



**REVOLUTIONARY GOVERNMENT OF
ZANZIBAR**



THE OFFICE OF THE TREASURY REGISTRAR
President's Office Finance and Planning

**PROJECT APPRAISAL AND LOAN
REQUISITION PROCEDURES GUIDELINE
2023**

TABLE OF CONTENTS

FOREWORD	4
SECTION ONE	5
INTRODUCTION	5
1. Introduction	5
1.1. Vision	5
1.2. Mission	5
1.3. Scope	6
1.4. Statutory framework	6
1.5. Objective of the Guideline	6
SECTION TWO	8
PROJECT APPRAISAL	8
2.0 Project Life Cycle	8
2.1 Project identification	8
2.1.1 Institutional background	8
2.1.2. Problem statement	8
2.1.3. Project overview	9
2.1.3.1. Location and ownership of the project	9
2.1.3.2 Objectives and impact of the project	9
2.1.3.3 Technical overview	9
2.1.3.4 Options analysis and justification for the preferred option	9
2.1.3.5 Alignment to the National's priorities	10
2.1.4 Economic overview	10
2.1.4.1 Expected economic benefits	10
2.1.4.2 Expected market readiness (demand)	10
2.1.4.3 Expected source of raw materials.	10
2.1.5 Financial overview	10
2.1.5.1 Estimated project cost and projected revenue	10
2.1.5.2 Financing assumptions	11
2.1.6 Project management and administration	11
2.1.7 Risk identification and mitigation	11
2.1.8 Environmental and social overview	11
2.1.9 Project approval status	12
2.1.10 Budget for project preparation	12
2.1.11 Action plan	12
2.2 Project Development and Preparation	12

2.3 Project Appraisal	12
2.4 Project Financing.....	13
2.5 Project Implementation.....	14
2.5.1 Execute project schedule	14
2.5.2 Project Management and operation.....	14
2.5.3 Project Procurement	14
2.5.4 Project Construction.....	14
2.6 Project Monitoring and Evaluation.....	15
SECTION THREE	16
LOAN REQUISITION PROCEDURES	16
3.0 Loan Request Process and Review	16
3.1 Loans and other Facilities.....	16
3.2 Procedures for Loans Requests by Public Investment Entities.....	17
3.2.1 Documents Submission.	17
3.2.2 Analyzing Loan Requests	18
3.2.3 Loan Request Procedures	19

FOREWORD

For the purpose of enhancing effective management and oversight Public Investment Entities, the Office of Treasury Registrar has issued these guidelines that will be used by all Public Investment Entities and any Public Institution designated by the Minister responsible for finance under section 2(c) of the Office of Treasury Registrar and Public Asset Management Act No. 6 of 2021 to ensure that all projects proposed by the Public Investment Entities have the necessity to such Entity and also will have long time profit to the Public Investment Entities and to the country.

This guideline specifies a number of issues considered important in the Project Appraisal and Loan request procedures to the Public Investment Entities and any Public Institution designated by the Minister responsible for finance under section 2(c) of the Office of Treasury Registrar and Public Asset Management Act No. 6 of 2021 including project identification, project development and preparation, project appraisal, project financing, project monitoring and all requirements and procedures for loan request and analysis for Public Investment Entities who need to be financed by loan so as to analyze whether they qualify to be given such loan. These guidelines illustrate a working relationship between the Treasury Registrar, The President's Office Finance and Planning, Zanzibar Planning Commission and other stakeholders as key elements for oversight of projects proposed by Public Investment Entities for the purpose of ensuring that all the projects approved are beneficial to the entities and the country.

Thus, all Public Investment Entities and any Public Institution designated by the Minister responsible for finance under section 2(c) of the Office of Treasury Registrar and Public Asset Management Act No. 6 of 2021 shall be prepared to use these guidelines for establishing and maintaining an effective framework, under which the Public Investment Entities shall provide accurate information regarding Project Appraisal and Loan request procedures in accordance with existing Policy, Laws, Regulations and Circulars.



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Waheed Muhammad Ibrahim Sanya
Treasury Registrar

SECTION ONE

INTRODUCTION

1. Introduction

The Office of Treasury Registrar was established in 2021 under the Office of Treasury Registrar and Public Asset Management Act No. 6 of 2021 which repealed the Public Investment Act No. 4 of 2002.

The main objective of establishing the Office of Treasury Registrar is to manage Public Investments, Public Assets in Government Institutions and Organizations and companies in which the government hold shares or which are of public interest.

Section 6 and 9 of The Office of The Treasury Registrar and Public Asset Management Act Number 6 of 2021 provides for functions and roles of the Office of Treasury Registrar, whereby among others the Office of Treasury Registrar is mandated to undertake evaluation of the new projects submitted by the Public Investment Entities for the purpose of funding and also to regulate Public Investment on behalf the Government pursuant to the Act.

This guideline aims to set out procedures, best practices and principles to be followed by the Public Investment Entities in preparation of projects and loan application proposals while ensuring compliance with legal and regulatory requirements. Also, it provides guidance to the relevant authorities while reviewing projects and loan proposals.

1.1. Vision

“To be an effective tool for productive investment and management of public assets”.

1.2. Mission

Establishing policies, guidelines and management criteria to ensure that Public Investment Institution and Public Assets are productive at the best level.

1.3. Scope

The guideline shall apply to;

- a) Public Investment Entities (PIE's)
- b) Any public institution designated by the minister in accordance with section 2(c) (Applicability) of The Office of The Treasury Registrar and Public Asset Management No. 6 of 2021.

1.4. Statutory framework

Amongst the statutes governing Public Investment Entities in Zanzibar are:

- i) The Constitution of Zanzibar, 1984;
- ii) The Office of Treasury Registrar and Public Asset Management Act No. 6 of 2021;
- iii) The Public Finance Management Act No. 12 of 2016;
- iv) Public Procurement and Disposal of Assets Act No. 11 of 2016;
- v) The Public-Private Partnership Act No. 8 of 2015;
- vi) Public Procurement Regulations of 2020;
- vii) And any other relevant Legislation.

1.5. Objective of the Guideline

This guideline sets out procedures to be followed by the Public Investment Entities in preparations of projects and loan application proposals and provides guidance to the relevant authorities while reviewing projects and loans proposals. Specifically, the guideline is intended to achieve the following:

- i. Enhance compliance with The Public Finance Management Act No. 12 of 2016 by the Public Investment Entities.

- ii. Assist the Public Investment Entities to prepare viable and bankable projects.
- iii. Formalize procedures in project appraisal and Loans requests processes.
- iv. Enhance information flow among stakeholders (Ministries, Office of Treasury Registrar and Public Investment Entities).
- v. Assist Public Investment Entities to secure loans which are affordable and under favorable terms.
- vi. Serve as a tool to screen capacity of Public Investment Entities to repay requested loans.

SECTION TWO

PROJECT APPRAISAL

2.0 Project Life Cycle

The Project life cycle refers to the six-step process. The six standard steps of the project include: project identifications, project development and preparation, project appraisal, project financing, project implementation and Project Monitoring and Evaluation. The Project Life Cycle provides a framework for managing any type of project within Public Investment Entities.

2.1 Project identification

Project is defined as investment activities in which financial resources are extended to create capital assets that produce benefits over the extended period with financial & economic value as well as social impact.

Projects that are found to be viable are preceded by effective logical steps, namely idea generation, screening and selection. The output of the project identification stage is typically a written concept note, which will outline the strategies and business case that may require further decision. After preparation of the written concept note, the Public Investment Entities shall submit the concept note to the Office of Treasury Registrar for recommendation before being submitted to relevant authority for approval as provided under section 15 of the Office of Treasury Registrar and Public Asset Management Act No. 6 of 2021.

The written concept note shall at minimum include the following:

2.1.1 Institutional background

This will provide a brief overview of the Public Investment Entities, its mandate in relation to the project, and the legal and institutional framework supporting the project.

2.1.2. Problem statement

This will explain the problem/challenge that the Public Investment Entities need to solve, or a condition to be improved, or a potential opportunity to be captured.

It will describe the reasoned arguments and justifications as to why should the project be implemented. It will also explain why the Public Investment Entities came up with this project idea as the best approach to solve such problem/challenge. It will further explain the importance of the project to the Public Investment Entities and to the nation as well as the consequences of abandoning the project to the Public Investment Entities and nation.

2.1.3. Project overview

2.1.3.1. Location and ownership of the project

This part will provide a detailed description of the project location and information regarding the land size, its ownership, and current occupancy status whether vacant/occupied. This shall include the availability of supporting infrastructure facilities transport and communications, power, water, etc. (if needed)

2.1.3.2 Objectives and impact of the project

This will describe the objectives, expected benefits, outputs, outcomes and impacts of the project. The outputs should relate to the objective and should lead to solving the stated need, while the outcome and impact are the long-term goals of the project.

2.1.3.3 Technical overview

Public Investment Entities shall provide the preliminary information on proposed project capacity (technical specifications), technology to be used and any other implementation modality sought.

2.1.3.4 Options analysis and justification for the preferred option

Public Investment Entities shall provide information on different alternatives available in implementing the project and identify and recommend the most preferred option towards achieving the project objectives.

2.1.3.5 Alignment to the National's priorities

Public Investment Entities shall justify how the project connects to the priorities set by the Government, such as national plans (e.g. MKUZA), plans from ruling party manifesto as well as sector-specific policies and strategies, providing information and explanation of how the project fits and supports the achievement of Government objectives and policy as well as how the project contributes to positive impacts on livelihood.

2.1.4 Economic overview

2.1.4.1 Expected economic benefits

Public Investment Entities shall indicate the expected economic benefits to be generated from the project, such as employment opportunities created, improved social services, and government revenues such as dividends, contribution, taxes and levies.

2.1.4.2 Expected market readiness (demand)

Public Investment Entities shall provide information on markets and potential demand for the project. Briefly state the targeted users or beneficiaries of the project (estimated number and their characteristics/behavior). Describe any competitive advantages, future growth potential and the likelihood of obtaining support from the targeted market/users.

2.1.4.3 Expected source of raw materials.

Public Investment Entities shall provide information if the project requires raw materials and explain the expected sources of supplies, i.e. information on where and how the project will source its raw materials.

2.1.5 Financial overview

2.1.5.1 Estimated project cost and projected revenue

i) Cost:

Public Investment Entities shall provide the estimated total project cost (investment or capital, operational and maintenance cost of the project).

Highlight the available budget (i.e. Public Investment Entities contribution and any other funding available). Emphasize the funding gap or funding requirements (i.e. the total project cost minus available funding).

ii) Revenue:

Public Investment Entities should mention the expected sources of revenue and the likely total project revenues (the project's estimated future revenue or cash flow). Public Investment Entities shall include the key assumptions used to estimate the revenue, e.g. proposed user charges/fees.

2.1.5.2 Financing assumptions

Public Investment Entities should clearly specify the anticipated financing option or plan to cover the funding gap, e.g. Central government grants, Public Investment Entities' own-source revenue, joint venture and loan from financial institutions, donor funds or a combination of options.

2.1.6 Project management and administration

This shall describe the Public Investment Entities technical capacity for preparing and managing the project. Public Investment Entities should explain the plan for managing the project and the project management team, detailing the proposed monitoring and reporting modality.

2.1.7 Risk identification and mitigation

Public Investment Entities shall address risk management by identifying and listing initial key risks and challenges expected in this project, e.g. political, financial, environmental, and social risks of the project, also explaining the mitigation strategies that have been planned to mitigate these risks.

2.1.8 Environmental and social overview

Public Investment Entities shall briefly explain any expected environmental and social impacts and the plan to conduct Environmental Impacts Assessment (EIA) (if required).

2.1.9 Project approval status

Public Investment Entities shall explain the nature of approvals needed to implement the project and the status of these approvals, e.g. approvals that have already been secured by the Public Investment Entities and plans for obtaining the remaining ones that are not secured (if required).

2.1.10 Budget for project preparation

Public Investment Entities shall summarize the estimated total cost of preparing project documents and bringing the project to an investment-ready stage. Example costs include conducting a feasibility study, developing a business plan, processing land title deeds, etc.

2.1.11 Action plan

Public Investment Entities shall provide the full schedule of activities and the expected timeline during the whole time of the project.

2.2 Project Development and Preparation

The project development and preparation shall include conducting of **feasibility study** and **preparation of a business plan**. A feasibility study should at minimum contain the following **[ref. schedule 1]**. A business plan should at minimum contain the following **[ref. schedule 2]**. A feasibility study and business plan should be submitted to the Office of Treasury Registrar for recommendation before being submitted to a relevant authority for review and approval as provided in the Office of Treasury Registrar and Public Asset Management Act No. 6 of 2021.

2.3 Project Appraisal

Having received the project proposal from the Public Investment Entities, the appraiser will undertake appraisal analysis by counter checking the documents to ensure that the submission includes **Feasibility study report / business plan of the proposed project**. The Office of Treasury Registry shall commence a team/committee of seven members including a legal officer to be the project appraiser; four members from the office of treasury registrar and three experts

from various sectors to act as the appraisal committee of the project. The responsible team/committee has a special role of checking and assessing if all key features in the concept note and feasibility study/business plan are well captured and detailed as noted above. A responsible team/committee shall prepare a project analysis report and submit it to the office of treasury Registry for further steps if it's qualified; and if it's not qualified, the responsible team/committee shall return it to the specific public investments entities for their amendments before being submitted to the relevant authority for approval.

2.4 Project Financing

Projects can be financed through the following funding sources: Own Source, all funds approved by the house of representative in the annual budget estimates, grant approved by the governments, indemnity and capital contribution, Loans, Development Partners funds, Bonds or Combination of funding options and any other mechanism that is allowable by the law. Once project development stage is completed and a complete set of project documents are available and approved at appropriate levels of Public Investment Entities through a written resolution (Board resolution) and other levels (Responsible Ministry if applicable), the package shall be submitted to the Office of Treasury Registrar for recommendation and further procedures (to be submitted to the Revolutionary Council through the minister responsible for finance).

The Public Investment Entities seeking for finance other than from their own source may submit the investment package to prospective financial institutions or development Partners for consideration. If the project is approved for financing, the Public Investment Entities shall confirm financial commitments, clear any conditions precedent and negotiate and finalize the terms of the transaction (financial closure). The respective document providing the terms of financing shall be submitted together with the investment package to the Office of Treasury Registrar for recommendation and further procedures (to be submitted to the Revolutionary Council through the minister responsible for finance).

2.5 Project Implementation

Once approvals are obtained and financing is in place, the project plan has to be implemented. The following are the activities to be performed during project implementation,

2.5.1 Execute project schedule

Start execution of the project as per the action plan.

2.5.2 Project Management and operation

During this phase, the daily project administration is the primary responsibility of the Public Investment Entities for supervision and management of the project. Public Investment Entities shall set a contract management team based on the nature, complexity, objective of the project, available resources (human, technical and financial) and other motives so as to ensure the project is executed as per the action plan. The contract management team shall include a maximum of five (5) members as appointed by the Public Investment Entities that shall supervise and manage daily project operations.

2.5.3 Project Procurement

Depending on the project status, the implementation of infrastructure projects may entail the construction or renovation and purchasing of equipment/machinery or supplies. These are procurements of services, goods and works, which must be conducted in accordance with the basic principles set out in the Public Procurement and Disposal of Assets Act No. 11 of 2016, Public Procurement Regulations of 2020 and amendments if any. These purchases should be included in the annual procurement plan.

2.5.4 Project Construction

This deals with the delivery of different components of the infrastructure asset, installation of the plant and equipment, commissioning and launching. The Public Investment Entities supervise and monitor the performance of the contractors in terms of the quantity and quality of materials used in construction, the engagement of subcontractors, the deployment and safety of

the workforce, the deployment and installation of the plant and equipment, any deviations from the signed contract, and the delivery of the asset according to the budget, approved design, implementation schedule and other required specifications. Constant communication with contractors or equipment suppliers is important to minimize delays and potential claims.

2.6 Project Monitoring and Evaluation

The proposal should give a time table for project monitoring and periodical follow-up by the management of the contract management team of the Public Investment Entities and officers from the Office of Treasury Registrar in order to ensure that projects are executed as per plan and assumptions developed during appraisal stage. The process of project monitoring and follow-up involves a number of steps, immediately after financing has been approved:

- a) Ensure that legal documentation is complete, with all the terms and conditions put in place, and in a language that is clear;
- b) Ensure that funds are disbursed directly to suppliers of items (if applicable) intended for a project, unless otherwise stated, in order to avoid misuse of funds;
- c) Ensure that site visits are planned – at least once in a quarter, to enable identification of early warning signals of problems that are likely to happen.

For the purpose of ensuring better performance of the project, the Treasury Registrar shall commence a steering committee which shall include seven people including a legal officer and expert in accordance with project implemented for the purpose of monitoring the project. The steering committee shall monitor the project and submit the progress report of the project quarterly basis.

SECTION THREE

LOAN REQUISITION PROCEDURES

3.0 Loan Request Process and Review

Public Investment Entities need sufficient liquidity (funds) to discharge their responsibilities. However, due to financial challenges many of them have failed to fulfill their responsibilities effectively.

This situation has created additional funding requirements, one of them being loans issued by banks and non-banking financial institutions. In order to achieve this, the Public Finance Management Act No. 12 of 2016 and The Office of Treasury Registrar and Public Asset Management Act No. 6 of 2021 has allowed Public Investment Entities to borrow. In doing so the Public Investment Entities have been subjected to a set of procedures that need to be complied with, in order to effectively access loans from banks and non-banking financial institutions. According to The Office of Treasury Registrar and Public Asset Management Act No. 6 of 2021 and The Public Finance Management Act No. 12 of 2016, the Minister responsible for Finance is the one who has the authority to approve Loans, guarantees and Grants.

3.1 Loans and other Facilities

Loans and other facilities includes:

- a) *On Lending*: The Government borrows on behalf of the Public Investment Entities. The Public Investment Entities on the other hand is obliged to repay the Loan to the Government;
- b) *Loans from Banks and other Financial Institutions*: These include term loans, Letters of Credit, Overdraft Facilities, Bid Bonds and performance guarantees, bonds etc.
- c) *Government Guarantees*: These facilities arise out of the conditions put forth by the lender as a pre request for accessing the facility being requested. In these circumstances Public Investment Entities will be able

to secure loans from the lender only upon obtaining Government Guarantees.

3.2 Procedures for Loans Requests by Public Investment Entities

3.2.1 Documents Submission.

Upon submission of the loan request, the respective Public Investment Entities shall be required to submit the Business Plan/Feasibility Study/Project Proposal to the Office of Treasury Registrar. The Business Plan/Feasibility Study or Project Proposal shall include among others the following: -

- a. Purpose of the loan
- b. Financing structure
- c. Loan Collateral
- d. Repayment Schedule
- e. Project Implementation plan/schedule
- f. Market Analysis
- g. Projected Cash flow for specific project and general projected cash flows for respective Public Investment Entities for the entire project period; for a continuing project, performance report shall be submitted;
- h. Alternative Sources of Funds to service the loan apart from the project funds; other documents to be submitted alongside with the Business Plan should include the following:
 - i. Indicative Term Sheets from at least three banks identifying the loan amount expected to be borrowed, interest to be paid along with other loan costs and other charges such as Management Fee, penalties in case of loan default, proposed collateral with respective accounting values as per Audited Statement Account, Grace Period of the loan, Loan Tenure, proposed loan repayment Schedule, Mode of Payment,

Insurance and other necessary requirements identified as per letter of Offer;

- ii. Audited Financial Statements for the three consecutive years;
- iii. Internal approval (Board Resolution) indicating the approval loan amount and the collateral to be used (A Collateral should be clearly described);
- iv. Utilization and Outstanding Loan Status Report for the previous loan if any;
- v. Approved annual budget and Strategic Plan/ Public Investment Entities business plan;

3.2.2 Analysing Loan Requests

In analyzing Loans request by the Office of the Treasury Registrar the analyst / Officer reviewing the proposal should consider the following:

- i. The Loan request should be submitted alongside a Project write-up /Business Plan or activity to be implemented for the relevant Loan;
- ii. The Project or Business write up must be consistent with the core activities of the Organization.
- iii. The Project or Business must be in the Institutional Strategic Plan;
- iv. The relevant Project or Business should be included in the approved annual budget;
- v. The Public Investment Entities shall have a Project or Business Document prepared in line with the requirements of project appraisal in accordance with this guideline;
- vi. Approval by the Board of Directors (written board resolution);
- vii. Indicate cash flow and the manner in which the loan will be repaid
- viii. Demonstrate a project / business implementation plan
- ix. Term Sheet from three banks specifying the following;

- a. Loan amount expected to be borrowed
 - b. Interest to be paid along with other loan costs (loan management fees)
 - c. Collateral to be used in securing the relevant Loan if any, and the value reported at the latest valuation date;
 - d. Grace Period of loan requested
 - e. Loan tenure / repayment period of the relevant loan
 - f. Other terms of the relevant Bank
- x. Proof of the financial ability of the Public Investment Entities to service the loans. This can be substantiated by track records among others, cash flow and general financial performance.
- xi. Analyses Audited financial statements for the last three years xii.
- Analysis of the Utilization and Outstanding Loan Status Report for the previous Loan

3.2.3 Loan Request Procedures

- a. The Public Investment Entities shall submit the loan application request to the Office of Treasury Registrar in accordance to this guideline as provided under section 37(2) of the Treasury Registrar and Public Asset Management Act No. 6 of 2021.
- b. Upon receipt of the application, the Office of Treasury Registrar will analyze the information submitted.
- c. If further information is required, Office of Treasury Registrar will contact the Public Investment Entities as appropriate;
- d. After the analysis, if the application has met the criteria and conditions so required, the Office of Treasury Registrar shall recommend the Public Investment Entities to submit the loan application to the responsible minister attached with Treasury Registrar's analysis. Thereafter, the responsible Minister shall apply to the Minister responsible for Finance for authority to borrow money or issue

guarantee as required by section 58 (6) of Public Finance Management Act No. 12 of 2016 for approval.

APPENDIX

Schedule no 1: feasibility study checklist

S/N	Feasibility Components	Description
01	Legal	The project aligns with the national policies and priorities
		All project features are permitted by current laws and regulations, identified project partners or parties are legally empowered to occupy this position, and required agreement or contract with parties involved can be legally binding.
		There are no any legal obstacles to implement the project.
		The suitability and legality of the project site (ownership) has been confirmed.
		All requirements approval and permits have been identified
02	Demand and Market	The need is clearly defined and is significant enough to justify the undertaking of a project.
		Based on initial market sounding, there is justifiable demand of the product or service. This includes assessment of user ability and willingness to pay for the product/service,
		Based on the input study, raw materials/supplies are available, accessible and affordable
03	Technical	All technical aspects are well defined, attainable, realistic and measurable (proper specification)
		Location factor has been considered (e.g. supporting infrastructure)
		Technical model meets the identified needs or captures the opportunity
		Core competencies are easily available, reliable and cost effective
04	Economic	Impact to the community with the existence of the project (employment, taxes, dividends and government contribution)
		Linkage effect (multiplier effect)

		Community satisfaction
		Summary of underlying assumption used in the projections.
		Projected cost and revenues are accurately estimated based on reasonable assumptions.
05	Financial	Financial analysis showing that projected revenues can adequately cover the forecasted cost and ensure the financial sustainability of the projected or return for investor.
		Financing modality (source of fund/financer and capital structure)
		Sensitivity analysis to ascertain whether risk will jeopardize the financial sustainability of the project.
6	Environmental and social	The environmental impacts of the projects complied with the required environmental standards/laws or can be mitigated and approved by regulatory authority.
		All relevant stakeholders were engaged and solutions for individuals and groups that are impacted by the project have been provided and incorporated into the project structuring process.
		There is minimal chance of the local community blocking or obstructing project implementations.

Schedule No 2: preparation of a business plan

S/NO	B/PLAN COMPONENTS	DESCRIPTIONS.
1	Institutional background of the Public Investments Entities	<ul style="list-style-type: none"> • Give an overview of the Public Investments Entities including information like the history, governing structure, economic activities and industrial data related to proposed project (some of this information may be extracted from strategic plan if any). • Highlight Public Investments Entities primary roles/ functions in relation to the projects and support provided to user (how does the project rely on support from the Public Investments Entities services). • Provide any knowledge or experience that the Public Investments Entities has on a similar project. • This may insure only relevant information needed.
2	Executive summary/Statements of the problems	<p>This will explain the problem/challenge that the Public Investment Entities need to solve, or a condition to be improved, or a potential opportunity to be captured, clarifying the reasoned arguments and justifications as to why should the project be implemented as well as the importance of the project for individuals and the nation at whole.</p> <ul style="list-style-type: none"> • The problem statements or background of the projects to indicate the need of Public Investments Entities (not more than 3 paragraphs) • The project objectives, summarizing the solution or the opportunity (include what will happen, location, how the project will operate, project duration, number of beneficiaries and project managements) not more than 5 paragraph.

<p>3</p>	<p>Project descriptions and overview</p>	<p>This will explain about the original source of the problem and full details of the project which includes impacts, output and objectives. Under we may consider the following categories,</p> <ul style="list-style-type: none"> • Background of the project. Explain where the project idea came from (historical background), what led to the project? What is the need including sector information, current operation/status/ situation (the challenges or problem to be solved or an available opportunity to be tapped into); this may use existing data for an existing project. Provide information on the historical financial performance and use industry data for the new project. • Project objective and impacts: This will describe the expected benefits, objectives, outputs, outcomes and impacts of the project. The outputs should relate to the objective and should lead to solving the need while the outcome and impact are the long-term goals of the project. • Project ownership and location. This part will provide a detailed description of the project location and information regarding the land size, its ownership, and current occupancy status whether vacant/occupied. Explain if there is a need for land compensation, relocation/resettlement and Public Investment Entities plan to address this. This should include the availability of supporting infrastructure facilities transport and communications, power, water, etc. • Project technical overview. This shall provide the preliminary information on proposed project capacity (technical specifications), technology to be used and any other implementation modality sought
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<p>4</p>	<p>Economic information overview</p>	<p>Public Investment Entities shall indicate the expected economic benefits to be generated from the project, such as employment opportunities created, improved social services, government revenues. This section is derived from demand feasibility and social user assessments. This will provide information on demand and supply.</p> <p>Demand.</p> <ul style="list-style-type: none"> • Public Investment Entities shall provide information on markets and potential demand for the project. • Briefly state the targeted users or beneficiaries of the project (estimated number and their characteristics/behavior). • Describe any competitive advantages, future growth potential and the likelihood of obtaining support from the targeted market/users <p>Supplies/Inputs.</p> <ul style="list-style-type: none"> • Public Investment Entities shall provide information if the project requires raw materials and explain the expected sources of supplies, i.e. information on where and how will the project source its raw materials • Comments on special technical complexities or technological issues and the need to know special skills if any.
<p>5</p>	<p>Financing/ funding assumptions of the project.</p>	<p>Public Investment Entities should clearly specify the anticipated financing option or plan to cover the funding gap by showing the best option of use by them.</p> <ul style="list-style-type: none"> • Secure grants from the donor/ external loan. • Loan from commercial bank, showing all needed information for decision making. • Requested government’s fund/grand and guarantee. • Public Investment Entities contributions from own source

6	Financial projection for the period of the project.	<p>Provide the summary of the total of projected revenue and cost for the period.</p> <ul style="list-style-type: none"> • Capital or investments cost • Operating and maintenance cost • Estimated projected revenue • Financial statements for the period • Financial ratio and sensitivity analysis; financial statements above will show the project bankability justification by using the NPV, IRR, ROI.
7	Risk identification assessments and mitigation,	<ul style="list-style-type: none"> • Public Investment Entities shall address risk management by identifying and listing initial key risks and challenges expected in this project (e.g. political, financial, environmental and social risks of the project), explaining the mitigation strategies that have been planned to mitigate these risks.
8	Environmental and social factors.	<ul style="list-style-type: none"> • Public Investment Entities shall briefly explain any expected environmental and social impacts and the plan to conduct Environmental Impacts Assessment (EIA); this is by summarizing and attaching the report (if required).
9	Project implementation plan.	<ul style="list-style-type: none"> • Public Investment Entities shall provide the full schedule of activities and the expected timeline during the whole time of the project.

10	Budget for project preparation.	<ul style="list-style-type: none"> Public Investment Entities shall summarize the estimated total cost of preparing project documents and bringing the project to an investment-ready stage. Example costs include conducting a feasibility study, developing a business plan, processing land title deeds, etc.
11	Project managements and administration.	<ul style="list-style-type: none"> This shall describe the Public Investment Entities' technical capacity for preparing and managing the project. Public Investment Entities should explain the plan for managing the project and the project management team and show the proposed monitoring and reporting modality.