maritime Ports	14	Complete	14	14	14	14	14	14
SDP12415	North Africa	Tunisia	Maritime Ports	15	Complete	15	15	15	15	15	15
SDP12416	North Africa	Tunisia	Maritime Ports	16	Complete	16	16	16	16	16	16
SDP12417	North Africa	Tunisia	Maritime Ports	17	Complete	17	17	17	17	17	17
SDP12418	North Africa	Tunisia	Maritime Ports	18	Complete	18	18	18	18	18	18
SDP12419	North Africa	Tunisia	Maritime Ports	19	Complete	19	19	19	19	19	19
SDP12420	North Africa	Tunisia	Maritime Ports	20	Complete	20	20	20	20	20	20
SDP12421	North Africa	Tunisia	Maritime Ports	21	Complete	21	21	21	21	21	21
SDP12422	North Africa	Tunisia	Maritime Ports	22	Complete	22	22	22	22	22	22
SDP12423	North Africa	Tunisia	Maritime Ports	23	Complete	23	23	23	23	23	23
SDP12424	North Africa	Tunisia	Maritime Ports	24	Complete	24	24	24	24	24	24
SDP12425	North Africa	Tunisia	Maritime Ports	25	Complete	25	25	25	25	25	25
SDP12426	North Africa	Tunisia	Maritime Ports	26	Complete	26	26	26	26	26	26
SDP12427	North Africa	Tunisia	Maritime Ports	27	Complete	27	27	27	27	27	27
SDP12428	North Africa	Tunisia	Maritime Ports	28	Complete	28	28	28	28	28	28
SDP12429	North Africa	Tunisia	Maritime Ports	29	Complete	29	29	29	29	29	29
SDP12430	North Africa	Tunisia	Maritime Ports	30	Complete	30	30	30	30	30	30
SDP12431	North Africa	Tunisia	Maritime Ports	31	Complete	31	31	31	31	31	31
SDP12432	North Africa	Tunisia	Maritime Ports	32	Complete	32	32	32	32	32	32
SDP12433	North Africa	Tunisia	Maritime Ports	33	Complete	33	33	33	33	33	33
SDP12434	North Africa	Tunisia	Maritime Ports	34	Complete	34	34	34	34	34	34
SDP12435	North Africa	Tunisia	Maritime Ports	35	Complete	35	35	35	35	35	35
SDP12436	North Africa	Tunisia	Maritime Ports	36	Complete	36	36	36	36	36	36
SDP12437	North Africa	Tunisia	Maritime Ports	37	Complete	37	37	37	37	37	37
SDP12438	North Africa	Tunisia	Maritime Ports	38	Complete	38	38	38	38	38	38
SDP12439	North Africa	Tunisia	Maritime Ports	39	Complete	39	39	39	39	39	39
SDP12440	North Africa	Tunisia	Maritime Ports	40	Complete	40	40	40	40	40	40
SDP12441	North Africa	Tunisia	Maritime Ports	41	Complete	41	41	41	41	41	41
SDP12442	North Africa	Tunisia	Maritime Ports	42	Complete	42	42	42	42	42	42
SDP12443	North Africa	Tunisia	Maritime Ports	43	Complete	43	43	43	43	43	43
SDP12444	North Africa	Tunisia	Maritime Ports	44	Complete	44	44	44	44	44	44
SDP12445	North Africa	Tunisia	Maritime Ports	45	Complete	45	45	45	45	45	45
SDP12446	North Africa	Tunisia	Maritime Ports	46	Complete	46	46	46	46	46	46
SDP12447	North Africa	Tunisia	Maritime Ports	47	Complete	47	47	47	47	47	47
SDP12448	North Africa	Tunisia	Maritime Ports	48	Complete	48	48	48	48	48	48
SDP12449	North Africa	Tunisia	Maritime Ports	49	Complete	49	49	49	49	49	49
SDP12450	North Africa	Tunisia	Maritime Ports	50	Complete	50	50	50	50	50	50

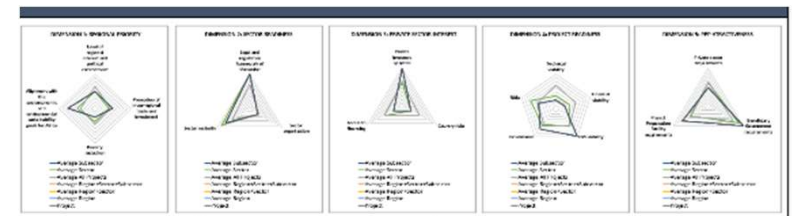
Project Score

Scores are displayed in tables, using filters to show specific project scores and average scores by region or sector

	Project Score	Average Region	Average Region*Sector	Average Region*Sector*Subsector	Average Sector	Average Subsector	Average All Projects
OVERALL	4.81	5.74	5.74	5.74	5.60	5.74	5.61
LEN1: Context Lens	2.73	5.68	5.68	5.68	5.55	5.68	5.13
Dimension 1: Regional priority	2.63	5.13	5.13	5.13	4.44	5.13	4.91
1.1. Level of regional interest and political commitment	2.50	5.00	5.00	5.00	5.00	5.00	6.43
1.2. Promotion of intra-regional trade and investment	2.50	5.00	5.00	5.00	3.75	5.00	4.29
1.3. Poverty reduction	0.00	2.50	2.50	2.50	2.50	2.50	4.64
1.4. Alignment with the socioeconomic and environmental sustainability goals for Africa	2.50	7.50	7.50	7.50	5.00	7.50	3.93
Dimension 2: Sector readiness	2.50	6.50	6.50	6.50	6.94	6.50	5.02
2.1. Legal and regulatory framework of the sector	2.50	10.00	10.00	10.00	10.00	10.00	7.14
2.2. Sector organization	2.50	2.50	2.50	2.50	2.50	2.50	2.86
2.3. Sector maturity	2.50	7.50	7.50	7.50	8.75	7.50	5.36
Dimension 3: Private sector interest	3.13	5.13	5.13	5.13	4.81	5.13	5.50

Dashboard

Scores are also displayed graphically, allowing an easy comparison between projects



The Toolkit will represent project strengths and weaknesses and will be useful to inform recommendations to project owners in order to advance project preparation

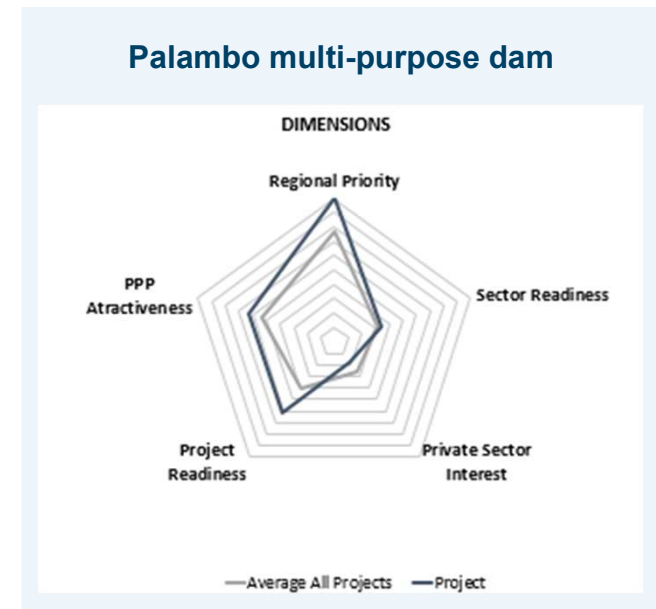
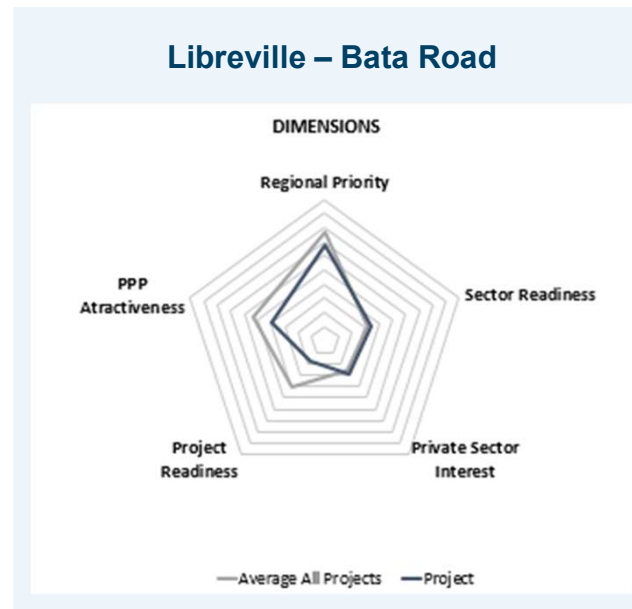
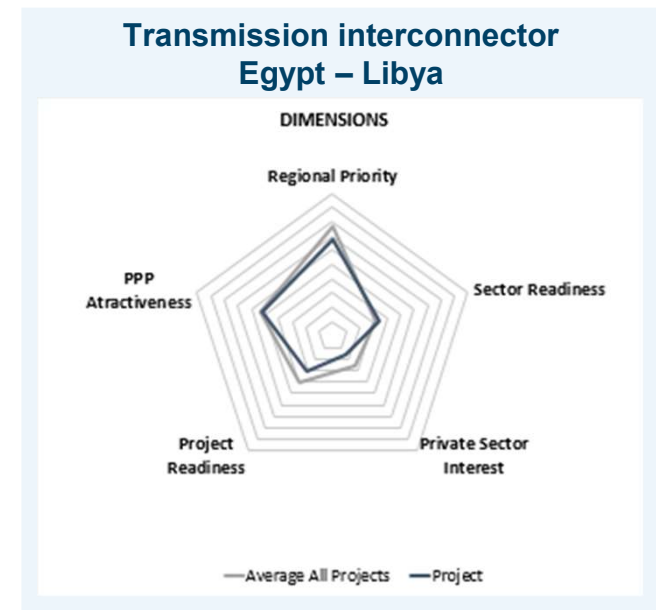
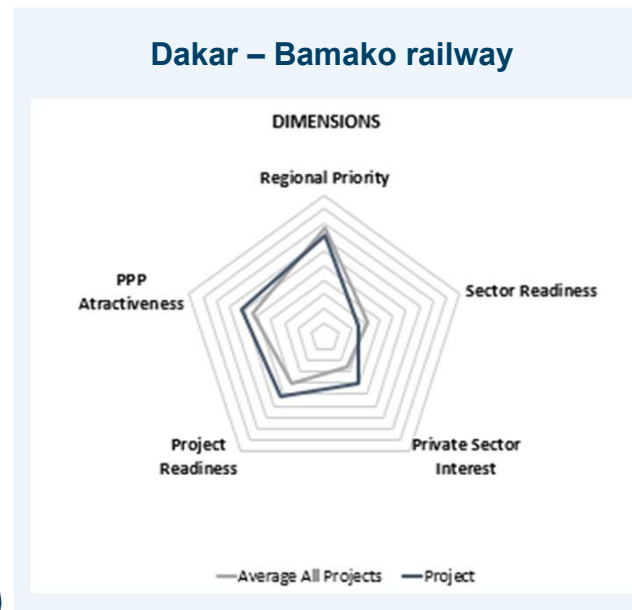
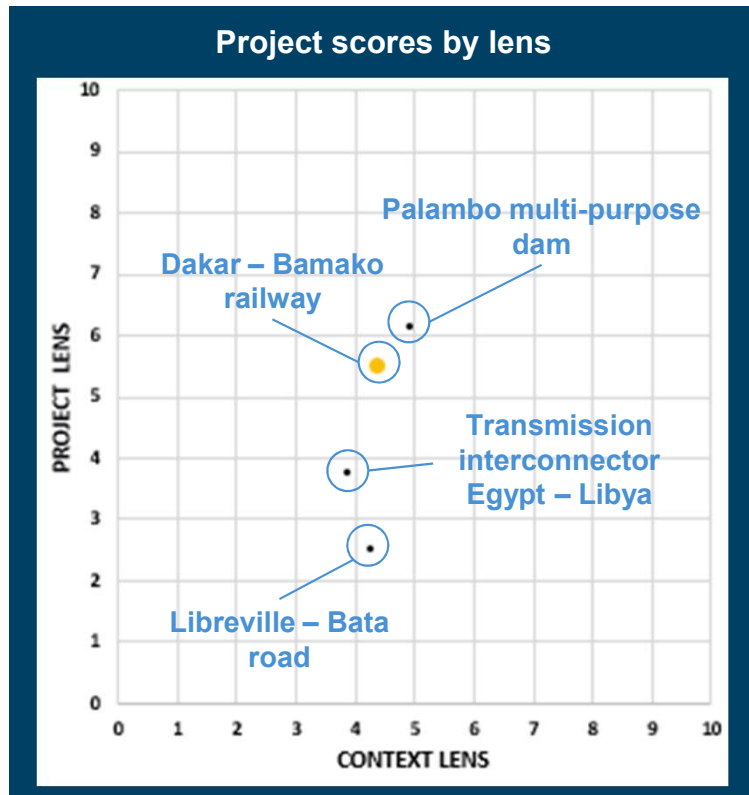
Illustrative application of the Quick Check Methodology

Scores only for illustrative purposes

		Dakar – Bamako Railway	Transmission interconnector Egypt – Libya	Libreville – Bata Road	Palambo multipurpose dam
Weights	Project score	4.9	3.8	3.4	5.5
50%	Strategic Context lens	4.3	3.9	4.2	4.9
30%	1. Regional priority	7.1	6.8	6.8	10.0
30%	1.1. Level of regional interest and political commitment	10	10	10	10
25%	1.2. Promotion of intra-regional trade and investment	5	7.5	7.5	10
20%	1.3. Poverty reduction	5	0	0	10
25%	1.4. Alignment with... sustainability goals	7.5	7.5	7.5	10
40%	2. Sector readiness	2.5	3.4	3.4	3.4
30%	2.1. Legal and regulatory framework of the sector	2.5	2.5	2.5	2.5
35%	2.2. Sector organization	2.5	5	2.5	5
35%	2.3. Sector maturity	2.5	2.5	5	2.5
30%	3. Private sector interest	4.0	1.6	2.9	1.9
35%	3.1. Private investors appetite	5	0	2.5	2.5
25%	3.2. Country risks	5	2.5	0	0
40%	3.3. Access to financing	2.5	2.5	5	2.5
50%	Project lens	5.5	3.8	2.5	6.2
70%	4. Project readiness	5.3	3.1	1.9	6.1
25%	4.1. Technical viability	2.5	2.5	5	10
20%	4.2. Financial viability	7.5	0	0	7.5
15%	4.3. E&S viability	5	0	0	5
25%	4.4. Governance	5	10	2.5	2.5
15%	4.5. Risks identification	7.5	0	0	5
30%	5. PPP attractiveness	6.1	5.3	4.0	6.3
40%	5.1. Private sector requirements	2.5	2.5	2.5	5
25%	5.2. Beneficiary Government requirements	10	10	5	10
35%	5.3. Project Preparation Facility requirements	7.5	5	5	5

Illustrative application of the Quick Check Methodology

Graphic results – copied and pasted from the QCM evaluation tool



The final output of the Quick Check Methodology is a Project Concept Memorandum (PCM)

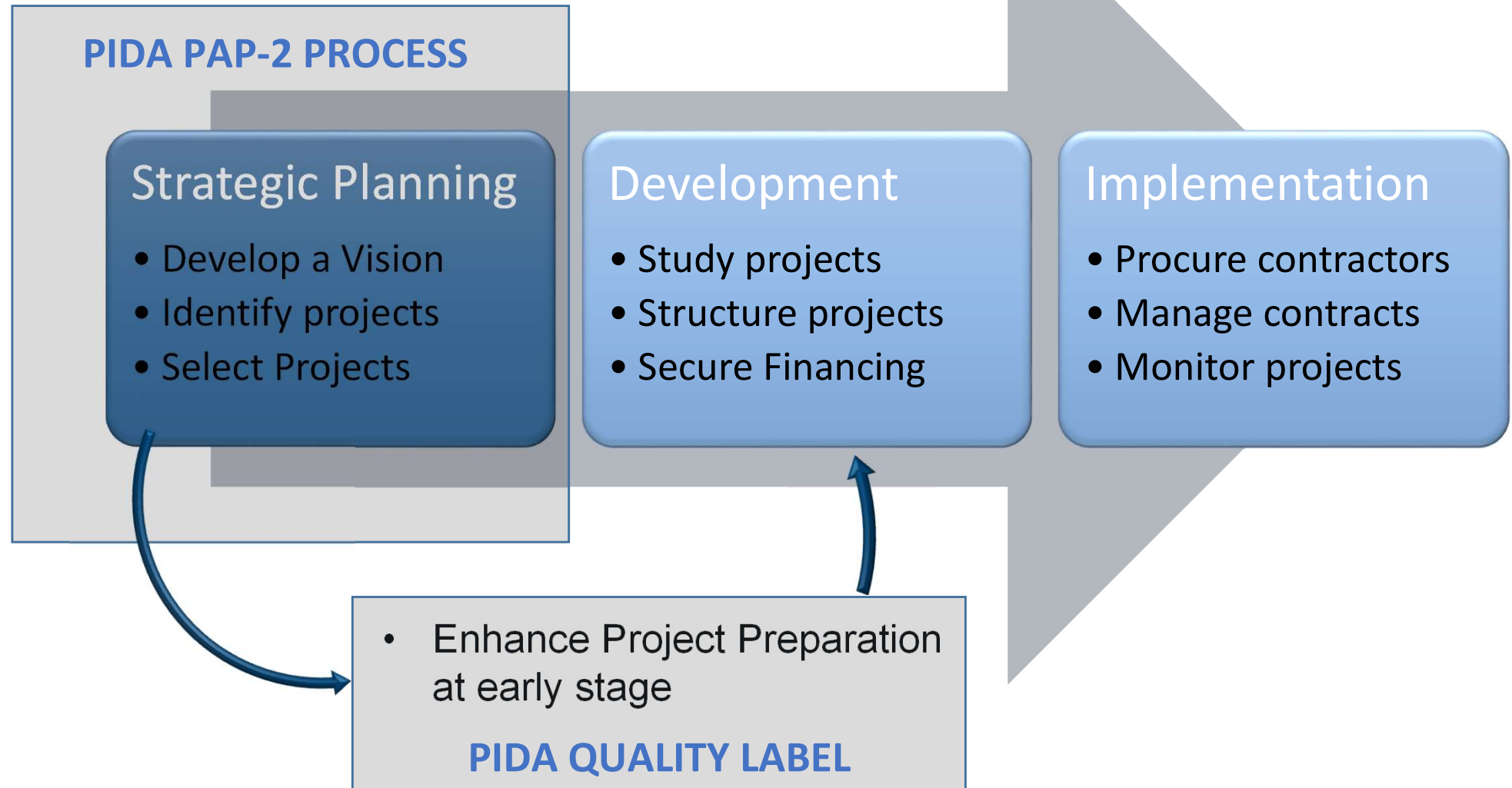
- The **inputs** for the drafting of the PCM will be:
 - Information collected through the PDS
 - Output from the QCM's evaluation
 - Information already available from the NEPAD
 - Recommendations validated by the corresponding Committee
- The PCM will indicate which aspects should be strengthen before carrying out economic and financial pre-feasibility, **pointing out gaps** in:
 - Available data
 - Project maturity
- A Committee with representatives from the AUDA – NEPAD will **validate** the document before it is sent to project owners

Project Concept Memorandum

- A. Project Description
 - A1. Development goals and specific objectives
 - A2. Description
 - A3. Project preparation status
 - A4. Key parties
 - A5. Regional impact and political support
- B. Sector
 - B1. Legal framework and organization
 - B2. Sector maturity
 - B3. Private investment interest
 - B4. Country risks and access to financing
- C. Project readiness
 - C1. Technical feasibility
 - C2. Financial viability
 - C3. E&S feasibility
 - C4. Governance
 - C5. Risks
- D. Project evaluation
 - D1. Strengths and weaknesses
 - D2. PPP attractiveness
 - D3. Appraisal of the project
- E. Recommendations and next steps
 - E1. Recommendations
 - E2. Suggested next steps

The PCM will be the entry gate to pre-feasibility stage, laying the groundwork for the start of high-level economic, financial, institutional, governance and risks analysis

PIDA PAP 2 Selection vs PQL



PQL does not rank projects, evaluates and helps sponsors to improve project structure and make them attractive for financing

Contents

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Open discussion



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