GOVERNMENT OF SIERRA LEONE

PUBLIC INVESTMENT MANAGEMENT DIVISION

PUBLIC INVESTMENT MANAGEMENT (PIM) MANUAL

State Building Contract -- EU for Public Investment Management Directorate of Sierra Leone

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Contents

I. Introduction

A. Purpose of this Manual

i) The purpose of this manual is to act as a guide for ministries, MDAs, SOEs, and LCs to the development of public investment projects, from the very beginning of the process on through the implementation and final evaluation of those projects.

ii) This should be used as a reference guide for the 8 step PIM process, connecting the whole procedure. This guide contains annexes and other forms. It also references the detailed policies and procedures of other sectors of government, such as procurement, or other detailed PIMD procedures (such as detailed appraisal instructions). The reader will need to go to those other documents for those further details.

B. Overview of Reason for Formal PIM Procedures

i) It is the responsibility of the GoSL to provide public infrastructures that contributes to the improvement of the living conditions of the people and at the same time facilitate the promotion of effective economic activities. This aims at advancing Government priorities, ensuring value for public money, and promoting socio-economic development. This improves the operations of Government businesses and facilitates economic growth and sustainability through resolving growth constraints especially in infrastructure.

ii) In 2013, the GoSL established the Public Investment Management Unit (PIMU) in the then Ministry of Finance and Economic Development (MoFED) with the aim to achieve better coordination, promote synergies, efficiency, and effectiveness of public investment. In 2018, the MoFED was divided into the Ministry of Finance (MoF) and the Ministry of Planning and Economic Development (MoPED). Following the division, the PIMD was placed in the MoPED and works in collaboration with the MoF and other MDAs. The PIMD coordinates and guides the implementation and completion of capital investment projects throughout the public investment management cycle.

C. Eight Steps of PIM Cycle

(1) The PIM process involves many steps and procedures of the government, MDAs, SOEs, LCs, and central government agencies (including Parliament for approving and monitoring the budget). The PIM process consists of 8 procedurally connected steps, and PIMD is established and empowered to monitor and assist to help make ensure that this process goes from beginning to end.

(2) The 8 stages of Public Investment Management Cycle are:

(a) Project Identification

(b) Preliminary screening

(c) Project profile and feasibility studies

(d) Formal Project Appraisal

(e) Project Selection and Budgeting

(f) Project Implementation

(g) Project Adjustment

(h) Project Completion and Review

D. Guiding Principles of PIM Process

(1) The planning, management and delivery of public investment projects shall be guided by the following principles:

(a) Alignment with National Development Objectives

(b) Alignment with existing Regulatory and Legal Framework Requirements

(c) Adherence to the Public Investment Management Cycle

(d) Promotion of Local Content (pursuant to the Local Content Act (2016)

(e) Transparency and Accountability

(f) Incorporation of NPIMP within the Fiscal Budget Process

(g) Access and Public View of the PIP

(h) Environmental Impact Assessment

(i) Stakeholders Involvement

(j) Debt Sustainability

(k) The Public Procurement (PPA) Act, 2016, compliance with

(l) The Local Government Act 2004, compliance with

(m) Sustainability of the Public Investment Programme, ensuring that projects take into account O&M costs throughout the project life cycle

II. Project Identification

A. Initial Alignment of Planning

The first step in the formal development of an individual project is for the MDA, LC or SOE to meet with internal and external stakeholders to discuss proposed projects. The MDA, LC or SOE shall ensure that the proposed project aligns with the National Development Plans (NDPs) and Strategic Plans of MDAs, LCs and SOEs. Preparation of project proposals shall be prepared along a schedule to follow and meet the National Budget Calendar (*see Annex 11*).

B. Concept Note

The MDA, LC or SOE shall begin the preparation of the project proposal with the development of a Concept Note (CN) for proposals developed through Government own sources. The Concept Note Template is attached as Annex 1. The Concept Note must be submitted to PIMD

The Concept Note may well be revised as it is examined and discussed with stakeholders. If it passes this stage, the Concept Note will be submitted to PIMD for Review.

Instructions are as follows:

1. Date of this version of the note.
2. Project code.
   The project must be assigned a unique code from the very beginning, a code that will stay throughout the life of the project. This way, any changes to the project can be tracked. PIMD will supply this Project Code, after PIMD obtains this code from MoF. The Project Code will tie to IFMS.
3. Implementing Agency
   Which MDA, SOE or LC is undertaking
4. Project Location
5. Beneficiaries
   (Identify the communities/Individuals benefiting from the project, and the estimated number of beneficiaries)

6. Project Objective
   State the broad objective of the project, and specific objectives. To the extent the objectives can meet items 9 through 13, this will help explain how the project meets these goals of the government.

7. Project Duration
   When will it start construction, how long will construction take (with any seasonal delays, etc.), and when it is expected to end? This initial expectation will then be checked later if there are delays in the project.

8. Project Cost
   Estimate the total cost of implementing the project, considering cost of material, compensation payment, etc. List all major items and their costs.

   Include a separate line for estimated O&M costs for the life of the project.

9. Funding Source
   State funding source, if GoSL or Donor

10. Alignment with National Objective

11. Alignment to Sustainable Development Goals

12. Project Sustainability
    How will the project be able to sustain itself once the original funding is gone? How will O&M be kept up? Can MDA, LC, or SOE staff maintain the facility? Are there annual funds for such maintenance, either by having staff or contracting for the service?

13. Environmental Impact and Resettlement Needs
    State whether this project will have any environmental impact and resettlement needs in its implementation and how that can be mitigated. This may require an outside study, as this is a specialized area.

14. Gender Impact
    State how gender especially women, will be impacted in the implementation of the project.

Projects will be evaluated based in part on the financial viability of the project, and partly on the scoring obtained for Items 10-14 (see Annex 14). Each item from 10-14 has a certain number of points available (60 available in total), and the weight available to the to the individual items reflects the value as determined by the MIC. The MIC determines the scale annually (a policy decision), and the scale is available on the website of PIMD.

For projects developed with International Development Partners, projects are identified with a Country Assistance Strategy (CAS), which is aligned with the National Development Plan. International Development Partners and MDAs, LC or SOE engage in project and programme discussions, which lead to a Project Appraisal Document. The Project Appraisal Document shall be submitted to PIMD for review.

C. PIM Information Database

PIMD will enter in the information about the project, including the assigned Project Code, into the PIM Information Database that PIMD will develop and establish. The information about the project must start at

the beginning when the project is first proposed with the first Concept Note. All subsequent changes to the project will be tracked in the Information Database. The Information database is expected to track:

- Initial project size and scope
- Initial start and end dates
- Changes in amount
- Changes in project length
- Project parameters and monitoring criteria

By tracking changes as they occur, PIMD will be better positioned to analyse when a project goes off course, and to look back to see if a requested change is justified

III. Preliminary screening

A. Concept Note Template

Once the project has been reviewed by stakeholders, and the individual project is ready to be proposed by the MDA, SOE or LC, then the Concept Note will need to be submitted to PIMD for review. The original Concept Note prepared for the stakeholders will need to be revised to reflect any comments received by stakeholders, or new information. See Section II (B) for a detailed discussion on filling out the Concept Note.

B. Project Screening Matrix (PSM)

1. Purpose

The Project Screening Matrix is in Annex 4. The purpose of the PSM is to act as a first review of projects and provides more detailed information than the Concept Note. As resources are limited, only those projects that are evaluated as being worthy of further evaluation will continue on for further evaluation. These elements will be scored by PIMD using the PSM Scoring Sheet in Annex 6. The weights (or total points available per item) will be available on the PIMD site. The weights will be established by PIMD annually before the annual project cycle. (Some elements are merely P/F, meaning pass/fail, just must be included).

As this is a screening stage, the level of information gathered and provided at this point will be according to the size and scale of the project. If the project passes this stage, more detailed responses to these questions (and for the Financial Analysis section) may be needed.

2. Project Needs Assessment

Below is a step by Step-by-Step Guide to the PSM

a) Project rationale

Provide a rationale for why the project should be done using government money

b) Strategic alignment with policy

How is the project strategically aligned with policy?

c) Lessons learned from ex-post evaluations of similar projects

What lessons were learned from similar other projects, and how have those lessons been applied here

d) Preliminary demand analysis

What demand is there for this project, and supply the analysis for that demand

e) Long-list of potential options
There is usually more than one way to solve a problem. Present a list ("long list") of possible alternative options to address the issue or problem that this project is trying to solve

f) Indicative range of costs involved

g) Assessment of affordability
Provide an assessment of the affordability of this project. This includes costs to end users (if there will be fees); costs of O&M; and costs per service unit produced (cost per housing unit, cost per pupil, per kilometre lane, etc.)

h) Preliminary identification of risks
Provide a preliminary identification of risks. Typical risks are from design, construction, and inflation (more information in the *Appraisal Reference Manual).*

i) Framework for measuring inputs, outputs, results, and impacts such as a logic path model
Provide a framework for measuring inputs, outputs, results, and impacts. This is the responsibility of the MDA, SOE, or LC that is proposing the project. PIMD to review and accept.

3. Technical Assessment of the Project

a) Assessment of the project's technical/engineering options.
Provide an assessment of the technical and engineering issues facing the project

b) Discuss potential bottlenecks or difficulties

c) Discuss any difficulties in obtaining skilled workers or materials to build the project.

d) Discuss the project's output and the extent to which the project will close the demand/supply gap, or service quality gap, if applicable

4. Financial Analysis

a) The form here expects preliminary financial analysis for screening purposes. The Financial Analysis Template (Excel Sheet) can be used to produce the information. Once the information is typed into the template, it can then be easily used to produce final financial information if the project moves forward

b) Estimated implementation project costs.

c) Estimated O&M costs over life of project (provide for 5 years, 10 years, 20 years)

d) Indicative financing plan

e) Value-for-Money assessment, preliminary

f) Indicative viability gap assessment.

g) Indicative assessment of affordability.

h) Indicative funding source to execute the project

i) Sustainability Analysis – Is this project sustainable? Will it require

continuing inflows of money to keep it going?

5. Economic Appraisal

a) Not all costs and benefits are purely quantifiable. This part of the screening is to look at other costs and benefits of the proposed project.

b) Expected Socio-Economic Cost/Benefit Analysis

What are the expected social costs and benefits of the project?

c) Willingness to Pay Analysis

Has there been a Willingness to Pay analysis? Of how much this project or resulting benefit is worth to people, and how much they would be willing to pay for it?

d) Demand analysis and description of underlying assumptions

Discuss here the analysis of demand for the project/facility/services (for which there is no money involved), and what the underlying assumptions are

e) Outline Procurement Strategy

Outline the procurement strategy for the project. The project must comply with the Local Content Law and be practical to be doable.

6. Social and Environmental Appraisal

a) Preliminary assessment of the impact of project on surrounding community.

b) Preliminary assessment of the impact of project on surrounding environment, land use issues.

c) Preliminary assessment of whether the adverse social and environmental impact of the project can be mitigated.

d) Achievement of SDG Goals

7. Non-Duplicity

a) Show there is Non-Duplicity or Overlap with existing projects

8. Implementation Timetable

a) Provide a project implementation timeline, identifying all key activities step by step, with justification for each step.

b) Provide operation and maintenance cost timetable for the lifecycle of the project

C. Pre-Feasibility Studies

If the information from the PSM indicates viability, and the project is large (above _____ in size), then a Pre-Feasibility Study will be done to determine if an expensive Feasibility Study should be performed.

- (If the project is below the threshold of _____, then the project can simply proceed to the Formal Project Appraisal step. It is assumed that the amount of savings and efficiency that might come from the knowledge of a feasibility study would not be worth the expense relative to the small size of the proposed project).

The pre-feasibility study helps identify relevant alternatives before undertaking a full- fledged feasibility study, usually for large projects. This involves information gathering, clarifying project objectives, defining possible alternatives, and defining the selected option, as well as examining regulatory and technical requirements.

This ensures that there is a solid basis for conducting a feasibility study and making a preliminary assessment of the viability of alternatives.

If the pre-feasibility study concludes that a project appears to be not viable, the project should be rejected, and the feasibility study should be deemed unnecessary. Only projects that are above _____ in size will proceed to this step. To accomplish this, fill out the **Pre-Feasibility Checklist** (*Annex 6*).

IV. Project Profile and Feasibility Studies

The project profile will be provided in the Project Screening Template (first section).

If the project has passed the Pre-Feasibility Checklist (Annex 6) (after first been screened as a worthy project by passing the PSM), it may then be recommended for an appraisal, and the MDA, LC or SOE shall submit the proposal to PIMD for the appraisal. Feasibility Studies may be funded from the Project Preparation Facility (PPF). If a donor requires a feasibility study and will be paying for the cost of an outside feasibility study (the primary objection to a feasibility study being the cost), then the donor shall pay and coordinate the preparation of the feasibility study. The standards of appraisal, though, shall not be less than the standards contained in the *Appraisal Reference Manual*.

The feasibility study takes pre-feasibility analysis further by compiling all relevant data, refining project outputs and outcomes, outlining, and analysing in-depth the selected alternative of achieving project objectives, as well as undertaking various background assessments including environmental and social impact analysis. It helps to narrow the scope of a project to identify an optimal option for preliminary design. As part of feasibility analysis, projects or programs should undergo more rigorous scrutiny of their cost-benefit or cost effectiveness.

V. Formal Project Appraisal

A. Next Step -- Formal Appraisal

If a project has passed the screening steps of the Project Screening Matrix, it is then eligible for the Formal Project Appraisal. If it is a donor funded project, one that requires a feasibility study (or a government funded feasibility) then the feasibility study will then be examined using the Formal Project Appraisal. (The Appraisal Form will have to be filled out, but many of the answers may already be answered in the feasibility study).

B. Procedures for Formal Project Appraisal

The procedures for a formal project appraisal are contained in the *Appraisal Reference Manual*. The main tools in preparing a project appraisal are:

1. Appraisal Form Template

The information for the appraisal is all to be gathered and collected in the Appraisal Form Template (Annex 3). The instructions for the Appraisal Form Template are contained in the template. The instructions regularly refer to the detailed instructions in the *Appraisal Reference Manual.* The Template pulls together the

a) Project profile
b) Objectives and alignment with goals and priorities
c) Financial analysis
d) Socio economic analysis
e) Options Analysis
f) Risk Analysis
g) Project management analysis
h) Overall recommendation

2. Financial Analysis Template

The Template (*Annex 5 here, and also an Excel sheet*) analyses the financial numbers for the project for up to 3 scenarios for side-by-side comparison. The Template (*which has its own illustrated Help Guide*) can handle the information for a project with many costs and revenues that is built out over many years. It can also be used for a simple project that is built out quickly – just leave the extra lines blank.

C. How Projects are Valued

The procedures for evaluating the value of proposals must not conflict with the PPP Act. PPP Act section 49 requires that the financial value of proposals be evaluated using the calculation technique of net present value (NPV). This requires that the monetary value of expenditures or revenues projected for each year of the project's expected life be valued using the net present value method, and not an alternate method. Qualitative evaluations of social costs and benefits will also be performed in the appraisal, according to the *Appraisal Reference Manual*.

Appraising for Project Funding Using the NPV Criteria			
NPV Pos or Neg		**Source of Funds**	**Action**
Financial	*Economic*		
+	+	1. Private, 2. PPP 3. Public	Line ministry to look for private sector funding before seeking funds from the GoSL
+	-	Purely private	Line ministry to collaborate w/ SLIEPA and PPP unit for private sector funding /intervention
-	-	Purely public	GoSL to seek grant, use internal resource (budget) and or obtain loans

Along with the NPV valuation, the project *evaluation* will also consider:

i) weighted scoring from the Concept Note Scoring Sheet (Annex 12),
ii) weighted scoring from the Project Screening Scoresheet (Annex 13),
iii) Appraisal Form Scoring Sheet (Annex 14),
iv) Section IX (B) of the Appraisal Form Template (Assess the Balance of Advantage Between the Options and Present the Appraisal Results and Conclusions), where the analysis must look at and consider:
    (1) Full analysis of the Financial Analysis Template, which also contains the Benefit Cost Ratios (those divide the NPV by the size of the investment, thereby scaling the amount of benefit)
    (2) For Social Cost Benefit Analysis, a qualitative discussion, plus *either a*

(a) Weighted Scoring Method analysis of the project, or

(b) Impact Assessment Method analysis of the project

(3) Project viability, sustainability, management viability, etc.

The analysis provided will be partly explicitly valued and scaled (weighted scores), partly valued with a numeric value (NPV), but partly with analysis. As these are a) public projects with benefits that may not be quantifiable (e.g., can not capture the monetary value), and b) other factors such as risk management, etc. must be discussed, the recommendation will be a numeric plus qualitative recommendation.

D. Project Measurement and Monitoring Criteria

The project, in the Appraisal Form Template, must propose

1) Project measurement and performance criteria

   a. The criteria must be acceptable to PIMD, and the information must be easy enough to get to be practical

   b. PIMD will be measuring the project against the measurement criteria if the project moves forward.

   c. PIMD will enter the criteria into the PIMD Information Database System.

2) Monitoring and evaluation system

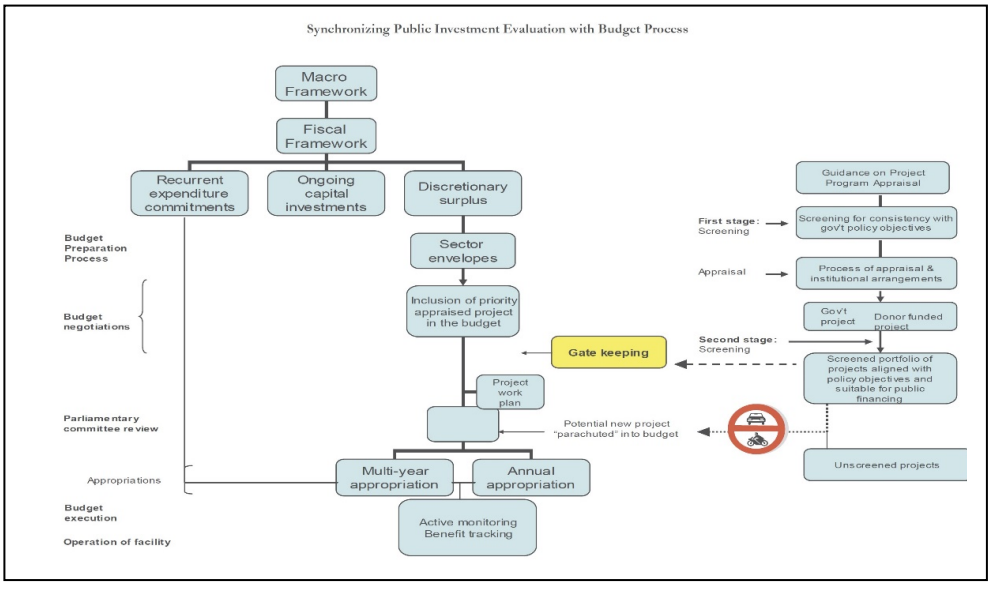
   a. The MDA, SOE, or LC is responsible for providing a M&E system and procedures

   b. PIMD will review the sufficiency of the system

   c. If the project is funded, PIMD will review the reports from the M&E system

VI. Project Selection and Budgeting

A. Overview of Budget Process and Public Investment Selection



The selection of individual projects must fit within the overall budget framework of the Government. More specifically, the role of the budget and individual projects is the following:

1. Total cost of projects must fit within amount available, the "resource envelope".

a) Total cost for the year must fit within the annual budget (*set annually by the Budget Circular*)

b) Total cost for multi-year budgets must fit within the amount projected to be available and *affordable* for the multi-year period (determined by the Medium-Term Expenditure Framework prepared by MoF).

2. Initial Allocation per Sector

a) The amount per sector, when initially prioritizing and allocating projects, must be *preliminarily* set out when projects are being determined.

b) There are always more projects than funding available, and this initial guideline provides PIMD the information to make a reasoned initial prioritization schedule.

c) When the National Development Plan is developing broad outlines for projects, and then choosing projects for the multi-year plan, they must have a "resource envelope", or amount available, per sector. This will then determine how many (and what size) of projects can reasonably be put into the National Development Plan.

d) For the annual budget process, when projects are being prioritized, there must be an *initial allocation per sector* to assist in determining how many (and how much) can be prioritized per sector. Projects can be selected until the sector's allocation is filled, with a prioritized list based on the scoring within each sector. As it can be difficult to compare the benefits of one sector to another (especially the non-monetary benefits), having the sector amounts already chosen makes the prioritization process for PIMD much smoother.

3. Monitoring of projects

a) The amount spent on projects must be monitored to make sure that they both stay on budget and the project is meeting performance criteria

b) PIMD will be monitoring the project

c) Projects are funded on an annual basis, even though they are often multi-year. This will be a bit tricky, requiring both the MDA, SOE, LC together with PIMD to perform more complex tracking

B. PIM and Budget Calendar Integration

Project submission and approval must follow the Fiscal Calendar as established by the MoF. Please see the National Budget Planning Calendar in Annex 11.

C. Review and Selection by Committees

1. Submission to committees

After appraisal and feasibility is complete, projects shall be submitted to the Public Investment Committees for evaluation and scoring. These shall consist of a Ministerial Investment Committee (MIC) and a Technical Investment Committee (TIC). The project proposal shall first be reviewed by TIC. After review and scoring by the TIC, the project shall

then continue to the MIC to be reviewed. The Terms of Reference (TOR) for the committees are in Annex 8.

2. Sector Prioritization and Allocation Matrix

The Committees will utilize a Sector Prioritization and Allocation Matrix, as adopted by the MIC (Annex 15) to assist in prioritization of projects. This matrix provides the amount of the annual budget available to each sector. This allocation will be used in prioritizing projects, so that by the end of the annual review process the Leone amount of projects approved do not exceed the amount available per sector. The allocation (see Annex 15) will also contain an alternate allocation column for a lower sized annual budget. (If money is very plentiful, the percentage allocation may be different than if money is tight).

3. Technical Investment Committee (TIC)

a) Composition of Committee

(1) Composition of the committee shall be determined by Minister of MoPED along with MoF, comprised of staff from the two ministries

(2) Shall include heads of units associated with the public investment process

(3) Shall be co-chaired by the Development Secretary and the Financial Secretary

b) Reviewing proposed projects

(1) TIC shall review appraised projects/programmes and proffer advice to the MIC for selection and budgeting

(2) The TIC shall review the scoring matrices already prepared by PIMD (see section V (C) above), as input into their decision-making process

(3) TIC will also review the Concept Note, PSM, Financial Analysis Template, Appraisal Form Template, and related material submitted.

(4) TIC will use the TIC Project Weighted Scoring Matrix (Annex 16) to evaluate the projects, based upon the information submitted to them. The weight for the scores used in the matrix will be adopted before the annual project cycle starts, so that the relative value of the scoring applies equally to all projects proposed in the year. The matrix shall be available on the PIMD website.

c) Based upon the scores developed under the Annex 16 – TIC Weighted Scoring Matrix, the TIC shall review the entirety of projects presented each year for inclusion in the annual budget. TIC shall prioritize the proposed projects, presenting such priorities by sector. Such priorities shall be consistent with the proportionate sector allocations presented in the Sector Prioritization and Allocation Matrix. TIC shall then submit their recommendations and scores to MIC.

d) The technical scores and prioritizations prepared and submitted by TIC shall be posted by TIC on the public website of TIC after submission to MIC, in accordance with the Right to Access to Information (RAI) Act of 2013.

2. Ministerial Investment Committee (MIC)

a) Composition of Committee

(1) The members of the MIC shall be drawn from the Cabinet, with the membership to be reviewed annually.

(2) The MIC shall be co-chaired by the Minister of MoPED.

(3) Public Investment Management Directorate (PIMD) shall provide the secretariat.

b) Master PIP/PIM Policy Direction set by MIC

(1) MIC (through the authority granted by virtue of being appointed by the Cabinet) shall provide the policy direction. It drafts policy criteria for the current budget year by which to evaluate the projects submitted. As part of the policy direction to be developed by MIC, MIC develops a weighted scoring system for the projects passed on to the MIC by the TIC (see Annex 17 – MIC Project Weighted Scoring Matrix).

(2) MIC also develops the PIP Sectoral Budget Allocation Table (Annex 15) which sets a basic policy parameter of how much in resources should be allocated (preliminarily for PIM planning purposes) to the different sectors.

(a) (In the sections below, it is discussed how individual projects must then be selected for the proposed national budget, and then projects must be approved in the final adopted budget.

(b) The projects selected through this screening and selection process may or may not end up in the final budget.

c) If the selection of projects by the MIC is different than the list of prioritized projects supplied by TIC:

(1) If lower ranked projects are selected by MIC, but not all the projects that were ranked higher are selected, then a written explanation shall be provided for each of the higher ranked projects that were not selected, and in that explanation shall be a reference to the written policy criteria adopted in that budget year by MIC to explain why the prioritized project(s) were not selected.

(2) No projects shall be approved by MIC that have not been reviewed and approved by TIC.

(3) The results of such selection shall be posted by MIC on the public website of MIC after submission to MIC, in accordance with the Right to Access to Information (RAI) Act of 2013.

(4) MIC then sends its selection of projects to the Development Secretary (DS).

D. Preparation of List of Projects to be In the Annual Budget

1. Development Secretary

a) The Development Secretary (DS) then reviews the selection of projects. After review, the DS shall then send the list of projects (in the form received or with unapproved projects removed) to the Minister of Planning and Economic Development for approval.

b) Upon further review and acceptance by the Minister of Planning and Economic Development (or with unapproved projects removed), the approved set of projects are forwarded to the Minister of Finance for review and subsequent inclusion into the National Budget as capital budget projects/Public Investment Projects (PIPs). If approved, the project enters the annual budget allocation and is entered into the list of PIP.

c) If the DS has removed projects from the list of approved projects, the DS shall post on the website of the Development Secretary which projects were removed in accordance with the Right to Access to Information (RAI) Act of 2013. If the Minister of Planning and Economic Development has removed projects from the list of approved projects, the Minister of Planning and Economic Development shall post on the website of the Minister of Planning and Economic Development which projects were removed in accordance with the Right to Access to Information (RAI) Act of 2013.

2. Documentation Required to Be Prepared for Annual Budget

For the annual budget the PFM Act (2016) requires that the Minister of Finance shall annually prepare and submit as part of the State budget documents on Public Investment Programme which includes:

a) A list of

(1) All new projects that have been included in the State budget of the next financial year.

(2) All ongoing PPP projects with implementation status

(3) All PPP projects, and multiannual commitments which have been approved by the Minister of Finance under section (1) subsection (2) of the PFM Act 2016;

b) Transformational projects

(1) A list of transformational development projects and their assessment mentioned in paragraphs (a) and (b) of subsection (8) of section 77 of the PFM Act 2016;

c) That the following information related to all projects and PPP projects included in the lists mentioned in paragraph 2 (a) be captured in the listing:

(1) Name, start and completion dates, and summaries of the projects and PPP projects;

(2) Financing sources of the projects and PPP projects

(3) Updated projections of annual expenditures for the projects and PPP projects to be spent under the State budget over the entire period of the project implementation.

(4) Amount of outstanding commitments to project payments, including PPP projects;

(5) Any other information as may be deemed appropriate by the Minister

3. Role of Parliament

Parliament shall approve the Public Investment Programme submitted as part of the annual budget. Changes in project amount and design from the originally submitted Concept Note shall be recorded by PIMD in the master project database of the PIMD Database.

VII. Project Implementation

A. Overview

MoPED will provide such guidelines, regulations and methodologies from time to time as may be needed to guide MDAs, LCs and SOES. At each stage of the cycle, the required outcome shall be properly assessed. The MoPED shall ensure that the implementing institution is accountable for effective delivery in terms of quality, timeliness, cost, and efficiency.

B. Responsibility for Implementation

i) MDAs, LCs and SOEs have the responsibilities to initiate projects, develop CNs, prepare preliminary budgets, design implementation strategies and undertake internal appraisals of their public investment projects and programmes, all in conformance to their responsibilities and powers under the Local Government Act 2004.

ii) MDAs, SOEs, and LCs will receive support from MoPED during the design, selection and implementation phases of public investment projects. MDAs, SOEs and LCs shall be responsible for implementing their public investment projects and programmes.

iii) The MoJ shall be responsible for providing legal and regulatory advice to the government on public investment programmes.

C. Responsibility for Monitoring Progress in Implementation

i) While the MDAs, LCs and SOEs are responsibility for collecting the information and statistics, and managing that system of collection, PIMD will be providing oversight and general M&E for all PIM projects. Quarterly monitoring and evaluation reports, that are the reports that are agreed to between the respective MDAs, SOEs, and LCs and PIMD at the time of submission of the Appraisal Form Template, must be submitted to PIMD for review.

ii) At the end of the project, there are also review forms to prepare (see section IX, and Annexes 9 and 10).

D. Procurement

i) MDAs, LCs and SOEs shall conduct the procurement processes and oversee project implementation. The rules and procedures of the Local Government Act must be followed

i) All procurement shall follow the National Procurement (NPPA) Act (2004) as amended in 2016, and any regulations that may follow from that Act.

ii) All procurements shall follow the Local Contents Act.

iii) All proposed projects, in both the Project Screening Worksheet and the Formal Appraisal Format, must supply a procurement strategy for the project, and address possible shortages, bottlenecks and other implementation difficulties (along with proposed mitigation strategies). The procurement strategy is formally evaluated.

iv) Purchases through such procurements shall collect, retain and provide sufficient information into (inputted into) the IFMIS system and monitoring system to support the monitoring and evaluation of the work being performed, both while in process and after completion of the project.

1. PIMD shall provide such guidelines to assist in this process.

VIII. Project Adjustment

i) PIMD will be monitoring the projects during the implementation of the projects

ii) During the course of implementation, PIMD may initiate discussion with the respective MDA, SOE, or LC to make adjustments to the project if the project is not following (falling short of the original plan. Such course corrections, early on, are designed to improve and save projects.

(1) The ability to correct problems or issues early on, before potential problems become more difficult, are a major advantage of an integrated system that is monitored from the beginning

(2) With the information for the project monitored from the beginning of the proposed project (initial sized, implementation time length, etc.) any changes can be seen within a fuller light.

iii) Proposed Increase in a Budget

(1) If a project is requesting an increase in their budget that is greater than 25% above the original budget (or if the cumulative increases are now above 25%) then a Project Adjustment Form (PAR) (Annex 2) must be completed and filled out.

iv) Projects Not on Track

(1) For projects that are not on track, the MDA, LC or SOE may request an extension of the project for a period not exceeding 8 months, and must supply the reasons for the delay in project implementation. The request must be submitted to MoPED for review. MoPED will collaborate with MoF in determining whether to grant the request.

IX. Project Completion and Review

A. Project Completion Form

At the end of a project lifespan that is 3 years or less, the MDA, LC or SOE submits a End of Project Evaluation Form (Annex 9) to NaMED. This exercise commences at least 3 months prior to the end of the project, a must be filled out.

B. PCER - Post Project Completion Annual Reporting (PCER) Form

After a project has been completed and is operational, annually the agency must fill out a PCER, Post Project Completion Annual Reporting (PCER) Form (Annex 10)

X. ANNEXES

A. Annex 1 – Concept Note Template

CONCEPT NOTE

Date of Concept Note: _____
Project Code: *(State Project Code as defined in the IFMS)* _____

1. **Project Title**: *(Give the name of the project title. It should be clear and consistent with the project information)*

   _____

2. **Implementing Agency**: *(Name the Implementing MDA/Local Government Council)*

   _____

3. **Project Location:** *(State Project Location (s) - Region, District, City, Chiefdom, Ward)*

   _____

4 **Beneficiaries**: *(identify the communities/Individuals benefiting from the project, and the estimated number of beneficiaries. Describe the benefit qualitatively and/or quantitatively)*

   A. Direct Beneficiaries: _____

   B. Indirect Beneficiaries: _____

5. **Project Objective**: *(Clearly state the overall and specific project objectives)*

   A. Overall Objective:

   _____

   B. Project Specific Objectives

   I._____

   2_____

   3_____

   4_____

   C. Project Components/Brief Description

   I_____

   2. _____

   3_____

   4_____

6. **Project Duration**: *(State start date and end date)* _____

7. **Project Cost**: *(Estimate the total cost of implementing the project, taking into account cost of material, compensation payment, etc. List all major items and their costs). These will be the gross costs. The costs will be evaluated at the NPV of the costs using the financial analysis templates of the PIMD manual.*

No	Activity	Description	Cost
1			
2			
3			
4			
Total			

8. **Funding Source**: *(List Funding method, GoSL, Donor (State Name) and funding type, e.g. budget, loan, grant, etc.)*

Source	Type (Budget, Loan, Grant)	Amount
GoSL		
Donor (State Name)		
Total		

9. **Alignment with Government National Development Objective**: *(Specify how the project aligns with the Government's overall development objectives and priories as contained in the PRSP 4)*

_____
_____

10. **Alignment to the Sustainable Development Goals** (SDGs): *(Specify how the project aligns with the United Nations SDGs)*

_____
_____
_____
_____

11. **Project Sustainability**: *(State briefly how the project will be sustained especially in the medium to long term)*

_____
_____
_____

12. **Environmental Impact and Resettlement Needs**: *(State whether this project will have any environmental impact and resettlement needs in its implementation and how that can be mitigated)*

A. Environmental Impact:

_____
_____

B. Resettlement Needs:

_____
_____

13. **Gender Impact**: *(State how gender especially women, will be impacted in the implementation of the project)*

_____

_____

14. **Project Expected Outputs and Indicators**: *(Please specify the expected outputs and indicators which are measurable as per the specific objectives)* _____

_____

_____

15. **Project Expected Outcomes/Impacts and Indicators**: *(Describe the deliverables or output of the projects in concrete terms)*

_____

_____

16. **Annual Disbursement Plan**: (For 202X Financial Year, State expected disbursement to the project)

Quarter	Foreign (Le)	Domestic (Le)
Quarter 1		
Quarter 2		
Quarter 3		
Quarter 4		
Total Annual		

17. **Project Contact Person:** (Please state name, designation, telephone number and email of the official responsible or leading the implementation of the project)

_____

_____

B. Annex 2 – PAR (Project Adjustment Request) Form Template

Project Adjustment Request Form (PAR)

Ministry of Planning and Economic Development Project Adjustment Request (PAR) Form			
Project Name			
Implementing Agency		**Change No.**	
Change Name			
Description of Change			
Reason for Change			
Effect on Project Deliverables (including a List of any Affected Deliverables)			
Effect on the Implementing Agency			
Effect on the Project Schedule (including Estimated Completion Date for this Change)			
Original Project Cost			
Effect on the Project Cost:			
	Component/Activity Descriptions	**Man Hours (if Applicable**	**Amount (Le)**
		Red Incr	**Red Incr**
	Analysis		
	Development		
	TOTAL		
	Total Net Change in Cost (Le)		
Effect of NOT approving this Change:			
	Requested By:	**Approved By:**	
Name:			
Designation:			
Signature:			
For MoPED and MoF Officials ONLY			
For MoPED			
Recommended to MoF:	Recommended ☐	Not Recommended ☐	
Reason			
For MoF:	Approve ☐	Reject ☐	
Reason			

C. Annex 3 – Appraisal Form Template

Government of Sierra Leone

Public Investment Management Division

Project Appraisal Form ____

August 2021

Table of Contents

I. Introduction

A. Every project is required by PIM Regulations to be appraised and analysed . The purpose of this Project Appraisal Form is to provide a place to collect the information and analysis required for proposed projects. Projects that have passed through this stage will then be presented to the TIC.

B. The Appraisal Form follows the "Appraisal Analysis Reference Manual". Instructions and detailed guidance for how to fill out the form are in the manual. For the section on detailed financial analysis of the financial proposal (costs and benefits), the analyst can also refer to the "Financial Valuation Template Worksheet Instructions". (The Excel template is used for the financial calculations, and to type in the costs and revenues).

C. This form can be used as a template. Additional lines can be added as needed if typed in. If edited in MS Word, the Table of Contents at the beginning must be Updated for the page numbers to be accurate.

D. In the appraisal that follows, focus on the following in Project Appraisal

1. Is there a clearly identified need for a project?
2. Are the project's objectives are clearly specified?
3. Are there broad options to meet project's objectives are identified?
4. Make sure the most promising options are subject to detailed analysis.
5. Are project costs fully and accurately estimated; and
6. Are the project benefits that are assessed qualitatively (those elements that are difficult to quantify) likely to justify the costs, when added to the quantifiable ones?

II. Explain the Strategic Context

A. Rationale for Government Intervention

*(*For instructions and reference*,* refer to Section 2 of *Appraisal Analysis Reference Manual)*

Provide or review the rationale for government intervention

B. Strategic Objectives

What are the strategic objectives of the project? Are they in line with the National Development Plan?

II. Establish the Need for Government Intervention

(For instructions and reference, refer to Section 3 of the *Appraisal Analysis Reference Manual*)

A. Establishing the Need for Government Intervention

Explain the need for the government to spend money on this project. Why should the government and not the private sector? Will it be cost effective? Are there economic objectives, equity objectives, local or regional balancing objectives? Gender equity issues?

B. Assessing the Need for Individual Spending Projects

After establishing the general need for government involvement, what is the rationale for this individual project? (*Please refer to Section 3 (b) of Appraisal Analysis Reference Manual for instructions*)

III. Define the Objectives and Constraints

A. Objectives and Constraints

Define the objectives and constraints on the project. These should be specified in a hierarchy of outcomes, outputs, and targets that should be clearly set out in the appraisal. (*Please refer to Section 4 (a) of Appraisal Analysis Reference Manual for detailed instructions*).

B. Specific Questions on Objectives

Much of this information will be available in the **Concept Note**. Some of the answers may have also already been provided in the **Project Screening Matrix** (**PSM**). Even with a preliminary screening, at this stage a more thorough analysis must be done (and the answers provided should usually be more thorough).

1. What are we trying to achieve? What are our objectives? What would constitute a successful outcome or set of outcomes?

2. Have similar objectives been set in other contexts that could be adapted?

3. Are the objectives consistent with strategic aims and objectives as set out, for example, in the national development plan, or in the draft national budget?

4. Do the objectives contribute to sustainable development, e.g., by addressing relevant economic, environmental, or social considerations?

5. Are the objectives defined to reflect outcomes (e.g., improved health, crime reduction or enhanced sustainable economic growth), rather than the outputs (e.g., operations, prosecutions, or job placements), which will be the focus of particular projects?

6. How will the objectives and outcomes be measured?

7. Are the objectives defined in such a way that progress toward meeting them can be monitored?

8. What factors are critical to success?

9. What SMART targets can we then set? What targets do we need to meet?

10. Are any specific types of impact assessment required, for example, health, transport, equality, or environmental impact assessment? Are specific objectives or targets needed for these?

C. Compliance Schedule

Provide measurements for compliance to the objectives of the project, and the schedule for completion of the project.

IV. Identify and Describe the Options

A. List out the options available.

(Please refer to Section 5 (b and c) of *Appraisal Analysis Reference Manual* for detailed instructions).

B. Initial Proposal

The initial proposal should not automatically be assumed to be the only or best way to solve the problem. A broad list of options should be listed, and then those options narrowed to a short list. Once narrowed down, the chosen options can be subject to more thorough appraisal.

C. "Long List"

The long-listed options usually need to be sifted to produce a more manageable 'short list' of options for in-depth appraisal. This should be done according to specific, stated criteria.

D. "Short List"

The "long list" should then be narrowed to a short list. From the short list, the most promising options should be chosen for more thorough analysis (rest of this appraisal form).

V. Identify and Quantify the Monetary Costs and Benefits

(Please refer to Section 6 of *Appraisal Analysis Reference Manual* for detailed instructions).

A. Financial Costs and Benefits

- Identify the financially quantifiable relevant costs and benefits of the project. The **Financial Analysis Template**, together with its Instructions, will be used in this section to make the financial calculations.
- The spreadsheets from the Financial Analysis Template will be used for the calculations. The detailed costs and revenue sheets will be used for the **quantifiable** figures. Those spreadsheets should be **attached as an Annex**.
- **Revenue and Expense Summary Sheet** from **the Financial Analysis Template** should be inserted into this section.

1. Description of **Cost** Items on Financial Analysis Template

   Below, provide the description and any other useful information for the **cost** items listed in the Financial Analysis Template. Do this for each line item (Cost Item 1, Cost Item 2, etc.). Add additional lines if needed. The actual numbers should be put into the **Financial Analysis Template**.

   a) Cost Item 1

   b) Cost Item 2

   c) Cost Item 3

   d) Cost Item 4

   e) Cost Item 5

   f) Cost Item 6

2. Description of **Revenue** Items on Financial Analysis Template

Below, provide the description and any other useful information for the **revenue** items listed in the Financial Analysis Template. Do this for each line item (Revenue Item 1, Revenue Item 2, etc.). Add additional lines if needed. The actual numbers should be put into the **Financial Analysis Template**.

a) Revenue Item 1

b) Revenue Item 2

c) Revenue Item 3

d) Revenue Item 4

e) Revenue Item 5

f) Revenue Item 6

B. Qualitative Costs and Benefits

Qualitative costs and benefits should be evaluated **EITHER** by a **weighted** scoring method (give points for various items, and apply weights to the various items), or by the **impact assessment method**. (Refer to the *Appraisal Analysis Reference Manual, Sec 8 (a) (iii),* for a discussion and instructions). To mix the tow

1. Weighted Scoring Method

There is a detailed example of the Weighted Scoring example in Annex 1 of the *Appraisal Analysis Reference Manual.* There are examples for valuing the construction of a school, and for an irrigation system.

Use the **Weighted Scoring Template** to prepare the weighted scoring analysis. The Template contains a section to discuss the scoring used.

a) Summary of Results and Analysis of Weighted Scoring Method

2. Impact Assessment Method

The effort the analyst should put into impact assessment depends on the scale and importance of the proposal and the impacts under consideration. Options should always be screened for sustainability impacts, but detailed impact assessment should only be conducted for any option where the effort is judged worthwhile by the relevance and significance of the impacts in view. Where different options have different impacts on sustainability, the assessment should make the differences clear.

Use the **Impact Assessment Scoring Template** to prepare the scoring of the analysis using this alternative method. This method is simpler to use, and the chart lets the analyst present the options for all options in one chart.

The Template contains a section to discuss the criteria used.

a) Summary of Results and Analysis of Impact Assessment Scoring Method

C. Sustainability Impact Statement

Provide an analysis of the sustainability of the project. Will it require continuing inflows of cash? (The O&M section of the **Financial Analysis Template** is the place to put in the expected operation and maintenance costs).

- Besides money, is there the technical expertise to manage the facility or project?

- Are there the personnel in the MDA, LOE or SOE to manage the facility or project, both during the implementation or after?

D. **Any Other Costs and Benefits**

If there are any other Costs and Benefits affecting other parts of the public, that are not otherwise discussed, they should be analyzed and discussed below. (Normally, if they can be quantified, a number put on them, they should be put in Part A – Financials. If it is difficult to quantify, then they should be discussed in Part B – Qualitative).

E. Summarize the Different Scenarios Used

Summarize below the different scenarios used (or attached a spreadsheet that summarizes the differences in the assumptions). The **Financial Analysis Template** has an Assumptions page that can be printed out which shows the inputted (typed) assumptions used.

In addition to the numeric assumptions, in the space below, describe the difference between the scenarios, and briefly why the different values were chosen.

VI. Assessment of Risks and Adjustment for Optimism Bias

For instructions and a discussion of these issues, please refer to the *Appraisal Analysis and Reference Manual, Section 7*.

A. Risk

1. Risk Elements Facing the Project

In this section provide a discussion and analysis of the risk elements facing the project. Many common risks for PIM projects are as follows:

General Risk	Specific Risk	Measurement	Risk Level
Design and Construction	Time Delay	Time	
	Cost Overrun	Perc Increase	
	Latent Defect	Perc Increase	
Operations & Maintenance	Time Delay	Time	
	Cost Overrun	Perc Increase	
	Procurement Risk/ Subcontractor Risk	Perc Increase	
	Revenue Risk for Project Revenues	Perc Decrease	
Financial	Inflation Rate	Perc Increase	

	Financing Availability	Time	
	Interest Rate Increase	Perc Increase	

Fill out the above table and add any additional risks that may apply.

2. Risk Management of the Project

In this section, provide a discussion of the risk management strategy that will be used for this project.

- Is someone assigned as a Risk Manager?

- Is a risk log used?

- Is there a Risk Program for this project, whether specialized or a standard one?

B. **Adjusting for Optimism Bias (OB)**

As discussed in Section 7 of the *Reference Manual*, estimates are almost always biased upwards (optimism bias). This has been true everywhere it has been looked at, pushing down cost estimates and increasing revenue estimates.

Describe and analyse what steps have been taken to adjust for Optimism Bias (OB), to help control and adjust their estimates so that they adjust for these hidden biases all of us (even the best experts).

VII. Monitoring and Evaluation

A. Check for Monitoring and Evaluation Plan

The project is to have a Monitoring and Evaluation Plan. Check to see if it is there, and review to see if adequate

B. Monitoring and Evaluation Criteria

All proposed projects must have a set of performance criteria by which they can be monitored. Quarterly drawdowns will be reviewed against these quarterly metrics. The metrics proposed must be quantifiable, actually able to be reviewed and monitored on a quarterly basis, must be collected by the MDA, SOE, or LC, and be acceptable to GoSL.

Review and comment below.

VIII. Calculate Net Present Values and Assess Uncertainties

A. **Summary of Results**

Present the summary of results, comparing the three different scenarios. Use the RevExpSummary Sheet from the **Financial Analysis Template**. Compare the NPV and BCR values for all 3.

B. Discuss Any Significant Adjustments or Factors for the 3 Scenarios

If there were significant adjustments made in any of the 3 scenarios, discuss them here.

C. Discuss the differences in the Net Present Values (NPV and the Benefit Cost Ratios (BCR).

Discuss and analyze the differences in the NPVs and the BCRs between the different scenarios. (The BCR is the NPV divided by the Initial investment, for a sense of scale). Discuss why the differences might be there with the change in the assumptions.

D. Discuss the NPVs in light of the Uncertainties

Discuss the NPVs calculated in the light of how much uncertainty and/or variability there may be in the values used for costs and/or revenues. If this is a simple road project that has been done 10 times every year for several years, costs are more certain than something brand new, etc.

IX. Discuss Financial and Qualitative Benefits Together

A. Discuss the Financial and Qualitative Benefits Together

Bring together the calculated Financial benefits with the Qualitative analysis, and discuss the overall valuation.

B. Assess the Balance of Advantage Between the Options and Present the Appraisal Results and Conclusions

Discuss the Preferred Option

D. Annex 4 – PSM Project Screening Matrix

PROJECT SCREENING MATRIX SCORING SHEET		P/F	Possible Points	Points Awarded
1. Project Needs Assessment				
a	Project rationale			
b	Strategic alignment with policy			
c	Lessons learned from ex-post evaluations of similar projects			
d	Preliminary demand analysis			
e	Long-list of potential options			
f	Indicative range of costs involved			
g	Assessment of affordability			
h	Preliminary identification of risks			
i	Framework for measuring inputs, outputs, results and impacts such as a logic path model			
	Total for section			
2. Technical Assessment of the Project				
a	Provide an assessment of the technical and engineering issues facing the project			
b	Discuss potential bottlenecks or difficulties			
c	Discuss any difficulties in obtaining skilled workers or materials to build the project.			
d	Discuss the project's output and the extent to which the project will close the demand/supply gap, or service quality gap, if applicable			
	Total for section			
3. Financial Analysis				
a	Estimated implementation project costs.			
b	Estimated O&M costs over life of project (provide for 5 years, 10 years, 20 years)			
c	Indicative financing plan			
d	Value-for-Money assessment, preliminary			
e	Indicative viability gap assessment.			
f	Indicative assessment of affordability.			
g	Indicative funding source to execute the project			

PROJECT SCREENING MATRIX SCORING SHEET		P/F	Possible Points	Points Awarded
h	Sustainability Analysis – Is this project sustainable? Will it require continuing inflows of money to keep it going?			
	Total for section			
	4. Economic Appraisal			
a	Expected Socio-Economic Cost/Benefit Analysis			
b	Willingness to Pay Analysis			
c	Demand analysis and description of underlying assumptions			
d	Outline Procurement Strategy			
	5. Social and Environmental Appraisal			
a	Preliminary assessment of the impact of project on surrounding community			
b	Preliminary assessment of the impact of project on surrounding environment, land use issues.			
c	Preliminary assessment of whether the adverse social and environmental impact of the project can be mitigated.			
d	Achievement of SDG Goals			
	Total for section			
	6. Non-Duplicity			
a	Show there is Non-Duplicity or Overlap with existing projects			
	Total for section			
	7. Implementation Timetable			
a	Provide a project implementation timeline, identifying all key activities step by step, with justification for each step.			
b	Provide operation and maintenance cost timetable for the lifecycle of the project			

PROJECT SCREENING MATRIX SCORING SHEET		P/F	Possible Points	Points Awarded
c	Provide operation and maintenance cost timetable for the lifecycle of the project			
	Total for section			
	GRAND TOTAL			

E. Annex 5 – Financial Analysis Template and Help Guide

GOVERNMENT OF SIERRA LEONE

PUBLIC INVESTMENT MANAGEMENT DIVISION

INSTRUCTIONS FOR

FINANCIAL VALUATION TEMPLATES

Prepared as part of the State Building Contract for Sierra Leone - Complementary Support, funded by the EUD

Version 1.03

August 2021

Contents

Introduction

Purpose of the Templates

The purpose of these templates is to evaluate and value the costs and revenues of proposes projects. These templates only examine those costs and benefits of a project that a numerical value can be given to (so we can put that value on the spreadsheet), so this template will provide information, a Net Present Value (NPV) number, that is only one part of the valuation process.

By systematically listing all the costs to develop the project (Establishment costs), and then all the operating and maintenance costs (O&M) the evaluator can evaluate the reasonableness of the numbers and see if anything is missing. The Establishment costs can be put in by month for the first 2 years, and then annually after that.

The costing templates are divided into 4 sections:

1. Revenue and Expenditure Summary Table (produced by the spreadsheet, just print)
2. Assumptions Page
    a. On this page, key variables, and prices (covering revenues and expenditures) are typed in for each of three (3) possible scenarios (typically Worst Case, Expected Case, Best Case).
    b. The assumptions page allows space for many different cost and revenue lines. If there are only a few items, the rest can be left blank. The additional lines are only there in case the user needs them.
3. Costing Scenarios (3)
4. Revenue Scenarios (3)

Revenue and Expenditure Summary Table

The Revenue and Expenditure Summary Table prints out a summary of all three (3) scenarios. It gives yearly totals for each of the 20 years, and the Net Present Value (NPV) for each of the scenarios. All the information is taken from the other sheets. This summary sheet can be used by the evaluation committees or others to quickly evaluate the expected financial performance. Although the spreadsheet is set up to go over 20 years, a shorter period can be used and the calculations etc. will still work with no problem.

The table contains both NPV valuations and Benefit Cost Ratios (BCR) as a reference statistic. The key determinants of the NPV calculation are the appraisal horizon, the discount rate, and the accuracy of estimates for costs and benefits. BCR is calculated by taking the BCR is the discounted net revenues (NPV figured) divided by the initial investment. The preferred option is that with the ratio greatest more than 1. In any event, a project with a benefit cost ratio of less than one should generally not proceed. The advantage of this method is its simplicity, but it tends to distort results. NPV is required by statute and is more accurate.

Assumptions Page

1. Project Name At the top of the page, type in the Name of the Project. Also type in the Project Code for the project, which is assigned by the MOF from the IFMIS system.

2. Section II – Overall Assumptions

ASSUMPTIONS FOR APPRAISAL ANALYSIS

Cell to input values

PROJECT NAME	**TEST**
PROJECT CODE--FROM IFMIS	1000

	Scenario 1	Reviewed	Scenario 2	Reviewed	Scenario 3	Reviewed
I OVERALL ASSUMPTIONS						
1) Inflation Rates Expenditures	8.00%	☐	10.00%	☐	12.00%	☐
2) Inflation Rate Sales Revenue	8.00%	☐	10.00%	☐	12.00%	☐
3) Change in Exchange Rate (%)	-2%	☐	0%	☐	2%	☐
4) Financial Discount Rate (*from MOF*)	20.00%	☐	22.00%	☐	24.00%	☐
5) Real Discount Rate (*FDR less inflation*)--computed	12.00%	☐	12.00%	☐	12.00%	☐

The top section is where to put values in for overall variables. Values are put in for each of the 3 scenarios that will be run. The user puts entries in Green Shaded cells only. The items that are here are the following:

1. Inflation rate that is expected over the life of the project for expenditures
2. Inflation rate, or increase in the selling price, for the revenues, that the project will be generating (if any). The same rate can be used for both. The rates could be different if a contract is specifying a certain rate, or if it is tied to a commodity or similar where the rise in price may be different from the change in overall prices.
3. Change in Exchange Rate. Variable is included for future possible use, but is not used in the current cost or revenue sheets
4. Financial Discount Rate
    a. This rate should be supplied by the MoF. The rate used in the template (like all the values in the template) are for sample uses only.
    b. The Financial Discount Rate represents the “opportunity cost of capital”. This the cost of using the money for the project. It is usually set as the full cost of borrowing the funds in the market (i.e., the bank interest rate including financing charges). The MoF should determine this annually. The MoF may have different Financial Discount Rates for longer term projects.
5. Real Discount Rate
    a. This is computed. It is simply the Financial Discount Rate less the Inflation Rate.
6. The check boxes are next to each value, here in the Assumptions page and on the Revenue and Cost spreadsheets. They are for the reviewer of the work, to check off they have reviewed the line.

3. Section III – Project Establishment (or Construction) Costs

	Unit Rate		Unit Rate		Unit Rate	
II Establishment Costs						
A HARD COSTS						
1) Construction fees	1.00	☐	2.00	☐	3.00	☐
2) Material 1	2.00	☐	2.00	☐	3.00	☐

Section A (above) is for Hard Costs, such as construction materials. This section is where the user puts in the Per Unit costs for each of the hard cost line items (14 lines are available, not all have to be used). Suggested line items are included in the template, but these can be changed by the user.

Typical line-item costs can be found in *Annex 1 – Sample Cost Line Items.* Costs per unit are put in current costs. The inflation factor from Section I will adjust for increases in rates. In the Cost spreadsheet, the user enters the quantity for the period and then multiplies it by the unit price put here.

B	SOFT COSTS			
	1) Engineering	20.00 ☐	25.00 ☐	30.00 ☐
	2) Planning	25.00 ☐	30.00 ☐	40.00 ☐

Section B (above) is for "soft costs" typically planning, engineering, etc. Typical line-item costs can be found in *Annex 1 – Sample Cost Line Items.* These costs may or may not be easy to divide into per unit costs and may be charged a fixed amount for the service. In that instance, and in that instance only, the user would enter a "1" for the unit, and then in Cost Scenario sheet would enter the cost amount into the cell for that period (e.g., enter 20,000 Leones in month 6 for legal fees on the Cost Scenario sheet, and enter in 1 for the unit).

III	OTHER COSTS			
	1) Financing costs	10,000.00 ☐	15,000.00 ☐	20,000.00 ☐
	2) Relocation	20,000.00 ☐	25,000.00 ☐	30,000.00 ☐

Section III (above) is for "Other Costs". The purpose of this section is to provide a place for

- Other costs that might be involved in setting up the project, but do not neatly fit into the "hard cost" or "soft cost" category
- This section can be used for the costs to society (indirect cost) produced by the project.
- For longer term projects, this can also be for replacement items. Typical line-item costs can be found in *Annex 1 – Sample Cost Line Items.*

4. Section IV – Operation and Maintenance Costs

		Scenario 1	Scenario 2	Scenario 3
		Unit Rate	Unit Rate	Unit Rate
IV	OPERATING COSTS			
	Utilities	2,000.00 ☐	3,000.00 ☐	4,000.00 ☐
	Salaries	1,000.00 ☐	2,000.00 ☐	3,000.00 ☐

This section contains the cost per unit for operating costs. Up to 12-line items are available. The line items in the template are for example purposes only and can be changed. Typical line-item costs can be found in *Annex 1 – Sample Cost Line Items.*

5. Section V – Revenue Assumptions

		Scenario 1	Scenario 2	Scenario 3
		Unit Rate	Unit Rate	Unit Rate
V	OPERATING REVENUES			
	Revenue Stream 1	2.00 ☐	1.20 ☐	4.00 ☐
	Revenue Stream 2	5.00 ☐	6.00 ☐	7.00 ☐

This section is for the revenue per unit for the individual revenue streams that may be generated by the project. Additional assumptions regarding how revenues are generated will likely have to be

written down and supplied. For example, if it is for a building that will rent out space, the above chart can record the rental rate per square meter, but other key assumptions such as how fast the property will be rented out (absorption rate) will have to be written down and supplied with the Appraisal.

These adjustments will be used, and entered in, the Revenue Scenario worksheet cells for the periods (year). There are many ways in which revenue can be generated with the variety of projects that could possibly be proposed. Consequently, standardized lines to automatically use and calculate the revenue cannot provide for all those possibilities. Therefore, it is essential that the assumptions underlying how the revenue is generated and grows over time be written down so that the calculations are easy to check and verify.

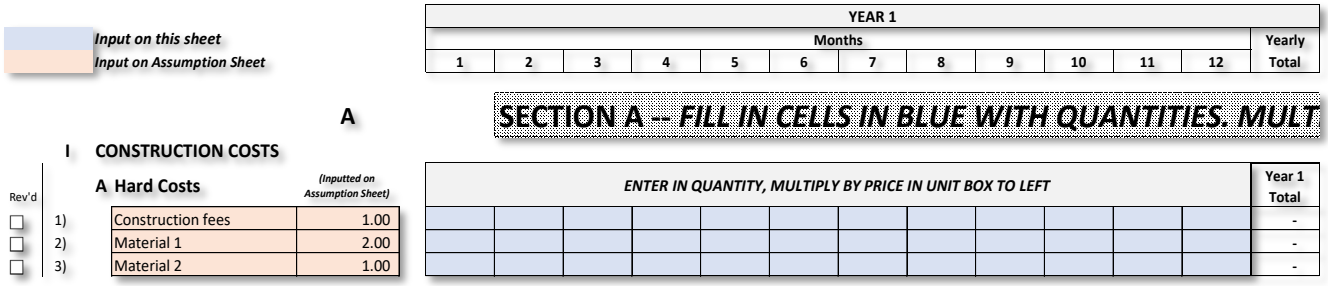
Costing Scenarios

The Costing Scenario sheets will calculate out the costs of the project for out to 20 years. It is in 2 parts:

1. For the first 24 months, costs are entered in month by month. This allows for more accurate timing of cost. The totals for each year (12 months) are then taken for calculations.
2. For years 3 to 20, costs are entered in for the year as a whole (just the total for the year.
3. If there are no costs in a year, the year can be left blank, the formulas will work fine. Construction costs may end after year one, but the spreadsheets simply allow for the situation where costs might continue. (Similarly, if there are only a few cost line items, the rest can be left blank, and the empty rows can be hidden for printing).

The top part of the sheet, **Section A**, is where the quantities (how much is to be used) is entered in. The bottom section, **Section B**, calculates the inflation adjustments for the final figures, no work necessary. Section B is the table to print out and use for your evaluation (along with the Revenue/Expense Summary sheet)

How to Input Data into the Costing Scenario Sheet—Section A



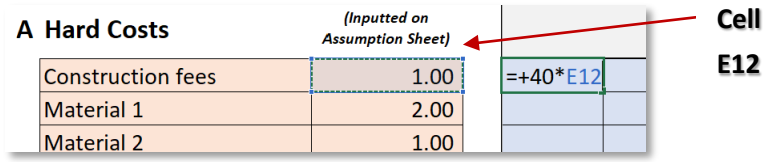
	Input on this sheet						YEAR 1							
	Input on Assumption Sheet						Months							Yearly
			1	2	3	4	5	6	7	8	9	10	11	12	Total
		A	SECTION A -- *FILL IN CELLS IN BLUE WITH QUANTITIES. MULT*											
	I CONSTRUCTION COSTS													
Rev'd	A Hard Costs	*(Inputted on Assumption Sheet)*	*ENTER IN QUANTITY, MULTIPLY BY PRICE IN UNIT BOX TO LEFT*											Year 1 Total
☐	1) Construction fees	1.00												-
☐	2) Material 1	2.00												-
☐	3) Material 2	1.00												-

Data is only to be typed into the Blue Cells. The rest of the worksheet performs calculations by using the data typed into the blue cells.

Example of Entering in Quantity Data, or How Much is Being Used

Construction fees	1.00		
Material 1	2.00		
Material 2	1.00		

In the above section, we have Construction fees having a unit cost (in today's value) at 1.00. The first 2 blue coloured cells are periods 1 and 2. If 40 units are to be used in the first period (period 1, or the first, left side cell), then we would type in the following:



We type in the quantity, 40, by the cell that contains the unit cost (1.00). In this case, the cell is **E12**. We are saying that we have bought 40 units of construction fees at a unit price of 1.00. That price of 1.00 is in today's money. The inflation index will adjust this, so if the quantity of 40 was typed into the box (cell) for year 4, the price would adjust.

There may be the situation where the unit cost is hard to obtain. For building materials, the unit cost is cost per ton. For some service, the cost may be a fixed cost, not a unit cost. In this case, the user should set the price in the Assumptions Sheet as 1 (giving maximum flexibility) and then in the Quantities section (the blue cell) type in the price to pay for that service. This is a standard workaround. Normally, it is better to have standard unit prices to compare for reasonableness. This is not practical for some items, however, and this procedural adjustment will take care of this issue.

Exogenous Cost Variable Adjustment Factor

There is a line to allow for adjustments for one-time adjustments that the user might want to put into the model. These can be either one-time fixed amounts or could be a percentage adjustment in a year. The purpose of having such percentage adjustments in such a model is to allow for situations such as a recession (in a Worst-Case Scenario), or an increase in economic activity (booming economy shoots up prices). Many more such adjustments can be done in more complicated analysis. But this line can be used to combine one or more adjustments in any one particular year. It is up to the judgement of the analyst whether to use this line.

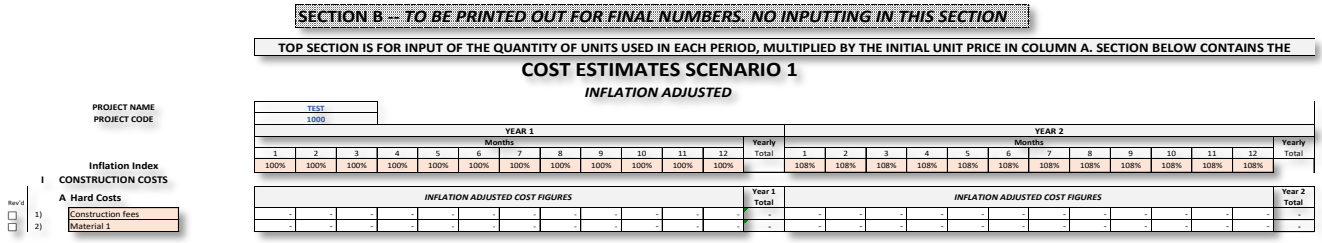
Printing Up Your Costing Scenario Data – Section B

The bottom part of the Costing Scenario sheet automatically applies the inflation adjustments that were put into the Inflations section of the Assumption sheet (line 1). The inflation adjustment is in the pink Inflation Index line.

	YEAR 1												
	Months												Yearly
	1	2	3	4	5	6	7	8	9	10	11	12	Total
Inflation Index	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	

For the first 2 years the values are monthly (12 months to a year, 2 years). After that the index is once a year, up to 20 years.

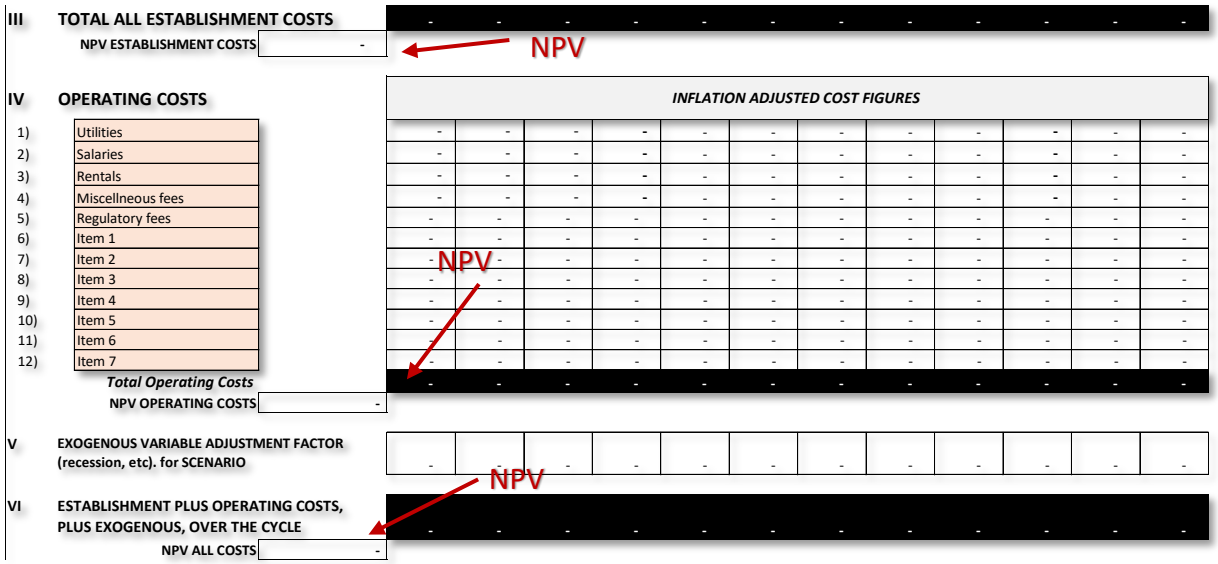
Section B – Inflation Adjusted Cost Figures to Use



Print out Section B to get the official cost figures by year for the appraisal. This part contains all the sections that the top did, so it has Establishment costs (hard costs, soft costs, other), O&M, and the Exogenous Adjustment.

NPV Calculations

The Cost Scenario Sheet also contains a calculation of **NPV** by section. The NPV total values are also carried forward to the Revenue and Expense Summary sheet.

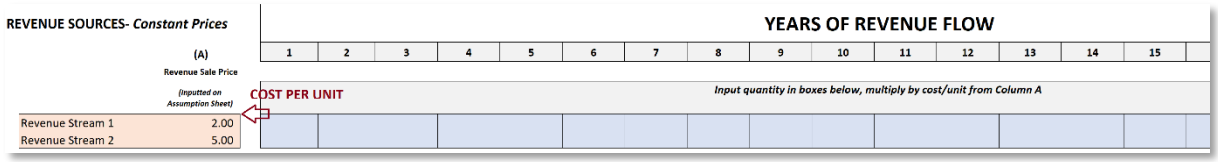


Three (3) Different Scenario Sheets

There are 3 separate Cost Scenario Sheets (1, 2, and 3). The analyst needs to enter in the quantity data into each of the separate Cost Scenario Sheets. This is after entering in the assumptions for the different scenarios onto the Assumptions page. For assumptions, all scenarios are one page. For quantities and the rest of the calculations, there is one separate sheet for each scenario.

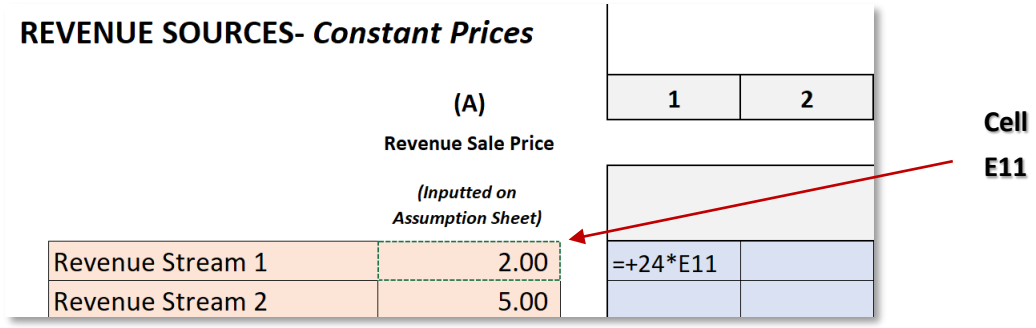
Revenue Scenarios

The Revenue Scenarios are simpler than the Cost Scenarios sheets. There are only annual boxes for revenues. There is only one category for revenues, with up to 10 possible revenue line items that the user can have (unused ones can stay blank, and the lines can be hidden).



Section I – Revenue Sources

The user again only enters data into the blue boxes. The user types the quantity of the item (sales quantity) and multiplies it by the unit price (Cost Per Unit) over on the left-hand side. This is the same procedure as in the Cost Scenario sheets.



We type in the quantity, 24, by the cell that contains the unit cost (2.00). In this case, the cell is **E11**. We are saying that we have sold 24 units of Revenue Stream 1 at a unit price of 2.00. That price of 2.00 is in today's money. The inflation index will adjust this, so if the quantity of 24 was typed into the box (cell) for year 4, the price would adjust.

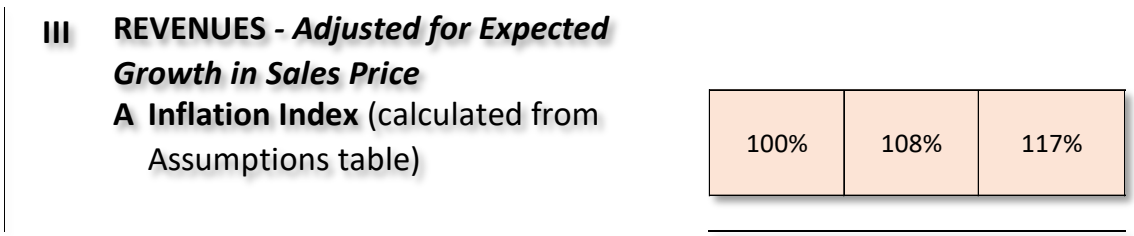
Section II - Exogenous Adjustment to Revenue

As with the Cost Scenarios, there is a line to make once a year adjustments. For revenues these could be possible recessions or other factors affecting the markets that bring in revenues. For sensitivity analysis in the use of the alternate scenarios, especially for stress testing a proposal, this line can be used to see what happens to the model if there are drops in sales.

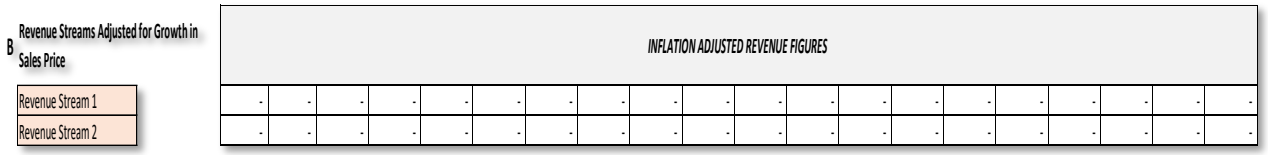
Again, there is only one line for all such adjustments. If there are more than one such adjustment, then the adjustments will need to be totalled up (added together) and put on the one line.

Section III - Revenues Adjusted for Inflation – Revenue Figures to Use

The revenues are adjusted by the expected inflation rate for revenues (or expected rate of increase in selling prices). This is a value typed into the Assumptions Sheet and is different than the Inflation Rate for prices (though the user can set them to the same number).



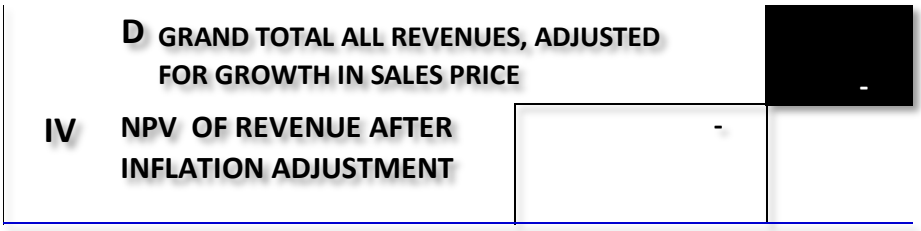
The next section III B contains the projected revenues to use. These have been adjusted for the expected rise in sales prices.



B	Revenue Streams Adjusted for Growth in Sales Price	INFLATION ADJUSTED REVENUE FIGURES																			
	Revenue Stream 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Revenue Stream 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Section IV – NPV of Revenue

The final section at the bottom calculates the NPV of revenue



D	GRAND TOTAL ALL REVENUES, ADJUSTED FOR GROWTH IN SALES PRICE	-
IV	NPV OF REVENUE AFTER INFLATION ADJUSTMENT	-

There are 3 separate Revenue Scenario sheets (1,2 and 3), just as for Cost Scenarios. Each one needs to be filled out.

ANNEX 1 – Sample Cost Line Items

Initial Capital Costs

1. Purchases of land and buildings, including accommodation for staff, computers, equipment and vehicles
2. Purchases of equipment, vehicles, hardware and software.
3. Installation and implementation costs
4. Development costs including staff costs and consultancy and other professional fees
5. Testing
6. Training
7. Special furniture
8. Infrastructure and works services
9. Communications
10. Initial security and contingency costs
11. Opportunity costs, based on up-to-date market valuations, of capital assets which are already in public ownership, such as land, buildings, equipment and vehicles.

Replacement Costs

Required during the appraisal period. These may be needed in respect of any capital assets employed on the project.

1. Management
2. Operation
3. Support
4. Ongoing training

Operating Costs

Recurring over the whole term of the appraisal, such as:

1. Maintenance Charges
2. Licensing and Support Costs
3. Bureau Services
4. Leasing and Rental Costs
5. Recurring Contingency and Security Costs
6. Energy Costs
7. Rates
8. Cleaning

F. Annex 6 - Pre-Feasibility Study Checklist

GOVERNMENT OF SIERRA LEONE

PRE-FEASIBILITY STUDY

CHECKLIST & QUESTIONNAIRE

Prepared with the support of the State Building Contract Phase III - Complementary Support in Sierra Leone *EUD Commission*

Contents

Project Overview

PROJECT INFORMATION				
Project Name				
Location of project office				
Location of the project area (attach map)				
GPS Coordinates of the project area				
Sector	Sector 1		Sector 2	Sector 3
Authorities responsible				
a) Sponsoring				
b) Execution				
c) Operation & maintenance				
Estimated cost execution				
Estimated cost O&M 5/10 years/20 years (gross & NPV)				
Estimated duration				
Timeline (original)	Start date		End date	
Timeline (first revision)	Start date		End date	
Timeline (second revision)	Start date		End date	
Reasons for change in timelines (if any)				
Major project objectives of the project				

PROJECT INFORMATION	
Intended beneficiaries	
Contact person	
Phone of the contact person	

I. Objectives and Justification of Proposed Feasibility Study

a. Why is the feasibility study/survey needed?

b. Objectives of the feasibility study/survey?

c. Context analysis

d. Context of the feasibility study/survey?

e. What kind of studies/surveys relevant to this study/survey were conducted in past?

f. How is the proposed study/survey different from the previous ones?

g. What expertise is available within the department to conduct this study and what expertise is not available (requiring outside consulting services)?

h. If a consultant/firm is required, please provide justification?

II. Pre-Feasibility Screening

Before evaluating the cost of a feasibility study, the pre-feasibility study must collect and provide a preliminary level of information with which to make a basic evaluation of the merits of the project. The following information must be provided:

a. Project alternatives

b. Recommended project alternative

c. Major risks (including institutional and budgetary)

d. Comparison of alternatives (engineering, socio- economic costs and benefits)

e. Preliminary estimate of project costs and benefits

f. Regulatory requirements

g. Identifying lacking information for Feasibility Study

III. Scope, Cost Estimates and Sources of Financing for a Feasibility Study

a. TORs of the feasibility study/survey
    i. Other than the technical areas, the study must also cover the following
        1. Social analysis
        2. Financial Analysis (NPV)
        3. Economic Analysis (NPV)
        4. Environmental Impact Assessment including CDM and DRRA:
        5. Risk and Sensitivity Analyses and proposed mitigation measures
        6. What other regulatory issues may be involved
        7. Forward backward linkages of the propose study/survey
        8. Expected output of the proposed feasibility study/survey
        9. What project alternatives have been examined
        10. Possibility of prospective project financing and implementation through different modes i.e., Private Sector/Public-Private Partnership (PPP) etc.

b. Scope of work
    i. Key deliverables
        1. Deliverable 1
        2. Deliverable 2

c. Item-wise/quarter-wise phasing of work:

Item/ category	Unit	Q1	Q2	Q3	Q4	Total

d. Item-wise summary of cost along with quarter-wise phasing:

(Million ll.)

Item/ category	Q1	Q2	Q3	Q4	Total Cost
Total					

(Item wise detailed specification be annexed and also indicate basis of costs estimate)

e. Cost Estimates along with source:

(Million Ll)

No.	Source	Local	National	Total
I)	National source 1			
2)	Local source 1			
3)	Foreign Loan*			
4)	Foreign Grant*			
5)	Others			
	Total:			

**In case of foreign loan or grant name of donor agency, Terms & Conditions and EAD's confirmation be attached.*

f. Implementation plan

i. Timeline

1. Start date _____
2. Completion date _____

ii. Gantt chart

Supply a Gantt chart of the implementation steps. The chart should show the interconnectedness of the steps, and the critical predecessor steps required before next steps can be achieved.

IV. Management structure and manpower requirements including specialized skills required during implementation:

a. Management Structure:

Supply a description of the management structure of the project. Who is responsible for the various steps, for approving and monitoring activity.

b. Manpower Requirements:

List out the required skills needed for the project. List out the required manpower by step, and list out the skills required for those positions. Identify critical or hard to find skills, and write how the project will get those skills for this project, or find an alternative that would work.

V. Any possible risks in conducting the study/survey

a. Risks and measures taken in the project to address such risks.

PUBLIC INVESTMENT MANAGEMENT DIVISION

END OF PROJECT EVALUATION FORM

Profile

1.	**Name of the Project/Program/Study**		
	Location		
2.	**Sector**		
	Sub-Sector		
3.	**Sponsoring Department/Agency**		
4.	**Executing Department/Agency**		
5.	**Department/Agency for Operation & Maintenance after Completion**		
6.	**Date of Approval & Approving Committee**		
		Approval Forum	**Date of approval**
	• Original submittal		
	• 1st revision		
	• 2nd revision		
	• 3rd revision		
7.	**a) Implementation Period**	**Date of Commencement**	**Date of Completion**
	• As per original submittal		
	• Actual		
	b) Extension(s) in the Implementation Period (if any)	**Date**	**Period** (Months/Days)
(Millions Leonean Leone)			

8.	Capital Cost	Cost (approved)			Actual Expenditure		
		Local	National	Total	Local	National	Total
	• Original						
	• Revised						
* Clearly specify the source and mention exchange rate							

9.	Financing of the Project	Local	National	Total
	• Federal Share			
	• Local			
	• Donors/Others			
	Total:			

10. <u>Project Accounts</u>

a) Nature of Account	Type	Date of Opening	Lapsable/ Non-lapsable
	TSA Account #		
	Other		
b) Status of Account	• Balance in the account (if not closed yet)		
c) Status of Account	• If closed, mention the date		
	• If not closed, mention reasons thereof & tentative closure date		

11. <u>Financial Phasing as per Proposal Form and Expenditure</u>

(LL. Million)

Year	Proposal Phasing	MoF Allocation	Releases	Expenditure

	Total	National/ Loan/* Grant	**Total**	National/ Loan/* Grant	**Total**	National/ Loan/* Grant	**Total**	National/ Loan/* Grant
1	2	3	4	5	6	7	8	9
Total								

***** Clearly specify the source

12. Physical Targets and Achievements

S.No.	**Items**	**Unit**	**Target as per original**	**Target as per last revised**	**Actual * Achievement**

***** Attach/Annex detailed information for each item separately

13. List of Project Directors (PDs) till completion of the project

S.No.	**Name & Designation**	**From (date)**	**To (date)**

14. Issues Faced during Implementation

15. Lessons learned

a) Project identification

b) Project preparation

c) Project approval

d) Project financing

e) Project implementation

16. Suggestions for Future Planning & Implementation of Similar Projects

17. Transfer of assets of the project

S. No.	Name of the asset	Description of the asset	Handed over to	Date of handing over

18. List of assets not yet transferred

S. No.	Name of the asset	Description of the asset	Reason of not transferring

19. Item-wise Planned & Actual Expenditure

(Le. Million)

#	Items (As per original)	Original Estimates			Last Approved Estimates			Actual Expenditure			Reasons of variation
		Total	Local	National	Total	Local	National	Total	Local	National	
	Total:										

20. Recurring Cost after Completion of the Project

(all costs in Le. Million)

#	Cost item	Original Estimates*			Actual Expenditure*			Variation in cost	Reasons of variation
		Quantity	Unit price	Total cost	Quantity	Unit price	Total cost		
	Total:								

21. **Outcomes of the project**

#	Outcomes	Unit	Planned as per the orignal approved project	Actual outcomes achieved so far	Variation	Reasons of variation
	Immediate outcomes					
	Intermediate outcomes					
	Ultimate outcomes					

22. **Year-wise income generated through the project (if any)**

(Le. 000)

#	As Originally Estimated	Actual

23. Financial/Economic Analysis

Update the cashflow statements of financial analysis and economic analysis (adding actual values of costs and benefits, whatever accrued so far, and present findings in the following table and attach the cashflow statements:

#	Components	As Per Original	After Completion
a)	**Financial**		
	Net Present Value (NPV)		
	Benefit Cost Ratio (BCR)		
	Unit Cost		
b)	**Economic**		
	Net Present Value (NPV)		
	Benefit Cost Ratio (BCR)		
	Unit Cost		

24. Other benefits of the project

a) Technological

b) Social (Education, Health, Employment, area Development, etc.)

c) Environmental

d) Any other

25. <u>Updated results framework given in the Original Proposal</u>

Please update the results framework given in the original proposal and present here.

26. <u>Mechanism for Sustainability of Activities after Completion</u>

State here the mechanism put in place to ensure sustainablity of the project

27. <u>Identify and analyze the risks which potentially affect the outcomes and sustainability of the facility/infrastructure produced by the project</u>

Risk	Likelihood of the risk	Impact of the risk

Submitted by:	**Signature**	
	Name & Designation	
	Telephone No.	
	E-mail Address	
	Date	

H. Annex 8 – PIC Terms of Reference

ANNEX – Public Investment Committees (PICs) Terms of Reference (ToRs).

The PIC shall consist of a Ministerial Investment Committee (MIC) and a Technical Investment Committee (TIC).

The Technical Investment Committee (TIC)

The composition of the committee shall be determined by the Minister of Planning and Economic Development in collaboration with the Minister of Finance and membership shall be drawn from these two ministries. It shall include heads of Units /Directorates/Departments that are associated with the public investment process. The TIC shall be co-chaired by the Development Secretary and the Financial Secretary. The PIMD shall provide the Secretariat of the TIC.

The TIC shall review appraised projects/programmes and proffer advice to the MIC for selection and budgeting.

The Ministerial Investment Committee (MIC)

The MIC shall be drawn from the Cabinet. The MIC be co-chaired by the Minister of Planning and Economic Development and the Minister of Finance and shall consist of selected Cabinet Ministers based on government public investment priorities. The composition shall be reviewed on an annual basis except for the co-chairs. The PIMD shall provide the secretariat of the MIC.

The MIC shall provide the government policy direction on the public investment programme. It shall approve projects/ programmes recommended by the TIC for selection and budgeting in the PIP and the National Budget.

I. Annex 9 – End of Project Evaluation Form

PUBLIC INVESTMENT MANAGEMENT DIVISION

END OF PROJECT EVALUATION FORM

Profile

1.	**Name of the Project/Program/Study**		
	Location		
2.	**Sector**		
	Sub-Sector		
3.	**Sponsoring Department/Agency**		
4.	**Executing Department/Agency**		
5.	**Department/Agency for Operation & Maintenance after Completion**		
6.	**Date of Approval & Approving Committee**		
		Approval Forum	**Date of approval**
	• Original submittal		
	• 1st revision		
	• 2nd revision		
	• 3rd revision		
7.	**a) Implementation Period**	**Date of Commencement**	**Date of Completion**
	• As per original submittal		
	• Actual		
	b) Extension(s) in the Implementation Period (if any)	**Date**	**Period** (Months/Days)
(Millions Leonean Leone)			

8.	Capital Cost	Cost (approved)			Actual Expenditure		
		Local	National	Total	Local	National	Total
	• Original						
	• Revised						
* Clearly specify the source and mention exchange rate							

9.	Financing of the Project	Local	National	Total
	• Federal Share			
	• Local			
	• Donors/Others			
	Total:			

10. <u>Project Accounts</u>

a) Nature of Account	Type	Date of Opening	Lapsable/ Non-lapsable
	TSA Account #		
	Other		
b) Status of Account	• Balance in the account (if not closed yet)		
c) Status of Account	• If closed, mention the date		
	• If not closed, mention reasons thereof & tentative closure date		

11. <u>Financial Phasing as per Proposal Form and Expenditure</u>

(LL. Million)

Year	Proposal Phasing	MoF Allocation	Releases	Expenditure

	Total	National/ Loan/* Grant	**Total**	National/ Loan/* Grant	**Total**	National/ Loan/* Grant	**Total**	National/ Loan/* Grant
1	2	3	4	5	6	7	8	9
Total								

***** Clearly specify the source

12. Physical Targets and Achievements

S.No.	**Items**	**Unit**	**Target as per original**	**Target as per last revised**	**Actual * Achievement**

***** Attach/Annex detailed information for each item separately

13. List of Project Directors (PDs) till completion of the project

S.No.	**Name & Designation**	**From (date)**	**To (date)**

14. Issues Faced during Implementation

15. Lessons learned

a) Project identification

b) Project preparation

c) Project approval

d) Project financing

e) Project implementation

16. Suggestions for Future Planning & Implementation of Similar Projects

17. Transfer of assets of the project

S. No.	Name of the asset	Description of the asset	Handed over to	Date of handing over

18. List of assets not yet transferred

S. No.	Name of the asset	Description of the asset	Reason of not transferring

19. Item-wise Planned & Actual Expenditure

(Le. Million)

#	Items (As per original)	Original Estimates			Last Approved Estimates			Actual Expenditure			Reasons of variation
		Total	Local	National	Total	Local	National	Total	Local	National	
	Total:										

20. Recurring Cost after Completion of the Project

(all costs in Le. Million)

#	Cost item	Original Estimates*			Actual Expenditure*			Variation in cost	Reasons of variation
		Quantity	Unit price	Total cost	Quantity	Unit price	Total cost		
	Total:								

21. **Outcomes of the project**

#	Outcomes	Unit	Planned as per the orignal approved project	Actual outcomes achieved so far	Variation	Reasons of variation
	Immediate outcomes					
	Intermediate outcomes					
	Ultimate outcomes					

22. **Year-wise income generated through the project (if any)**

(Le. 000)

#	As Originally Estimated	Actual

23. Financial/Economic Analysis

Update the cashflow statements of financial analysis and economic analysis (adding actual values of costs and benefits, whatever accrued so far, and present findings in the following table and attach the cashflow statements:

#	Components	As Per Original	After Completion
a)	**Financial**		
	Net Present Value (NPV)		
	Benefit Cost Ratio (BCR)		
	Unit Cost		
b)	**Economic**		
	Net Present Value (NPV)		
	Benefit Cost Ratio (BCR)		
	Unit Cost		

24. Other benefits of the project

a) Technological

b) Social (Education, Health, Employment, area Development, etc.)

c) Environmental

d) Any other

25. <u>Updated results framework given in the Original Proposal</u>

Please update the results framework given in the original proposal and present here.

26. <u>Mechanism for Sustainability of Activities after Completion</u>

State here the mechanism put in place to ensure sustainablity of the project

27. <u>Identify and analyze the risks which potentially affect the outcomes and sustainability of the facility/infrastructure produced by the project</u>

Risk	Likelihood of the risk	Impact of the risk

Submitted by:	**Signature**	
	Name & Designation	
	Telephone No.	
	E-mail Address	
	Date	

J. Annex 10 – Post Project Completion Annual Reporting (PCER) Form

PUBLIC INVESTMENT MANAGEMENT DIVISION

Post Project Completion Annual Evaluation Report (PCER)

Project Title:

Project Code:

Date of Submission:

Government of Sierra Leone

POST PROJECT COMPLETION ANNUAL PERFORMANCE REPORT

Contents

1. Profile

1.	**Name of the Project/Program/Study**	
	Location	
2.	**Sector**	
	Sub-Sector	
3.	**Sponsoring Department/Agency**	
4.	**Executing Department/Agency**	
5.	**Department/Agency for Operation & Maintenance after Completion**	
6	**Date of completion of the project**	

2. Project Accounts

a) Status of Account	• Balance in the account (if not closed yet)	
b) Status of Account	• If closed, mention the date	
	• If not closed, mention reasons thereof & tentative closure date	

3. Transfer of assets of the project (as of 31st June of last year)

#	Asset Register Tag #	Description of the asset	Handed over to	Date of handing over

4. List of assets not yet transferred

#	Asset Register Tag #	Description of the asset	Reason of not transferring

5. Recurring cost incurred during the last financial year

(all costs in Le. Million)

#	Cost item	Proposal Estimates*			Actual Expenditure*			Variation in cost	Reasons for variation
		Quantity	Unit price	Total cost	Quantity	Unit price	Total cost		
	Total:								

6. Outcomes of the project achieved during the last financial year

#	Outcomes	Unit	Planned as per the approved Proposal	Actual outcomes achieved so far	Variation	Reasons of variation
	Immediate outcomes					
	Intermediate outcomes					
	Ultimate outcomes					

7. Income generated through the project (if any), during the last financial year

(Le. 000)

#	As Estimated in the Proposal	Actual

8. Financial/Economic Analysis (updated based on actual values of previous years)

Update the cashflow statements of financial analysis and economic analysis (adding actual values of costs and benefits, whatever accrued so far, and present findings in the following table and attach the cashflow statements:

#	Components	As Per Original Proposal	As per Latest Submitted Proposal	Current
a)	**Financial**			
	Net Present Value (NPV)			
	Benefit Cost Ratio (BCR)			
	Unit Cost			
b)	**Economic**			
	Net Present Value (NPV)			
	Benefit Cost Ratio (BCR)			
	Unit Cost			

9. Other benefits of the project

a) Technological

b) Social (Education, Health, Employment, area Development, etc.)

c) Environmental

d) Any other

10. Issues faced in the operation and maintenance during the last year

11. Identify and analyze the risks which potentially affect the outcomes and sustainability of the facility/infrastructure produced by the project

Risk	Likelihood of the risk	Impact of the risk

Submitted by:

Signature _____

Name & Designation _____

Telephone No. _____

E-mail Address _____

Date _____

K. Annex 11 – National Budget Planning Calendar

BUDGET CALENDAR

Budget Call Circular (BCC) and the PIM Process			
Period by Quarter	**Weeks in Months**		**PIM Process/Activity**
	March	Week 1-3	Workshop on MDAs', LCs' and SOE's PIP Portfolio review and Support/guide in the development of concept Notes/Project Proposals for new Projects/programmes
		Week 4	Submission of Concept Notes/ Project Proposals for new projects/programmes to MoPED/PIMD
	April	Week 1	Submission of Concept Notes/ Project Proposals for new projects/programmes to MoPED/PIMD/NaMED continues
		Week 2-4	MoPED/PIMD/NaMED Reviews and Screens Project Proposals/Concept Notes submitted by MDAs, LCs and SOEs
	May	Week 1	Provide Recommendation/Feedback on Screened Project for either Feasibility or Prefeasibility Study
		Week 2 - 3	MDAs, LCs and SOEs provide response to feedback on screened projects
		Week 4	Feedback on the Revised Submissions of Project Proposals from MDAs, LCs and SOEs
	June - August		Support to MDAs, LCs and SOES on the Conduct of Prefeasibility Studies for New Projects/Programmes
	August	Week 4	Appraisals on Prefeasibility/Feasibility Studies
Quarter 4	**September**	Weeks 1-3	Issuance of PIM Budget Call Circular
		Week 4	Compilation of Submissions from MDAs, LCs and SOEs
	October	Week 1-2	Convey meeting of the Technical Investment Committee (TIC)
		Week 3	Report on the outcome of TIC submission to the Ministerial Investment Committee (MIC) for Approval
		Week 4	Compilation of Public Investment Programme
	November		Submission of the Public Investment Programme (PIP) as part of the National Budget to Parliament by the MoF

L. Annex 12 – Concept Note Scoring Sheet

PUBLIC INVESTMENT MANAGEMENT DIVISION

CONCEPT NOTE SCORING SHEET

Date Concept Note Submitted: _____

Project Title: _____

Project Code: _____

	Concept Note Item	P/F	Points Available	Points Awarded
1	Alignment with Government National Development Plan			
2	Alignment with SDGs			
3	Project Sustainability			
4	Environmental Impact and Resettlement Needs			
5	Gender Impact			
6	Project Expected Output and Indicators			
	TOTAL		60	60

M. Annex 13 – Project Screening Matrix Scoring Sheet

PROJECT SCREENING MATRIX SCORING SHEET		P/F	Possible Points	Points Awarded
1. Project Needs Assessment				
a	Project rationale			
b	Strategic alignment with policy			
c	Lessons learned from ex-post evaluations of similar projects			
d	Preliminary demand analysis			
e	Long-list of potential options			
f	Indicative range of costs involved			
g	Assessment of affordability			
h	Preliminary identification of risks			
i	Framework for measuring inputs, outputs, results and impacts such as a logic path model			
	Total for section			
2. Technical Assessment of the Project				
a	Provide an assessment of the technical and engineering issues facing the project			
b	Discuss potential bottlenecks or difficulties			
c	Discuss any difficulties in obtaining skilled workers or materials to build the project.			
d	Discuss the project's output and the extent to which the project will close the demand/supply gap, or service quality gap, if applicable			
	Total for section			
3. Financial Analysis				
a	Estimated implementation project costs.			
b	Estimated O&M costs over life of project (provide for 5 years, 10 years, 20 years)			
c	Indicative financing plan			
d	Value-for-Money assessment, preliminary			
e	Indicative viability gap assessment.			
f	Indicative assessment of affordability.			
g	Indicative funding source to execute the project			

PROJECT SCREENING MATRIX SCORING SHEET		P/F	Possible Points	Points Awarded
h	Sustainability Analysis – Is this project sustainable? Will it require continuing inflows of money to keep it going?			
	Total for section			
	4. Economic Appraisal			
a	Expected Socio-Economic Cost/Benefit Analysis			
b	Willingness to Pay Analysis			
c	Demand analysis and description of underlying assumptions			
d	Outline Procurement Strategy			
	5. Social and Environmental Appraisal			
a	Preliminary assessment of the impact of project on surrounding community			
b	Preliminary assessment of the impact of project on surrounding environment, land use issues.			
c	Preliminary assessment of whether the adverse social and environmental impact of the project can be mitigated.			
d	Achievement of SDG Goals			
	Total for section			
	6. Non-Duplicity			
a	Show there is Non-Duplicity or Overlap with existing projects			
	Total for section			
	7. Implementation Timetable			
a	Provide a project implementation timeline, identifying all key activities step by step, with justification for each step.			
b	Provide operation and maintenance cost timetable for the lifecycle of the project			

PROJECT SCREENING MATRIX SCORING SHEET		P/F	Possible Points	Points Awarded
c	Provide operation and maintenance cost timetable for the lifecycle of the project			
	Total for section			
	GRAND TOTAL			

N. Annex 14 – Appraisal Form Scoring Sheet

APPRAISAL FORM TEMPLATE SCORING SHEET

	APPRAISAL FORM TEMPLATE SCORING SHEET			P/F	POSSIBLE SCORE	SCORE
II.	Explain the Strategic Context					
A.		Rationale for Government Intervention				
B.		Strategic Objectives				
II.	Establish the Need for Government Intervention					
A.		Establishing the Need for Government Intervention				
B.		Assessing the Need for Individual Spending Projects				
III.	Define the Objectives and Constraints					
A.		Objectives and Constraints				
B.		Specific Questions on Objectives				
C.		Compliance Schedule				
IV.	Identify and Describe the Options					
A.		List out the options available.				
B.			Initial Proposal			
C.			"Long List"			
D.			"Short List"			
V.	Identify and Quantify the Monetary Costs and Benefits					
A.		Financial Costs and Benefits				
1.			Description of Cost Items on Financial Analysis Template			
2.			Description of Revenue Items on Financial Analysis Template			
B.		Qualitative Costs and Benefits				
1.			Weighted Scoring Method			
2.			Impact Assessment Method			
C.		Sustainability Impact Statement				
D.		Any Other Costs and Benefits				
E.		Summarize the Different Scenarios Used				
VI.	Assessment of Risks and Adjustment for Optimism Bias					
A.		Risk				
1.			Risk Elements Facing the Project			
2.			Risk Management of the Project			
B.		Adjusting for Optimism Bias (OB)				
VII.	Monitoring and Evaluation					
A.		Check for Monitoring and Evaluation Plan				
B.		Monitoring and Evaluation Criteria				
VIII.	Calculate Net Present Values and Assess Uncertainties					
A.		Summary of Results				
B.		Discuss Any Significant Adjustments or Factors for the 3 Scenarios				
C.		Discuss the differences in the Net Present Values (NPV and the Benefit Cost Ratios (BCR).				
D.		Discuss the NPVs in light of the Uncertainties				
IX.	Discuss Financial and Qualitative Benefits Together					
A.		Discuss the Financial and Qualitative Benefits Together				
B.		Assess the Balance of Advantage Between the Options and Present the Appraisal Results and Conclusions				
		GRAND TOTAL				

O. Annex 15 – PIP Sectoral Budget Allocation Table

GOVERNMENT OF SIERRA LEONE

PIP SECTORAL ALLOCATION TABLE

EFFECTIVE _____

Sector	PERCENTAGE ALLOCATION OF ANNUAL BUDGET	
	Budget Size Range 1 Le ____ to ___	Budget Size Range 1 Le ____ to ___
Sector 1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
TOTAL	**100%**	**100%**

P. Annex 16 – TIC Project Weighted Scoring Matrix

TIC Project Weighted Scoring Matrix

EFFECTIVE _____, 20__

Project Title: _____

Project Code No. _____

	SCORING ELEMENT	Points Available	Points Awarded
1	Alignment with Government National Development Plan		
2	Alignment with SDGs		
3	Project Sustainability		
4	Environmental Impact and Resettlement Needs		
5	Gender Impact		
6	Number of Geographical Areas Served		
7	Marginalized communities served		
8	Impact on Poorest Households		
9	Impact on Youth employment		
10	Cost Effectiveness/VFM in buildout		
11	Cost Effectiveness in Operation/ O&M		
12	Affordability		
13	Effectiveness of Design/Probability of Timely Success		
14	Impact on Local Businesses and Economy		
	TOTAL		

Q. Annex 17 – MIC Project Weighted Scoring Matrix

MIC Project Weighted Scoring Matrix

EFFECTIVE _____, 20__

Project Title: _____

Project Code No. _____

	SCORING ELEMENT	Points Available	Points Awarded
1	Alignment with Government National Development Plan		
2	Alignment with SDGs		
3	Project Sustainability		
4	Environmental Impact and Resettlement Needs		
5	Gender Impact		
6	Number of Geographical Areas Served		
7	Marginalized communities served		
8	Impact on Poorest Households		
9	Impact on Youth employment		
10	Cost Effectiveness/VFM in buildout		
11	Cost Effectiveness in Operation/ O&M		
12	Affordability		
13	Effectiveness of Design/Probability of Timely Success		
14	Impact on Local Businesses and Economy		
	TOTAL		