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| --- | --- |
| TFMS Reference no: XXX [preliminary/active] | Language: English |
| THE African Development Bank Group    URBAN AND MUNICIPAL DEVELOPMENT FUND | |
| UMDF PROJECT INFORMATION MEMORADUM  [**TITLE OF THE PROJECT**] | |
| [CITY, COUNTRY]  [Total GRANT amount REQUESTED]  date: [MONTH-yyyy] | |

**THIS ANNOTATED FORMAT IS APPLICABLE FOR INVESTMENT PROJECTS.**

**READ THIS PAGE CAREFULLY AND DELETE IT WHEN USING THIS ANNOTATED FORMAT FOR YOUR PROJECT.**

**ALL ANNOTATIONS UNDER BRACKETS IN THIS FORMAT SHOULD BE REPLACED OR DELETED.**

1. **Introduction**
2. This UMDF Project Information Memorandum (PIM) template has been modelled based on the contemporary Bank Project Concept Note (PCN) format for sovereign investment operations (SO). It becomes effective as from 1st January 2023. All previous formats of the UMDF PIM shall be considered obsolete thereafter.
3. The PIM format intends to support project proponents seeking UMDF project preparations grants to develop required studies and analysis towards the development of the Bank Project Concept Notes. While some details are yet to be specified, please fill where applicable with already known or estimated information. Project preparation grants (based on the PIM application) are meant to (i) capture data and information, (ii) further assess technical and financial feasibility, (iii) help a project move toward detailed design, and (iv) Environmental and Social Impacts, and other related necessary information to conceptualize and appraise investment projects. The goal is to enable project proponents at the successful completion of a UMDF grant to produce a Bank-conform PCN (the main written output of the preparation phase of the project cycle) and already have critical elements needed for a potential PAR.
4. **Investment Project Focus**
5. The PIM format places the focus on the intended investment project, not on the projected UMDF grant proposal. Please complete this template with the investment in mind, and where necessary state that information is not yet available and is going to be analysed/completed through the preparation grant. The main improvement is that this PIM now has a similar (but reduced) structure to the Bank Project Concept Note (PCN) and elements of the Project Appraisal Report (PAR). This should enable project proponents to develop and strengthen the same elements from project origination, preparation, appraisal and approval to improve quality at entry.
6. **User Guidelines**
7. The length of the main body of the PIM (without annexes) should not exceed 10 pages. It is understood that some information is an informed estimation of the future project, which is to be further detailed. Keep it short.
8. Remove the page limits that are under brackets from the PIM section titles.
9. Hyperlinks to the editable templates of the most current versions to tools such as the Results Framework, Monitoring Plan, Risk Matrix etc. have been provided in this annotated format.
10. References and sources to all data/figures and information from other documents used in the PIM should be clearly provided in the footnotes.
11. Acceptable languages: UK/American English or France French; as per the Bank’s style guide.
12. Delete this page, and any other guidance text, before submission.

|  |  |
| --- | --- |
| **Vice-President** |  |
| **Director General** |  |
| **Sector Director** | [add line if more than one sector is concerned] |
| **Sector Manager** | [add line if more than one sector is concerned] |
| **Country Manager** | [add line if more than one country is concerned] |
| **Team Leader** |  |
| **Task Team\*** |  |
| [add line if more than two TMs are involved] |
| **Peer Reviewers** |  |
|  |

*\*Note on Task Team: Depending on the scope and complexity of the project, the project task team can be composed of the following roles. Please ensure that these roles are part of the project task team, or peer reviewers, as deemed relevant:*

*- Urban Development Specialists (PICU.2)*

*- Country Economist (ECVP)*

*- Country Programme Officer (RDVP)*

*- Gender specialist (AHGC)*

*- Safeguards specialist (SNSC)*

*- Climate Change and Green Growth Specialist (PECG)* *----* ***Delete this text***

**CLIENT INFORMATION**

|  |  |
| --- | --- |
| **Project Name** | [Project Name] |
| **Sector** | [Sector (s) of Intervention] |
| **Borrower/Grant Recipient** | [Regional Member Country Name] [RMC Subnational Authority Name] |
| **Expected Project Instrument** | [Loan/Grant/Guarantee/PPP] |

**COUNTRY AND STRATEGIC CONTEXT**

|  |  |
| --- | --- |
| **Country Strategy Paper Period:** | [Start Year – End Year] |
| **Country Strategy Paper Priorities supported by Project:** | [Which CSP priority does the project align with: Priority 1, 2, etc] |
| **Relevant Government Policy or Program (PRSP, NUP, NDC or equivalent):** | [Name relevant national Program/Policy Name, Year] |
| **Project classification:** | [Relevant High 5 Priority Area(s) and sub-theme(s)] |
| [SDG Name(s)] |
| [Selectivity priority/ies] |

**ESTIMATED PROJECT CATEGORISATION**

|  |  |
| --- | --- |
| **Environmental and Social Risk Categorization** | [Refer to ESCON note, which category does the project fall into], |
| **Does the project involve involuntary resettlement?** | [Yes/No] |
| **Climate Safeguards Categorization:** | [Refer to Bank Climate Safeguards system, which Category 1/2/3] |
| **Gender Marker System Categorization:** | [Under which GMS category did AHGC classify this project Category 1/2/3/4] |

**EARLY ESTIMATION OF ADF/ADB KEY FINANCING PARAMETERS**

|  |  |  |
| --- | --- | --- |
| **Estimated Project Amount** | [Currency, Amount] [Provide a low-end estimate if not known] | |
| **Amount of Bank Group Financing** | [Early indicative amount, Currency] [Loan/Grant] | |
| **Co-financiers and / or**  **Trust fund Financing:** | [Name Co-financier 1]  [add line if more than 1] | [Currency, Amount] |
| **Project preparation grant requirement:** | [Currency, Amount], of which  [Currency, Amount] is expected to be financed by the UMDF | |

**PROJECT PREPARATION SCHEDULE**

|  |  |
| --- | --- |
| **Preparation timeframe** | [Start Date - End Date] |
| **PCN finalization** | [Date format: DD-MM- YYYY] |
| ***Indicative planning*** *(changes expected)* | |
| **Preparation mission** | [Start Date - End Date] |
| **Appraisal Mission** | [Start Date- End Date] |
| **Planned Board Presentation** | [MM-YYYY] provide early estimation, or which year this project can be included in IOP |
| **Project Implementation period** | [Start Date- End Date] |

# EXECUTUVE SUMMARY (approx. 1-2 paragraphs)

*[Briefly explain the essence and location of the project, and what it is trying to achieve].*

# STRATEGIC CONTEXT

## **Country Context, Strategy and Objectives** (approx. ¼ page)

1. *[Explain the development priorities of the country and state the key pillars of the national development strategy/plan (please indicate strategy validity dates). Present how the project is linked and aligned with the development priorities of the country, SDGs and the AU Agenda 2063].*
2. *[State the key pillars of the current Bank Country Strategy Paper (CSP) (please indicate CSP validity dates). Describe the alignment of the operation with the CSP pillars and other key Bank Strategies (e.g. Ten-year strategy, High 5s, gender strategy, and strategy for addressing fragility and building resilience etc).*
3. *[Confirm that the operation is aligned with the Bank’s selectivity framework/current strategic priorities].*

## **Sector and Institutional Context** (approx. 1-2 paragraph)

1. *[Describe the sector and institutional context of the project. Explain the main challenges being encountered in the sector].*
2. *[What sector policy or governance reforms does this project respond to and help to achieve?].*
3. *[Will the project benefit from synergies/coherence with other projects planned or implemented in the same area or of the same targeted beneficiaries?].*

## **Rationale for Bank’s Involvement** (approx. ¼ page)

1. [Explain the rationale for the Bank’s intervention, based on the country and sector issues defined above. In particular, reasons given should justify why the proposed project is needed, and why it is needed now.]
2. [Explain what the Bank’s comparative advantage for this intervention is. In particular, what is, if any, the value addition or unique contribution made by the Bank, which could not be accomplished by other means or other sources of funding.]

## **Development Partners Coordination** (approx. 1 paragraph)

1. [Explain how the actions of other development partners fit into the project or the strategy in which the project fits. Indicate if the effective coordination and mobilization of additional resources in co-financing otherwise describe how the project will leverage development partner resources]

# PROJECT DESCRIPTION

## **Project Development Objective** (approx.1 paragraph)

1. [Explain the project development objective, other specific project objectives and how it affects end-beneficiaries and stakeholders.]

*\*Note: Briefly articulate how the proposed development objective would contribute to building climate resilience—either at community, sub-national, national or regional level.*

## **Theory of Change** (approx. ¼ page)

1. *[Briefly describe the specific problem/ challenge the intervention is trying to address and an indication of the scope and magnitude of the problem and the logic of interventions, so, the expected changes that will address the problem, and how to achieve these changes via the foreseen outcomes of the project, and its underlying outputs and activities. Also explain the critical underlying assumptions. You can include a theory of change diagram in annex 2-1]*

## **Project Type** (approx. 1 paragraph)

1. *[Explain the type of project e.g., standalone operation, part of a program, follow-up project etc and why this modality was chosen]*

## **Project Components** (short description or table)

1. *[Name and describe each project component and sub-component of the project (include as many paragraphs as required without exceeding the stated section page limit]*

#### ***Component 1: Name,*** (Amount/Cost)

1. *[Description of component goal, activities, target beneficiaries etc]*

* *Sub-component 1.1: Name*

*[Description of subcomponent goal, activities, target beneficiaries etc]*

* *Sub-component 1.2: Name*

*[Description of subcomponent goal, activities, target beneficiaries etc]*

#### ***Component X: Name,*** (Amount/Cost)

1. [Description of component goal, activities, target beneficiaries etc]

* *Sub-component X.1: Name*

[Description of subcomponent goal, activities, target beneficiaries etc]

* *Sub-component X.2: Name*

[Description of subcomponent goal, activities, target beneficiaries etc]

## **Technical Solution Proposed and other Alternatives explored** (approx. 1 paragraph / or table)

1. *[Explain the rationale for the selected technical design or approach. Explain its conformity with international standards (if any) & explain how it’s appropriate to the country’s needs]. [Explain any innovative features in this project, compared to Bank’s usual practices and / or compared to best practices in the development arena (if any)].*

## **Project Cost** (approx. 1 paragraph)

1. *[Explain what the overall cost of the project are expected to be, based on similar investments or a preliminary cost estimation. What proportion might be financed by AfDB, who the lead financial partner is, also whether it is a joint or parallel financing]*

## **Project’s Target Area and Population Beneficiaries and other Stakeholders** (approx. ¼ page)

1. *[Explain what the project area/location is; state the total number of beneficiaries of the project including who the direct and indirect project beneficiaries (disaggregated by sex and category e.g. farmers, youth, students etc where applicable) are; what the main project-related outcomes for each target group are, the problems faced by end-beneficiaries and other stakeholders that will be addressed by the project].*
2. *[Describe the main participatory processes undertaken or to be undertaken during project identification, preparation, and implementation to ensure the active participation of the beneficiaries, private sector, and civil society etc. in the project. Explain what analysis and consultation, is outstanding and to be completed during appraisal].*
3. *Please provide an illustrative map to demonstrate the target area, city, region here, or reference a more detailed mapping annex.*

## **Bank Group Experience and Lessons Reflected in Design** (approx. ¼ page)

1. *[Explain how the project design has incorporated the lessons from studies/analytical works, ongoing and completed operations, and international best practices, project completion reports, country portfolio reviews, evaluations etc. Explain how this project will not exhibit the same deficiencies seen in past projects in this country/sector.]*

# PROJECT FEASIBILITY

## **Financial and Economic Analysis (approx. ½ page)**

1. *[Describe the results of a potential pre-feasibility analysis or preliminary consultations with the client/partner. Provide an informed estimation if the project is considered viable or not. Mention the key assumptions. Where a financial and economic and analysis is not available or needs to be updated, please indicate the actions that will be done to ensure that these studies are finalised.*

*\*Note: The analysis of economic viability of the project might be one of the purposes of the project preparation grant request to the UMDF. This section of the is to be significantly expanded at at a later stage, however, preliminary assumptions can be stated here based on experience, similar projects etc.,*

## **Environmental and Social Safeguards (approx. ½ page)**

#### ***Environmental***

1. *[What is the likely environmental category of the project? Provide preliminary thoughts on Project E&S Risk Category. Brief elaboration of Bank and national E&S policy requirements guiding the project. What are the investment project required ESA documents and how does the grant request support elaborating those (ESIA, ESMP, RAP, ESMS, etc)? Does the likely borrower have the capacity to prepare the required studies and plans (where necessary)? If documents are ready, have they been reviewed and cleared by the mandated Department?*
2. *[What are the already known environmental and social implications of the operation? What are the major adverse impacts of the project? What are the mitigation measures? Are the costs for E&S mitigation mobilised and available? What are the positive impacts, and the cost of enhancing these environmental benefits?]*

#### ***Involuntary Resettlement***

1. *[What is the estimated number of people (women and men) affected or displaced by the project? What are the assets, social infrastructure and livelihood affected or displaced by the project? What is the RAP cost? Resources for RAP implementation available as part of [select one of the following options: (i) part of the loan; (ii) co-financing from another donor; (iii) counterpart funding; (i.e. indicate who will finance the resettlement payments) and included as part of the overall project cost. Who will implement the RAP?]*

#### ***Climate Change and Green Growth***

1. *[What is the climate categorization of the project. How will or has climate change been taken into consideration in the design of the project? Are there any specific mitigation or adaptation measures? Please explain how climate change will be address in, and by the project]*

*\*please note a rapid climate risk and vulnerability assessment is mandatory in all UMDF financed activities. In the case of a training activity, climate change needs to be a module of the training.*

## **Other Cross-cutting Priorities (approx.3/4 page)**

#### ***Poverty reduction, Inclusiveness and Job Creation***

1. *[What is the expected impact on poverty, in particular vis-à-vis employment / the job market, and wealth distribution? What are the expected positive and negative social impacts of the project, during its implementation phase and after? (For instance, impact on safety, HIV/AIDS, malaria, communicable diseases and other pandemics, etc.)]*

#### ***Gender Equality and Women’s Empowerment Promotion***

#### *[What is the gender category of the project? How will the project contribute to reducing gender gaps, and/or empowering women and girls during implementation and after (e.g., changes in gender roles, responsibilities and relations, constraints linked to gender-based discrimination, time saved in unpaid care and domestic work, participation in and benefit from project activities by women and men) is further analysis planned during appraisal phase?].*

|  |
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| ***UMDF GRANT REQUEST*** |

# PROJECT PREPARATION ARRANGEMENTS FOR THE UMDF GRANT

## **Necessary technical assistance to be financed by the UMDF grant**

1. *[Please explain the elements of the preparatory efforts needed to prepare the above mentioned project, and how does the UMDF grant supports delivering those, and by when?*
2. *[Please explain the corresponding components of the UMDF proposal, and how they together will support project preparation and potential appraisal later on. Please provide costs requirements estimated per component based on experience. Please provide information co-financing from other partners, the bank (for example staff travel which cannot be funded through a MDTF) or client.]*

### ***Table 1: Estimated Cost of the requested Technical Assistance***

| Components | Costs (in $US) | | | Source |
| --- | --- | --- | --- | --- |
| Component 1 |  | | | UMDF |
| Component 2 |  | | | UMDF |
| Component 3… | [add more if needed] | | | … |
| Climate Change |  | | | UMDF |
| Total Costs UMDF |  | | |  |
| Component X | [indicate if co-financing, and for what] | | | Client |
| Total Costs |  |  |  |  |

1. *\*Note: Physical contingencies and Price contingencies can be expressed as % of AfDB financing if relevant*.

## **Client engagement and implementation Arrangements** (approx. ¼ page)

1. *[Which institutions/national entities has requested the technical assistance and support. What is their relation with the client, is there communication and which coordination mechanisms are in place? How and why is the requesting institution involved in the project origination, preparation?]*
2. *Which institutions/national entities will be responsible, or are counterparts in, preparing the Project? Are they existing PIUs? Do they have experience in implementation of Bank financed projects?]*

## **Procurement** (approx. 1 paragraph + table/link to plan)

1. *[What will be the procurement arrangements? If possible specify whether the project will use the Bank’s or client’s procurement system. Has a Procurement Plan been prepared and agreed to?]*

## **Financial Management, Disbursement, and Audit** (approx. 1-2 paragraphs)

1. *[What will be the disbursement arrangements? Which mode of disbursement will be utilized? (e.g. use of special account, direct payments etc.) Who will be accountable for the funds and financial reporting?]*

## **Monitoring and Evaluation (approx. 1 paragraph)**

1. [Explain the M&E arrangements for project monitoring, who will be responsible to deliver the UMDF mandatory PIR and PCR]

*\*Note: This section should correspond to Annex 4-1 of this PIM – Monitoring plan.*

## **Sustainability (approx. ¼ page)**

1. *[What is the evidence that the country is committed to the project and will own it? Are there relevant policies to support this intervention? Demonstrate how ownership of the project by stakeholders will be assured, preferably providing a written support letter]*
2. *[Are there other factors that are critical to the sustainability of the project’s benefits e.g. technical, financial, environmental and social safeguards etc? How has the design of the project attempted to address the critical factors? If there are recurrent costs, indicate how they will be financed].*

## **Risk Management** (approx. ¼ page)

1. *[What are the major risks during the life of the project? Potential risk factors could include political and governance, macroeconomic, sector strategies and policies, technical design of operation, fiduciary, and value for money, environmental and social, capacity of implementing entity etc? What are the proposed mitigation measures?]*

*\*Note: This section should correspond to Annex 4-2 of this PCN – Risk Matrix.*

## **Knowledge Building (approx. ¼ page)**

1. *[What type of knowledge is expected to emerge from the implementation of this project? What are the processes designed to capture knowledge during this project’s implementation? What are the provisions to spread this knowledge?]*

# ISSUES ON WHICH THE TEAM NEEDS GUIDANCE

1. *The Task Team request further guidance on the following issues: [Issue 1, Issue 2, Issue 3]*
2. *[These issues could include but are not limited to guidance where a policy does not exist; clarification of policies and procedures; project design (new untested designs); implementation arrangements; institutional capacity aspects, choice of intervention instruments, resources for preparation, co-financing issues and any other aspects related to Bank internal organization. If there are no issues on which the team needs guidance, please insert “None”.]*

# RESULTS FRAMEWORK

[Results framework](https://afdb.sharepoint.com/:f:/s/Resultsplanningandmonitoring/EuFMt7fSY_FMhUwl-W6s2L0BVCAsICh_eeoe-b9DM1XOLg)

*[Click on hyperlink above to download an editable version of the most recently approved version of the Results Framework. Copy and paste the completed Results Framework (RF) into the PIM. A draft RF is required at this stage indicating which Outcome and output indicators of the approved 2022-2026 UMDF Results Management Framework the (i) UMDF Grant will contribute to, and (ii) the Project can likely contribute to. Please or cross-reference the respective annex.]*

# ANNEXES

***Annex Checklist***

☐ **Government request, letter of support, Aide Memoire etc***[This mandatory annex should present the clear client request]*Government Request/Support Letter(s)

☐ **Annexes related to the project concept and (pre-) feasibility** *[This annex could present additional material specifying the technical and/or financial feasibility, you can include detailed presentations or information material typically available or prepared by the client, if available]*Further information you may have: project map(s), presentation(s), concept note(s)

☐ **Map(s) of Project Area (if relevant)** *[This annex shall clarify the project location and city in the city/national/regional context]*

☐ **Final Terms of References for the technical assistance foreseen under the UMDF** *(abridged)*

☐ **Signed** **Environmental and Social Compliance Note (ESCON)**

☐ **Monitoring Plan**

*This annex should present the project’s draft monitoring plan in a short table below. It should be explicit who is responsible to deliver the mandatory 6-month Project Implementation Report and Project Closure Report.*

[*Monitoring plan*](https://afdb.sharepoint.com/:f:/s/Resultsplanningandmonitoring/EuFMt7fSY_FMhUwl-W6s2L0BVCAsICh_eeoe-b9DM1XOLg) *[Click on hyperlink above to download an editable version of the most recently approved version of the monitoring plan. Copy and paste the completed monitoring plan into this section of the PCN]*

**☐ Annex 6: Risk Matrix**

*[This annex should present the project’s draft risk matrix in Table 10 below. If there are any specific risk concerning the preparation – related to the umdf grant implementation – please also include seperately]*

[*Risk matrix*](https://afdb.sharepoint.com/:f:/s/Resultsplanningandmonitoring/EuFMt7fSY_FMhUwl-W6s2L0BVCAsICh_eeoe-b9DM1XOLg) *[Click on hyperlink above to download an editable version of the most recently approved version of the Risk Matrix. Copy and paste the completed Risk Matrix into this section of the PCN]*

☐ **Annex 7:** **Gender Marker Categorization**

☐ **Annex 8: Climate Safeguard Screening**