

Project¹ Concept Paper² Template

{Notes:

1. Please click on the **BEGIN** button on the toolbar before starting.
2. To make a new paragraph, press **Enter**, then hold down the **Ctrl** key while pushing the **Tab** key.
3. To mark a checkbox, double-click on it, choose **CHECKED** from the **Default Value** box, then click on **OK**.
4. Delete the instructions in red type.
5. The concept paper does not normally exceed 10 pages}

{Title}

{Title should normally be identical to the title listed in the lending table of a Regional or Country Operations Business Plan.}

Concept Paper

Date: {Date}

PART 1. GENERAL INFORMATION (modality, focus/classification, coverage and responsible parties)
{To mark a checkbox, double-click on it, choose CHECKED from the Default Value box, then click on OK .}
1. Modality of financial assistance {including ADF grant-financed activities, if applicable, as ADF grants are governed by the same policies and procedures that apply to ADF loans} <input type="checkbox"/> Project loan <input type="checkbox"/> Program loan <input type="checkbox"/> Sector loan <input type="checkbox"/> Sector development program loan <input type="checkbox"/> Multi-tranche Financing Facility <input type="checkbox"/> Credit lines to development finance institutions <input type="checkbox"/> ADF grant-financed <input type="checkbox"/> Other: {specify, e.g., loan-financed project preparatory, project implementation, or advisory activities; guarantees, etc.}
2. Assistance focus a. If assistance focuses on a particular sector or subsector, specify the Sector(s): {Insert sector name; if multisector, specify up to three sectors.} Subsector(s): {Insert subsector name; specify up to three subsectors.} b. Targeting classification {check one} <input type="checkbox"/> Targeted intervention <input type="checkbox"/> General intervention c. Key thematic area(s) {check more than one category, if applicable} Themes: <input type="checkbox"/> Sustainable economic growth <input type="checkbox"/> Inclusive social development <input type="checkbox"/> Governance <input type="checkbox"/> Gender and development <input type="checkbox"/> Environmental sustainability <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Private sector development <input type="checkbox"/> Capacity development Subtheme(s): {Specify up to three subthemes.} {Theme assignment should include at least one of three pillars (sustainable economic growth, social development, governance) of the poverty reduction strategy. For details, see Consolidated Staff Instructions on Project Classification dated 15 December 2004 in Compendium of Staff Instructions, ADB Portal}.

¹ In the context of this concept paper, the term “project” includes any financial assistance modality except technical assistance financed on a grant basis and grants provided from the Japan Fund for Poverty Reduction.

² This template is applicable to sovereign and sovereign-guaranteed projects. The project concept paper is normally prepared as early as possible in the process, but no later than completion of the project preparatory technical assistance (PPTA) or small-scale technical assistance (SSTA) or project preparatory note (PPN), when sufficient information, including information on key issues and risks, is deemed available for the operations vice-president to make an informed decision on the project proposal.

3. **Coverage** {click on appropriate box}
- Country {specify}
 - Regional {specify countries to be involved}

4. **Responsible division/department:** {Spelled out}

5. **Responsible officer(s):** {insert name(s)}

PART 2. PROJECT DESCRIPTION

I. PROJECT RATIONALE

{Provide a brief background on sector performance, problems and opportunities. Describe linkage to country/regional strategy and a sector roadmap. Such information should make it clear what problems or gaps a proposed project intends to address within the overall country/sector context.}

II. THE PROPOSED PROJECT

A. Impact

{Briefly describe the expected impact of a proposed project. This should be the same as specified in project's design and monitoring framework (DMF). The preliminary DMF should be attached to the concept paper as an appendix.}

B. Outcome

{Briefly describe the expected outcome of a proposed project. This should be the same as specified in project's DMF.}

C. Outputs

{Provide a concise description of the expected outputs, covering relevant quantitative and qualitative aspects, These should be the same as the outputs specified in project's DMF.}

D. Stakeholder Participation and Consultation

{Describe the nature/extent of consultations (interviews, workshops, group discussions, surveys, and/or questionnaires) and list the institutions in government and civil society, including nongovernment organizations, that have been substantively consulted about and/or have taken part in the project design.}

E. ADF Grant Component {if applicable}

{Describe the grant component, including the rationale and purpose for ADF grant financing. For more details, refer to ADF IX Grants Program: Staff Instructions dated 24 November 2004, available in the Compendium of Staff Instructions, ADB Portal.}

F. Special Features

{Any features that have been identified during project preparation that are unique or special to the project.}

G. Tentative Project Investment Plan

{Use the following text.} The project investment cost is estimated at \$, including taxes and duties of \$. The total cost includes physical and price contingencies, and interest and other charges during implementation.}

Table 1: Tentative Project Investment Plan
(\$ million)

Item	Amounts ^a
A. Base Cost^b	
1. Item A	0.00
2. Item B	0.00
3. Item C	0.00
... {include all relevant items}	0.00
Subtotal (A)	0.00
B. Contingencies^c	0.00
C. Financing Charges During Implementation^d	0.00
Total (A+B+C)	0.00

^a Includes taxes and duties of \$x.x.

^b In mid 200X prices.

^c Physical contingencies computed at x% for civil works; and x% for field research and development, training, surveys and studies. Price contingencies computed at x% on foreign exchange costs and x% on local currency costs; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^d {For an OCR loan;} Includes interest, commitment charges and front end fees. {At a borrower's request, ADB financing may include interest and other charges payable by the borrower to cofinanciers during the construction of the project.} Interest during construction has been computed at the five-year forward London interbank offered rate plus a spread of X.X%.

{For an ADF loan;} Includes interest charges.

Source{s}: {Please list table source/s here. Use Arial 9 pt. font.}

H. Tentative Financing Plan

{Indicate possible financing sources, amount of assistance, and financing arrangements. If cofinancing is involved, please specify if it is direct value-added or third-party cofinancing (see ADB. 2006. ADB's Financing Partnership Strategy, June. Manila).}

Table 2: Tentative Financing Plan
(\$ million)

Source	Total	%
Asian Development Bank	0.00	0.00
Other Cofinanciers ^a	0.00	0.00
Government	0.00	0.00
Total	0.00	100.00

^a {Please indicate the actual name of the cofinancier(s), if any.}

Source{s}: {Please list table source/s here. Use Arial 9 pt. font.}

I. Implementation Arrangements

1. Project Management

{Describe a proposed structure and arrangements for project implementation and management. In particular, specify an executing/implementing agency, whether a project management/implementation unit is envisaged, and other aspects relating to ensuring effective project implementation.}

2. Implementation Period

{Provide information on a proposed implementation schedule}

3. Procurement

All procurement to be financed under an ADB loan {if applicable add: and ADB-administered cofinancing}

will be carried out in accordance with ADB's *Guidelines on Procurement*. {Provide information on procurement methods to be used. Specify if advance contracting and retroactive financing will be considered.}

4. Consulting Services

Consultants to be engaged and financed under an ADB loan {if applicable add: and ADB-administered cofinancing} will be recruited in line with ADB's *Guidelines on the Use of Consultants*. {Specify for what purposes consulting services will be used. Specify if advance contracting and retroactive financing will be considered for consulting services.}

5. Project Performance Management System

{Should be based on DMF and provide more detailed description on base line, surveys, indicators, monitoring mechanisms, project reviews, ect. as needed during project implementation.}

6. Stakeholder Participation and Consultation during Implementation

{Describes the nature/extent of stakeholder participation and consultation during project implementation as a follow-up to stakeholder participation and consultation during project processing.}

III. TECHNICAL ASSISTANCE

{Describe technical assistance identified during project preparation to accompany the Project, if any.}

IV. PROJECT BENEFITS, IMPACTS, ASSUMPTIONS, AND RISKS

A. Project Economic and Financial Justification

{Specify estimates of the economic internal rate of return and financial internal rate of return.}

B. Social Aspects

{Indicate results of the initial social safeguard screening. Indicate if a social analysis has been, or need to be undertaken, and the likely social impact of the project. Specify if the project will entail involuntary resettlement impacts and/or impacts on indigenous peoples and if a draft resettlement and/or indigenous people's plan or their respective framework have been, or have to be prepared, by the executing agency, and the expected timing of completion of these plans or frameworks, if required. Specify any key social measures that have been, and/or need to be, undertaken, in particular in relation with indigenous people.}

C. Environmental Aspects

{Specify the environment category or likely environment category of the project and if an initial environmental examination or environmental impact assessment report and/or an environmental assessment and review framework or an environmental management system have been or have to be prepared by the executing agency, and the expected timing of completion of these reports, framework or system. Specify any key environmental measures that have been, or need to be undertaken.}

PART 3. KEY ISSUES AND PROJECT CATEGORIZATION

I. KEY ISSUES FOR MANAGEMENT ATTENTION

{This section provides an account of key issues that need to be addressed in the sector or project focus area, as well as those that may be encountered during processing and implementation. The issues normally distinguish between those that are strictly sector related and those that are thematic in nature. The objective is to bring these issues to the Management attention at an early stage and define further due diligence including the extent of upstream involvement of/support from other ADB teams – COSO, CTL, OCO, OGC, PSOD, RSDD, TD, etc.

Typical problems and risks, and thus proposed due diligence and/or potential risk mitigation measures, may usually fall under the following areas:

- (i) policy and sector constraints;
- (ii) technical aspects including assets to be added or rehabilitated, technology proposed, and operational considerations;
- (iii) financial and economic analyses covering financial situation of a project recipient (a developing member country or a business entity within the country) and financial and economic modeling;
- (iv) commercial aspects including market situation and competition (depending on the project), tariff regimes and structures (if applicable);
- (v) cofinancing opportunities including credit enhancement products to mobilize financing from third parties;
- (vi) governance including financial management, procurement and corruption;
- (vii) regulatory and legal matters;
- (viii) environmental and/or social safeguards;
- (ix) capacity development aspects including, as applicable, at the policy maker (central government), local and project levels;
- (x) social aspects including gender issues and social inclusiveness; and
- (xi) consultation process.

The level of project readiness is normally indicated as well.

This section could be replaced by a separate issue note accompanying the concept paper.}

II. PROJECT CATEGORIZATION

- Category 1 (very complex and/or high risk project)
- Category 2 (project of medium-complexity and/or risk)
- Category 3 (project closely following previous projects or less complex)

{Provide a brief justification for the proposed categorization of the Project based on its complexity, risks and processing readiness.}

PART 4. STATUS OF PREPARATION AND PROPOSED PROCESSING PLAN

I. PROJECT PREPARATION

{If PPTA, SSTA or PPN was approved for a project, please list (i) major milestones including, as appropriate, (a) TA/PPN approval, (b) a draft final report or a draft SSTA/PPN report, (c) a tripartite meeting, (d) a final report or a SSTA/PPN report, and (e) a proposed meeting on a project concept paper; and (ii) their dates.}

II. PROPOSED PROCESSING SCHEDULE

{Provide a tentative schedule for further processing, in addition to the current status described in section II, that normally includes the following key milestones and their dates: (i) a loan fact-finding mission, if any; (ii) a management review meeting (MRM); (iii) an appraisal mission, if any; (iv) a staff review committee meeting, if any, or a second MRM; (v) loan negotiations; and (vi) Board consideration. If feasible, indication of likely signing and effectivity dates may be provided.}

III. ESTIMATED INTERNAL RESOURCE REQUIREMENTS FOR FURTHER PROCESSING

{Provide estimate of internal staff resources (person-months) for timely processing.}

ADB = Asian Development Bank, DMF = design and monitoring framework, MRM = management review meeting, PPN = project preparatory note, PPTA = project preparatory technical assistance, SSTA = small-scale technical assistance, TA = technical assistance.

Project Title	
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PRELIMINARY DESIGN AND MONITORING FRAMEWORK

{The preliminary Design and Monitoring Framework should be attached to the concept paper as an appendix.}

{Read and delete: Text inside frame must be left-aligned.}

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks {it is not essential for all rows to include both assumptions and risks}
Impact			Assumptions <ul style="list-style-type: none"> • • • Risks <ul style="list-style-type: none"> • • • {Outcome + Assumptions and Risks contribute to Impact}
Outcome			Assumptions <ul style="list-style-type: none"> • • • Risks <ul style="list-style-type: none"> • • • {Outputs + Assumptions and Risks = Outcome}
Outputs 1. 2. 3. 4. 5.			Assumptions <ul style="list-style-type: none"> • • • Risks <ul style="list-style-type: none"> • • • {Activities + Assumptions and Risks = Outputs}
Activities with Milestones 1.1 1.2 2.1 2.2. 3.1. 3.2. 4.1 4.2 5.1 5.2			Inputs {include the following as applicable} <ul style="list-style-type: none"> • ADB • Government • Cofinancing • Beneficiaries • Private sector • Others