



REPUBLIC OF ZAMBIA
MINISTRY OF NATIONAL
DEVELOPMENT PLANNING

PUBLIC INVESTMENT MANAGEMENT GUIDELINES



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Abbreviations and Acronyms

EIA	Environmental Impact Assessment
FS	Feasibility Study
M&E	Monitoring and Evaluation
MoF	Ministry of Finance
MNDP	Ministry of National Development Planning
MPSAs	Ministries, Provinces and Other Spending Agencies
MTEF	Medium-Term Expenditure Framework
NDP	National Development Plan
PCN	Project Concept Note
PMT	Project Management Team
PFS	Pre-Feasibility Study
PIB	Public Investment Board
PIPD	Public Investment Planning Department
PIM	Public Investment Management
PIMS	Public Investment Management System
PIP	Public Investment Plan
PPP	Public-Private Partnership
ZEMA	Zambia Environmental Management Agency

Glossary of Terms

Activities: means actions taken through which project inputs are mobilized to produce specific outputs.

Cost Benefit Analysis: the methodology for appraising financial and economic value of investing in a project that gives an indication of whether the project will result in a net positive impact on society in both financial and economic terms. The CBA is the main method used to assess a project's viability.

Cost Effectiveness Analysis: the methodology for appraising the viability of projects by assessing relative costs and outcomes of alternative interventions to determine the least cost option of delivering the project outcome. This method is used mostly when benefits cannot be monetised.

Complex projects: projects with multiple components or projects that require complex institutional coordination or projects for which the responsible Ministry, Province or Spending Agency does not have adequate experience in implementing, such as projects which may be considered for implementation using the PPP modality.

Environmental Impact Assessment: means a systematic examination conducted to determine whether or not an activity or a project has or will have any adverse impacts on the environment.

Financing Modality: preferred mechanism of raising funds for a project including budgetary funds, private sector participation or purely private sector funding.

Impact: long term outcome of policy, programme or project that can be directly or indirectly attributed to the policy, programme or project.

Impact Evaluation: a systematic and objective assessment of an ongoing or completed policy, programme or project in terms of design, implementation and results achieved against set targets.

Inputs: resources used in the implementation of a project which may include financial, human, time and other materials.

Logical Framework Analysis: is a project planning approach that analyses incremental causal relations in project execution including risks and assumptions.

Logical Framework Matrix: a systematic tool for designing, planning, implementing and monitoring and evaluating of a project or a programme.

Outcome: a medium-term change or effect resulting from the implementation of a policy, programme or project.

Output: the products, goods or services which result from the implementation of a policy, programme or project.

Procurement: means acquisition by purchase, rental, lease, hire purchase, licence, tenancy, franchise or any combination thereof as defined in the Public Procurement Act.

Project: a set of well-planned and interrelated activities aimed at achieving a specific objective within a stipulated timeframe and budget.

Project Appraisal: means a systematic assessment of a project's viability/ability to meet its objective through an examination of its financial, economic, social, environmental, technical and other aspects.

Public Investment: Government spending to acquire or establish physical assets for purposes of enhancing production and/or delivery of public goods and services.

Public Investment Plan: plan indicating all public investment projects approved for implementation by Cabinet.

Public Investment Management System: a system that includes policies, institutional arrangements, processes and tools to facilitate the implementation of viable public investment projects to ensure effective utilisation of public resources and attainment of value for money.

Public-Private Partnership: means investment through private sector participation in an infrastructure project or infrastructure facility.

Project Sponsor: a department, institution or agency which is initiating, developing and will implement the project.

State-owned enterprise: an enterprise in which the Government has sole control or controlling interest.

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1.0 Executive summary

In 2014, the Government approved the National Planning and Budgeting Policy in order to provide for a coordinated and integrated planning and budgeting process that is responsive, transparent, accountable and result oriented. One of the key measures to achieve this, as stipulated in the policy, is to have all major projects appraised before inclusion in the plan/Budget. The appraisal of projects is expected to ensure that investments are effectively planned and achieve value for money, thereby, leading to enhanced budget credibility.

In order to implement the policy on appraisal of projects, Government has developed the Public Investment Management System (PIMS), which is an integrated framework that will govern the preparation, appraisal, selection and implementation of public investment projects. The Public Investment Management (PIM) Guidelines have, therefore, been developed to facilitate efficient and effective coordination and management of the PIMS. These guidelines provide for the coverage, tools, methodologies and institutional arrangements of the PIMS.

The PIMS will apply to all public investment projects that will be undertaken using financing from the National Budget as well as projects that have an implication of imposing a capital or recurrent expenditure on the Government such as Public-Private Partnerships and those that are guaranteed by Government.

The various Ministries, Provinces and other Spending Agencies (MPSAs) will be required to initiate projects whose objectives, outputs and indicators are in line Government policy as stipulated in the National Development Plans, Sectoral, Provincial and District Development Plans. The identified projects will undergo a systematic development process that will ensure that projects are comprehensively conceptualised, designed and costed over the entire project lifecycle as well as evaluated for their socio-economic returns.

Therefore, MPSAs will be required to formulate Project Concept Notes, undertake Pre-feasibility studies and feasibility studies, as the case may be, and submit to the Ministry of National Development Planning, and subsequently to the Public Investment Board, for appraisal. The formulation of the project concept note, pre-feasibility study or feasibility study will be determined by the value of the project as stipulated by the Project Thresholds in the PIM Guidelines.

The Ministry of National Development Planning, as the Secretariat to the Public Investment Board, will facilitate the technical review and appraisal of projects submitted by the various MPSAs to demonstrate positive financial, social and economic returns, appropriateness of the technical solution, affordability, compliance with environmental, legal, and other legislative requirements and the ability to mitigate major risks. The recommendations will then be submitted to the Public Investment Board (PIB) for consideration and approval.

Projects that are approved by the PIB will be consolidated in a Public Investment Plan (PIP) to be tabled for consideration and approval by Cabinet. Only projects contained in the approved PIP shall be considered for implementation by Government through the national budget or any other mode of financing.

2.0 Introduction

Public investment is key to facilitating economic growth, job creation, enhanced service delivery and the attainment of the objectives as set out in the National Development Plans. Public investments entail Government spending to acquire or establish physical assets for purposes of enhancing production and delivery of public goods and services.

In Zambia, the review of public investment has revealed deficiencies in the management of public investments such as the weak linkage between project planning and the budgeting process. This has resulted in a number of challenges including delays in the completion of projects and significant cost overruns. To address these challenges, these Public Investment Management (PIM) guidelines have been developed as a key element in institutionalising the PIM system (PIMS). The PIMS, as part of the broader Public Financial Management Reforms being undertaken by the Government, is aimed at enhancing public service delivery and efficient management of public resources.

The purpose of these guidelines is to provide a framework for an efficient and effective PIM system that governs development, appraisal, selection and implementation of public investment projects in order to optimise the use of public resources and achieve value for money. The three main objectives of these guidelines are, therefore, to:

1. Provide a standardised approach for public investment management to facilitate and streamline development and appraisal of projects to be financed using resources from the Central Government;
2. Provide an institutional framework that defines and clarifies roles and responsibilities of various institutions involved in the management of public investment; and
3. Ensure the implementation of viable projects that:
 - a. are aligned with national objectives and priorities and can be implemented in a cost-effective manner; and,
 - b. meet the required technical, environmental, social and economic criteria for allocation of public resources.

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o achieve the objectives of the guidelines, all stakeholders involved in the development and implementation of public investment projects shall comply with the provisions of the PIM guidelines.

The following chapter (Chapter 3) outlines the coverage and exemptions of the PIM guidelines. Chapter 4 discusses the linkage between National Development Plans and project development and implementation. Chapters 5 and 6 discuss project thresholds and the project cycle, while Chapter 7 outlines the institutional set-up of the PIMS. Lastly, Chapter 8 presents the PIM calendar.

3.0 Coverage and Exemptions

3.1. Coverage of the PIM Guidelines

The PIM guidelines and procedures apply to public investment projects financed through:

- a. The National Budget;
- b. Public entities such as state-owned enterprises, and Local Authorities when:
 - i. requiring budget funding for capital or recurrent expenditures;
 - ii. seeking Government guarantees;
- c. Public-Private Partnerships;
- d. Independent Power Producers (IPPs) when:
 - i. imposing capital or recurrent expenditures on the budget;
 - ii. entering into a power purchase agreement with the Government or its entities;
 - iii. seeking Government guarantees; and
- e. Development partner projects when requiring budget funding for capital and/or recurrent expenditure from the Budget.

3.2. Exemptions

The following are exempted from the provisions of these Guidelines:

- a. Projects of the Defence and Security wings that are of a national security nature; and,
- b. Projects undertaken as a response to a national emergency and natural or man-made disaster.

4.0 The Linkage between National Development Plans, Project Development and Implementation

The National Planning and Budgeting Policy promotes the coordination of the national planning and budgeting processes. The PIM Guidelines have been developed to enhance integration of projects' preparation and selection for implementation through the budget into a unified framework. This will contribute to the enhancement of public financial management and ensure effective and efficient public service delivery.

4.1. The Linkage between National Development Plans and Project Development

MPSAs are required to develop projects whose objectives, outputs and indicators are in line with the following:

- a. National Development Plans,
- b. Sectoral plans,
- c. Provincial and District Development Plans; and
- d. Cabinet Directives.

Projects that are not aligned with the aforementioned requirements will not receive necessary approvals for project development and implementation.

4.2. The Linkage between Project Development and Project Implementation

Projects that are aligned with the requirements in section 3.1 will undergo further development and appraisal to demonstrate:

- a. Positive socio-economic returns;
- b. Appropriateness of technical solution;
- c. Affordability;
- d. Compliance with environmental, legal, and other legislative requirements; and
- e. Ability to mitigate major risks.

Projects that satisfy these criteria will be considered for inclusion in the Public Investment Plan (PIP). The PIP is a plan indicating public investment projects that have been approved for implementation by Cabinet. Only projects that are contained in the PIP shall be considered for implementation through the national budget or any other means of financing.

5.0 Project Thresholds

To ensure an efficient and effective PIM system, public investment projects are classified into three categories based on the project cost as indicated below. The categories will determine the specific processes and stages that a project will follow to be considered for inclusion in the PIP.

Category I: Projects costing less than K10.0 million:

A Project Concept Note (PCN) shall be prepared and submitted to the Ministry of National Development Planning (MNDP) for consideration and possible inclusion into the PIP.

Category II: Projects costing K10.0 million to K100.0 million:

A PCN and Pre-Feasibility Study (PFS) shall be prepared and submitted to the MNDP for consideration and possible inclusion into the PIP. For category II projects which shall be deemed complex projects, the MNDP may request the undertaking of a Feasibility Study (FS).

Category III: Projects costing above K100 million:

A PCN, PFS, and FS shall be prepared and submitted to the MNDP for consideration for possible inclusion into the PIP.

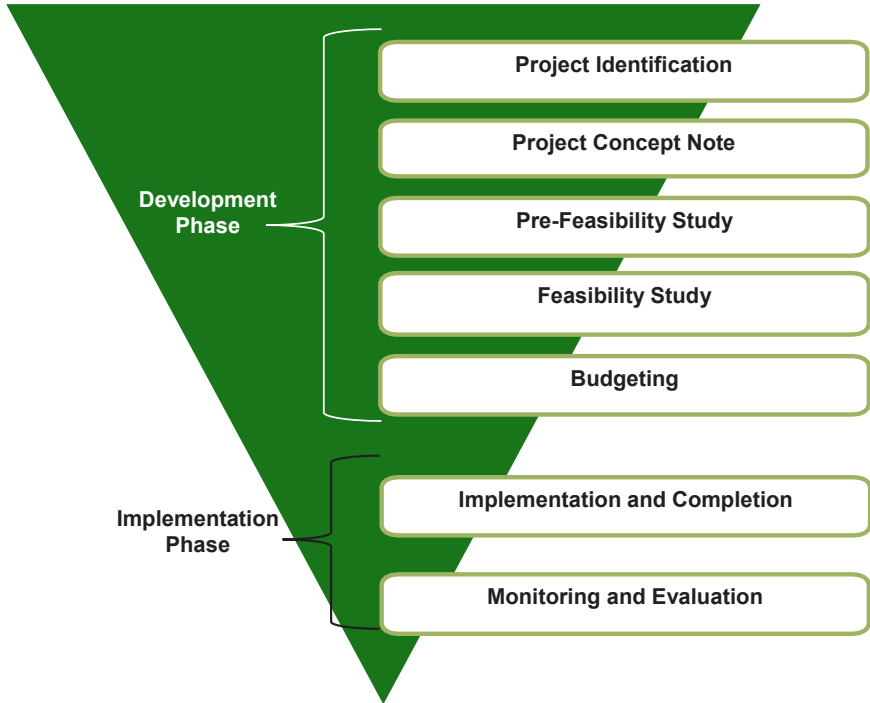
Aggregation of projects: Where deemed necessary, MNDP may advise that a number of individual projects should be consolidated into a single project. Grouped projects will be categorized and appraised using the thresholds outlined above. Projects may be aggregated based on outcomes, outputs and activities. For example, in order to increase access to education in a particular area, Government may need to concurrently implement the construction of a school project together with an access road and provision of electricity and water.

6.0 Project Cycle

A project, from its inception to final execution, goes through several stages, together referred to as the project cycle. The cycle involves two phases; the project development phase and the project implementation phase. Each of the project phases comprises a distinct set of stages, which should be carried out sequentially.

The project development phase consists of five distinct stages; Project identification, Project Concept Note, Pre-Feasibility Study, Feasibility Study, and Budgeting while the project implementation phase consists of two distinct stages; Project implementation and monitoring and evaluation.

Figure 1 shows a presentation of the different phases and stages in the project life cycle.

Figure 1. Project Life Cycle

6.1. Project Development Phase

6.1.1. Project Identification

Project identification is the process through which a project idea is conceived aimed at addressing an identified problem or achieving an objective in the National Development Plan. This process involves undertaking a situation analysis to develop a preliminary proposal for the most appropriate set of interventions and course of action. It is from these interventions that a project is developed.

In practice, project ideas often result from the following:

- Targets and objectives set out in the national and sectoral development plans;
- Government response to economic or social issues raised at district and provincial level;
- Response to natural disasters, such as floods and drought;
- The need to complement other investments, such as constructing a railway line within the proximity of a copper mine; and
- Regional or international agreements.

Project identification is undertaken by a project sponsor (which is a department, institution or agency initiating, developing and will implement the project) and shall be further developed into a project concept note before submission to the MNDP.

6.1.2. Project Concept Note

Once the project is identified, the next stage is to develop the Project Concept Note (PCN) which is a summary containing key information about the project. The PCN involves transforming a project idea into a business case that can be considered for implementation. A PCN also involves the recording of project ideas in a clear and standard format that ensures that all key aspects relating to the project are captured for ease of assessment and decision making.

The PCN shall be prepared for all categories of projects and shall include the following:

- Needs analysis: an assessment of the prevailing needs and identification of project beneficiaries/stakeholders and an outline of the project's objectives, outcomes, outputs and activities;
- Options analysis: identification and assessment of alternative options through which the project's output can be delivered;
- Technical feasibility: technical designs of the facilities required to provide the project's outputs. For category I projects, the technical designs should be detailed to facilitate implementation;
- Cost and funding: cost estimates as well as proposed financing modalities;
- Socio-Economic effectiveness: an assessment of all of the benefits that the project is expected to generate;
- Social and Environmental Aspects: determination of the direct and indirect social and environmental impacts as well as proposed mitigation measures;
- Implementation Plan: an outline of how the project will be executed (which includes all of the activity and cost schedules) and monitored; and
- Institutional and management analysis: an assessment of the adequacy of institutional and management arrangements for efficient implementation and operation of the project.

The PCN shall be summarised using the PCN form as indicated in Annex A. The PCN and the PCN form shall be submitted together with all supporting documents to the MNDP.

6.1.2.1. Review and Assessment of the Project Concept Note

The review and assessment of the PCN is a two-stage process. The first stage is an internal review and assessment by the Ministry, Province or Spending Agency (MPSA) and the second is external and is conducted by the MNDP.

6.1.2.1.1. Internal Review and Assessment of the PCN by the MPSA

The project sponsor shall submit the PCN to the department responsible for Planning in the MPSA. The department responsible for planning shall review the submitted PCN to ensure the PCN contains all the required information as stipulated by the PIM Guidelines including alignment to MPSA mandate, national or other developmental objectives and possible source of funding. Projects that are deemed feasible for implementation after the review by the department responsible for planning in the MPSA shall be submitted to MNDP.

The submission of the PCN to MNDP shall be the responsibility of the controlling officer in the MPSA, but the PCN shall be countersigned by the project sponsor and department responsible for planning. PCNs for projects of Grant Aided institutions, State Owned Enterprises and other Government institutions shall be submitted through their respective MPSAs.

6.1.2.1.2. External Review and Assessment of the PCN by the MNDP

The MNDP shall first assess the PCN for compliance with the submission process including endorsement by the MPSA's department responsible for planning and the controlling officer. The PCN shall also be reviewed for completeness of information to facilitate for technical assessment. PCNs that do not have complete information shall be returned to the MPSA for completion.

A PCN that receives a positive assessment in terms of compliance with the submission process shall be further assessed as to whether:

- sufficient project information exists to make an informed judgment;
- the project is consistent with government policy, goals and objectives;
- the project addresses the identified problem;
- consideration of alternative project solutions has been adequately considered;
- project benefits are likely to be achieved at an acceptable cost;
- project financing requirements are likely to be secured within a realistic timeframe;
- the capacity of the project sponsor is sufficient for the successful implementation of the project;
- the project can be undertaken by the private sector;
- the project's sustainability is not likely to be compromised because of a shortage of funding for operations and/or maintenance; and
- the project sponsor has obtained a clearance letter from Zambia Environmental Management Agency (ZEMA) which highlights

whether the proposed project requires an Environmental Impact Assessment (EIA) to be undertaken; for category I projects which are required to undertake an EIA a decision letter from ZEMA should be submitted along with the PCN, which states that the proposed project is not likely to result in negative impacts on the environment.

Based on the above assessment, the PCN will be submitted to the Public Investment Board (PIB) for consideration and approval. Only projects with PCNs which have been approved by the PIB shall be allowed to proceed to the next stage of the project development phase of Pre-Feasibility Study. Projects of Category I with approved PCNs shall be included in the draft PIP.

6.1.2.2. Validity of PCN

PCNs for Category I projects approved in the PIP shall have a validity of five (5) years after which the PCN shall have to be reviewed by the project sponsor and resubmitted to the MNDP for consideration.

6.1.3. Pre-Feasibility Stage

The Pre-Feasibility Study (PFS) builds on information obtained at the PCN stage by providing information on different aspects of a project in greater detail. The PFS emphasises the technical, financial and socio-economic viability of various options in order to identify the preferred option. It also takes into account the risks and environmental aspects of the project. The socio-economic viability of a project is determined by

undertaking a Cost Benefit Analysis (CBA) or Cost Effectiveness Analysis (CEA). The PFS shall be undertaken for Category II and III projects by the project sponsor detailing the following:

- Preliminary technical design of the project: design to a level of detail suitable for accurate estimation of costs and assessment of technical feasibility and identification of technical design options;
- Cost estimation: estimates of the construction and land acquisition costs for project implementation and the operating and maintenance costs of the completed project;
- Cost of conducting feasibility study: estimated cost of conducting a full-fledged feasibility study for Category III projects;
- Preparation of demand forecasts: estimates of the future demand for the services to be delivered by the project;
- Assessment of technical feasibility: providing answers to the questions: Will the preferred design solve the problem being addressed? How much will it cost? Is it an efficient solution? Is the capacity of the project consistent with the demand forecast?
- Social and Environmental Aspects: determination of the direct and indirect social and environmental impacts as well as proposed mitigation measures;
- Financial, economic and risk analysis: an assessment of whether the estimated life-cycle benefits of the project outweigh the life-cycle costs from the perspective of the operating entity (financial) and of society as a whole (economic). The final decision on requirements for economic analysis shall rest with the MNDP; and

- Institutional and management analysis: an assessment of the adequacy of institutional and management arrangements for efficient implementation and operation of the project.

The PFS shall be summarised using the PFS form as indicated in Annex B. The PFS and the PFS form shall be submitted together with all supportive documents to the MNDP.

6.1.3.1. Review and Assessment of Pre-Feasibility Study

The review and assessment of the PFS is a two-stage process. The first stage is an internal review and assessment by the MPSA and the second is external and is conducted by the MNDP.

6.1.3.1.1. Internal Review and Assessment of the PFS by the MPSA

The project sponsor shall submit the PFS to the department responsible for Planning in the MPSA. The department responsible for planning shall review the submitted PFS to ensure the PFS contains a definition of a project; options identified to address the problem and a justification for the preferred option, alignment to MPSA mandate, national or other developmental objectives, financing options and expected financial and economic returns. Projects that are deemed feasible for implementation after the review by the department responsible for planning in the MPSA will be submitted to the MNDP.

The submission of the PFS to the MNDP shall be the responsibility of the controlling officer in the MPSA. The PFS shall be countersigned by the project sponsor and department responsible for planning. PFSs for projects for Grant Aided institutions, State Owned Enterprises and other Government institutions shall be submitted through their respective MPSAs.

6.1.3.1.2. External Review and Assessment of the PFS by the MNDP

The MNDP shall first assess the PFS for compliance with the submission process including endorsement by the MPSA's department responsible for planning and the controlling officer. The PFS shall also be reviewed for completeness of information to facilitate technical assessment. PFSs that do not have complete information shall be returned to the MPSA for completion.

A PFS that receives a positive assessment in terms of compliance with the submission process shall be further assessed with respect to:

- the relevance of the project in terms of project objectives;
- options addressing the problem and justification for the preferred option;
- affordability of the project;
- financial and socio-economic returns of the project;
- distribution of costs and benefits among stakeholders;
- the complexity of Category II projects and determine the requirement for a feasibility study;

- project financing options;
- availability of a clearance letter from ZEMA which highlights whether the proposed project requires an EIA to be undertaken; for category II projects which are required to undertake an EIA a decision letter from ZEMA should be submitted along with the PFS, which states that the proposed project is not likely to result in negative impacts on the environment; and
- the sustainability of the project by analysing the identified risks and mitigation arrangements.

Based on the above assessment, the PFS will be submitted to the Public Investment Board for consideration and approval. Projects of Category III with an approved PFS shall proceed to the Feasibility Study stage. Projects of Category II with an approved PFS shall be included into the draft PIP. If, however, deemed complex or having significant risk, Category II projects with an approved PFS may be recommended to proceed to the Feasibility Study stage.

6.1.3.2. Validity of Pre-Feasibility Studies

A PFS for Category II projects approved by the PIB and included in the PIP shall have a validity of five (5) years after which the PFS shall have to be reviewed by the project sponsor and resubmitted to the MNDP for consideration and approval. The review shall verify, among other issues, the following:

- a. Project cost;

- b. Demand projections;
- c. Technological aspects;
- d. Legal issues;
- e. Environmental and social impacts; and
- f. Institutional capacity.

6.1.4. Feasibility Studies

A Feasibility Study (FS) focuses only on the most preferred technical option for the project as identified during the PFS stage. The FS, therefore, provides much greater detail on the project's design and a more thorough assessment of its financial and economic feasibility. Data collection activities during the FS stage are often more intensive and costly than in the PFS stage, as primary data which is more specific to the project design needs to be collected. The FS shall be undertaken by the project sponsor for Category III as well as complex Category II projects, detailing the following:

- Demand Survey: a study to collect primary/first-hand data required to establish demand for the project output;
- Detailed technical design of the project: design to a level of detail suitable for precise estimation of costs and assessment of technical feasibility and identification of technical design options;
- Cost estimation: detailed estimates of the lifetime costs of the project;

- Financial and Economic Analysis including Stakeholder Analysis: assessment of the financial and economic viability of a project including the distribution of benefits to stakeholders;
- Legal and Regulatory Assessment: a comprehensive legal and regulatory due diligence of the proposed project to ensure its success;
- Institutional Capacity: the assessment of the ability of the project sponsor to effectively implement the project;
- Social and Environmental Aspects: determination of the direct and indirect social and environmental impacts as well as proposed mitigation measures;
- Land Permits: proof of relevant land permits indicating that the land has either been obtained or can be obtained for the implementation of the project;
- Risk analysis: identification of risks associated with the project as well as mitigation measures;
- Procurement Plan: a plan which defines and consolidates project requirements including goods, services, procurement methods and processes, and determines the timeframes for their procurement with the aim of having them as and when they are required; and
- Implementation Plan: an outline of how the project will be executed (which includes all of the activity and cost schedules) and monitored.

The FS shall be summarised using the FS form as indicated in Annex C. The FS and the FS form shall be submitted together with all supporting documents to the MNDP.

6.1.4.1. Review and Assessment of Feasibility Study

The review and assessment of the FS is a two-stage process. The first stage is an internal review and assessment by the MPSA and the second is external and is conducted by the MNDP.

6.1.4.1.1. Internal Review and Assessment of the FS by the MPSA

The project sponsor shall submit the FS to the department responsible for Planning in the MPSA. The department responsible for planning shall review the submitted FS to ensure that the FS contains a definition of the project, the project addresses the identified problem, justification for the preferred option, alignment of the project to the MPSA's mandate, national or other developmental objectives, project financing options and expected financial and economic returns. Projects that are deemed feasible for implementation after the review by the department responsible for planning in the MPSA will be submitted to MNDP.

The submission of the FS to MNDP shall be the responsibility of the controlling officer in the MPSA. The FS shall be countersigned by the project sponsor and department responsible for planning. FSs for projects for Grant Aided institutions, State Owned Enterprises and other Government institutions shall be submitted through their respective MPSAs.

6.1.4.1.2. External Review and Assessment of the FS by the MNDP

The MNDP shall first assess the FS for compliance with the submission process including endorsement by the MPSA's department responsible for planning and the controlling officer. The FS shall also be reviewed for completeness of information to facilitate for technical assessment. FSs that do not have complete information shall be returned to the MPSA for completion.

A FS that receives a positive assessment in terms of compliance with the submission process shall be further assessed with respect to:

- the relevance of the project in achieving strategic developmental objectives;
- the appropriateness of the technical solution in addressing the problem;
- the justification of the preferred technical option;
- financial and socio-economic returns of the project;
- distribution of costs and benefits among stakeholders;
- legal and regulatory issues affecting the project;
- the capacity of the project sponsor to implement the project;
- the project sponsor has obtained a clearance letter from ZEMA which highlights whether the proposed project requires an EIA to be undertaken; for category II projects which are required to undertake an EIA a decision letter from ZEMA should be submitted along with the PFS, which states that the proposed project is not likely to result in negative impacts on the environment;

- financing options including the possibility for private sector participation; and,
- the sustainability of the project by analysing the identified risks and mitigation arrangements.

Based on the above assessment, the FS will be submitted to the Public Investment Board for consideration and approval. Only projects whose FS is approved by the PIB shall be included in the draft PIP.

6.1.4.2. Validity of Feasibility Studies

Feasibility Studies for projects approved in the PIP shall have a validity of five (5) years after which the FS shall have to be reviewed by the project sponsor and resubmitted to the MNDP for consideration and approval.

The review shall verify, among other issues, the following:

- a) Project cost;
- b) Demand projections;
- c) Technological aspects;
- d) Legal issues;
- e) Environmental and social impacts; and
- f) Institutional capacity.

6.1.5. Project Selection for Budgeting

Only projects that are in the approved PIP shall be included in the budget proposals by the respective MPSAs. Subject to fiscal space, the Ministry

of Finance (MoF) shall approve from the proposals submitted by the MPSAs, projects for inclusion in the budget. In approving projects for inclusion in the budget, the MoF shall ensure that projects are allocated sufficient funding in the respective budget year (and subsequent years) in accordance with the project implementation plans.

6.2. Project Implementation Phase

6.2.1. Project Implementation and Completion

6.2.1.1 Project Implementation

Once financing for the project has been obtained, the next stage in the project life cycle is the implementation of the project. Project implementation can be defined as the process where the project produces outputs to achieve its development objective.

A Project Management Team (PMT) responsible, on a day-to-day basis, for ensuring that the project is delivered on time, on budget and in line with the agreed design shall be put in place for every project. The structure and composition of this team, which shall include a project manager and technical experts, will be decided by the project sponsor, subject to the complexity and scale of the project.

The PMT shall also develop the project implementation plan as well as the Monitoring and Evaluation (M&E) plans. The implementation plan shall detail the activities to be undertaken, when and by whom. The M&E plan shall detail how the monitoring and evaluation activities

shall be undertaken and shall specify for each of the project's output and outcome, an indicator that can be used for its measurement. The performance of the project can be assessed by comparing an indicator over time against expected targets.

Once the plans are prepared, the project can proceed to the implementation phase. The implementation involves procuring the various inputs that are needed to undertake the different project activities. The procurement choice for the project is determined at the feasibility analysis stage. The procurement process shall follow the procurement regulation issued by the Government of Zambia.

The PMT shall, therefore, provide regular reports on project progress to the project sponsor for monitoring and evaluation purposes.

6.2.1.2 Project Completion

The purpose of this stage is to verify that the works/tasks have been completed satisfactorily within the specified contract period, cost and quality. The practice of project completion and handover typically consists of two activities:

1. Administrative: includes the collection of project records for use in the compilation of the project completion report as well as archiving of project information for future use.

2. Contractual: this involves verification of the delivery of all outputs under the contractual agreements established for the project including whether the outputs were delivered in accordance with specifications outlined in the contracts. In case of any deviations, verification and documentation of any scope and cost or other changes from the initial design and contract specification should be undertaken. The reasons for these deviations and preventative/corrective measures that were taken should be clearly documented.

When this exercise has been completed, the MPSA shall submit a copy of the project completion report to MNDP and MoF. The project completion report shall provide a complete picture of the lessons learnt and challenges encountered during implementation of the project taking into account the project results matrix.

6.2.2 Monitoring and Evaluation

The monitoring and evaluation of all public investment projects shall comply with the National Monitoring and Evaluation Policy of 2019 and its related guidelines.

Accordingly, the MPSAs shall take responsibility for undertaking monitoring activities and preparing M&E reports. M&E reports shall be prepared periodically (monthly, quarterly and annually), detailing the outcomes of monitoring and evaluation and present an overall picture of how the project outputs and outcomes are performing relative to the

targets that were set out in the implementation and M&E plans. The reports shall also make recommendations on how improvements could be made in the implementation of the project.

The project M&E report shall be an input into the compilation of the MPSA quarterly and annual M&E reports that will be submitted to the MNDP, while monthly M&E reports shall be presented to management in the MPSA.

6.2.2.1 Project Monitoring

On-going assessment of how a project is performing is important to ensure that the project is moving towards its objective and allows the implementers to put in place strategies to bridge performance gaps. Additionally, prospects of outcomes of public projects can change in the course of a project's implementation owing to some reasons including unforeseen circumstances and technical issues. This will be identified during the monitoring process.

The monitoring may be conducted taking into account the following aspects:

- i) Process (activity) monitoring: track the use of inputs and resources, the progress of activities and the delivery of outputs. Examine how activities are delivered especially with respect to the efficiency of both time and resources.

- ii) Compliance monitoring: track project compliance with government or donor regulations, grant and contract requirements, local government regulations and laws, environmental and ethical standards.
- iii) Context (situational) monitoring: track the setting in which the project is operating, as it affects identified risks and assumptions, but also any unexpected considerations that may arise. Include also the operating environment as well as the larger political, institutional, funding, and policy context that affect the project.
- iv) Beneficiary monitoring: track beneficiary perceptions of a project. The focus must be on beneficiary satisfaction or complaints (feedback) with the project, including their participation, treatment, access to resources and their overall experience of change.
- v) Financial monitoring: compare actual costs of inputs and activities against the planned costs. It is often conducted in conjunction with compliance and process monitoring.
- vi) Organizational monitoring: tracks the sustainability, institutional development and capacity building in the project. It is often done in conjunction with the monitoring processes of the MPSA under which the project falls.

6.2.2.2 Project Evaluation

Project Evaluation is a systematic and objective assessment of an ongoing or completed project. The aim is to determine the relevance and level of achievement of project objectives, development effectiveness,

efficiency, impact and sustainability. Below are the broad categories of the project evaluation that may be conducted.

6.2.2.2.1 Mid Term Evaluation

This is done midway through the project implementation as a way of assessing the likelihood of achievement of the project outputs and outcomes. This evaluation is important as it can assist to refocus the project to its intended objectives. Issues that are often addressed include the following:

- i) Is the project managed in a manner that is leading to its expectations? The evaluation will check the interim outputs during midterm and judge progress.
- ii) Are there unintended outcomes? The evaluation will determine the socio-economic impact of the unintended outcomes and compare them with the intended ones.
- iii) What are the likely corrective measures that can improve the results? In case there is any observed misalignment of the project's results, the midterm evaluation process should be able to point out protective means to avoid or reduce the likely loss.

6.2.2.2.2 Final Evaluation

The final evaluation is carried out soon after the project is completed to document the outcomes (results) of the development initiative. The main focus of the final evaluation is to determine whether the project's

purpose has been accomplished. The final evaluation should also check whether there are any adverse outcomes due to the project.

6.2.2.2.3 Ex-Post Evaluation

The ex-post evaluation is carried out three (3) to five (5) years after the project is completed. The emphasis at this stage is on the assessment of the positive or negative impacts that the project generated as well as to evaluate whether the project provided value-for-money relative to other possible interventions. Ex-post evaluation will also help in learning lessons from the project's successes and failures and will assist in designing future projects. Ex-post evaluation is conducted only on selected projects. The ex-post evaluation will be conducted by an evaluation team contracted by the Sponsor MPSA. The M&E Department in the MNDP will exercise overall coordination of the evaluation. It will also be responsible for the review of all Impact Evaluations and, in collaboration with the project sponsor, present the findings to Cabinet.



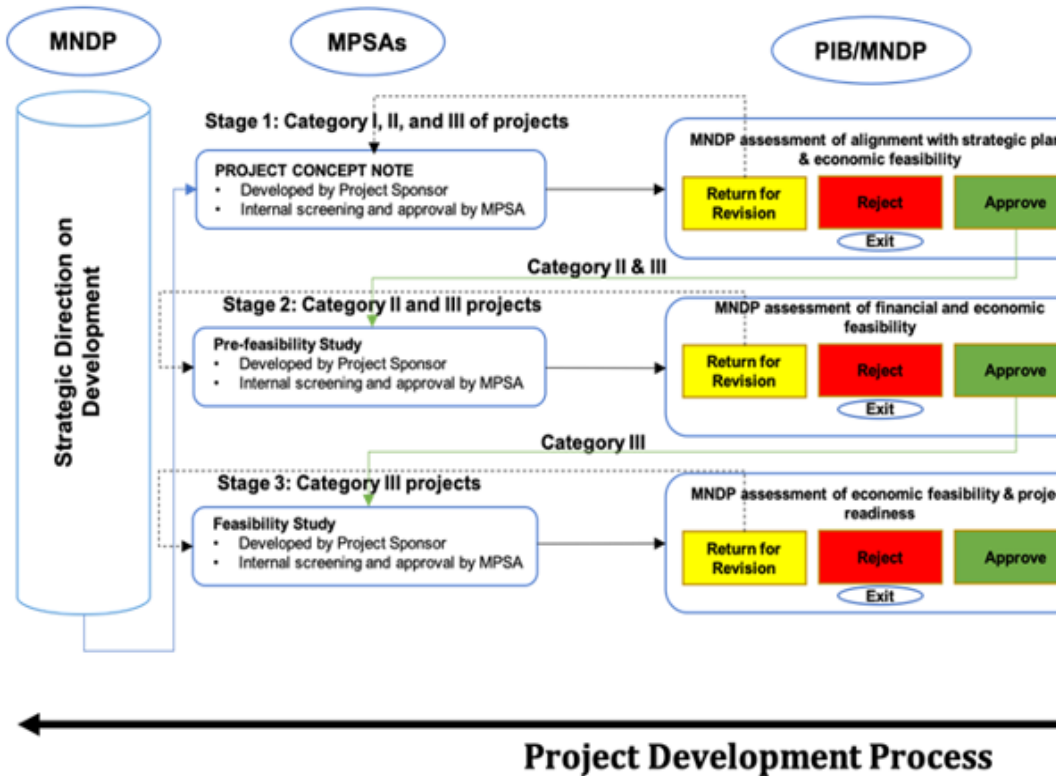
7.0 Institutional Set-Up for the Public Investment Management System

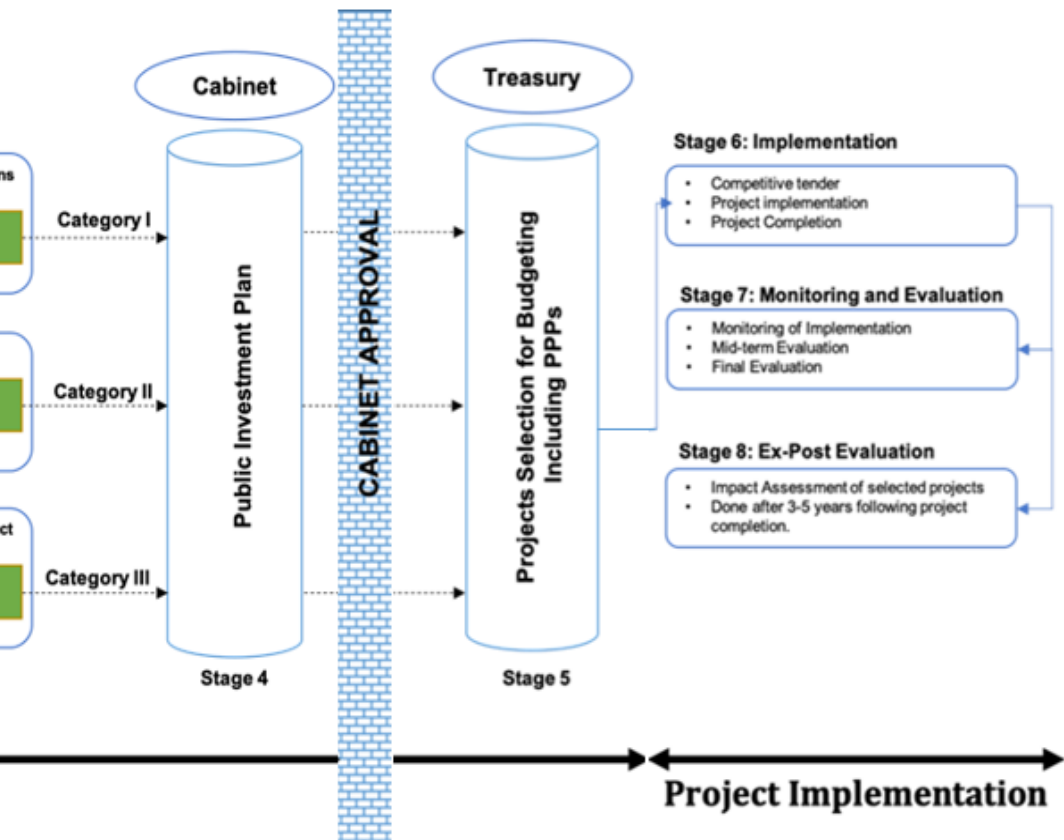
This chapter provides an overview of the institutional set-up for the PIMS within which MPSAs will have different roles and responsibilities in the process of project development and implementation. The PIM institutional framework is designed to facilitate coordination and decision making as the projects evolve from one stage to the next during the project development phase.

Cabinet shall provide overall policy guidance on public investment while the Public Investment Board shall review and assess public investment projects. The MNDP shall ensure that the PIM guidelines are adhered to as well as review projects submitted by MPSAs for consideration by the PIB and MPSAs shall be responsible for project development.

Figure 2 provides a schematic representation of the PIMS while the details of the roles and responsibilities for key institutions in the PIMS are tabulated below:

Figure 2: Public Investment Management System





The details of the roles and responsibilities of institutions in the PIMS are as follows:

7.1. Cabinet

Cabinet shall:

- a) Provide policy direction for the management of public investments; and
- b) Approve the Public Investment Plan (PIP).

7.2. Public Investment Board

The Public Investment Board shall:

- a) Review and assess public investment projects to ensure alignment with national development objectives and priorities;
- b) Approve viable public investment projects for inclusion into the draft PIP; and
- c) Prepare the draft PIP for approval by Cabinet.

7.3. Ministries, Provinces and Spending Agencies

The Ministries, Provinces and Spending Agencies shall:

- a) Provide technical guidance to project sponsors on the process and methods of project identification, development, and implementation as set out in the Guidelines;
- b) Submit project documents to the MNDP for review and PIB approval as stipulated in these Guidelines;
- c) Ensure that projects co-financed by the cooperating partners

follow the same processes and procedures established by these Guidelines;

- d) Monitor and report progress on the implementation of public investment projects to MNDP;
- e) Undertake ex-post impact evaluation of projects under its responsibility where they are required; and
- f) Put in place appropriate institutional mechanisms to facilitate effective execution of these functions.

7.4. Project Sponsor

The Project Sponsor, which is the project initiating institution, department or agency shall:

- a) Prepare project concept note, pre-feasibility study, feasibility study, as well as implementation and monitoring plans; and
- b) Report to the responsible sector MPSA on project implementation and completion.

7.5. Ministry responsible for National Development Planning

The ministry responsible for National Development Planning shall:

- a) Be secretariat to the Public Investment Board;
- b) Formulating and updating the regulation and guidelines governing public investment management;
- c) Ensure that the PIM guidelines are adhered to;
- d) Review projects submitted by MPSAs for consideration by the PIB;

- e) Coordinate preparation and implementation of national development plans, including sector strategies and supporting Sector Public Investment plans;
- f) Coordinate the monitoring and evaluation of public investment projects;
- g) Provide support to the MPSAs during the development of projects; and
- h) Maintain a database on all projects at various stages in the project development process

Annex E provides additional information on the functions of MNDP.

7.6. Ministry responsible for Finance

The Ministry responsible for Finance (MoF) shall:

- a) Ensure that only projects that have been approved in the PIP are included in the budget for implementation;
- b) Ensure that projects selected for implementation are allocated adequate funds for investment, operation and maintenance; and
- c) Consider public investment projects in the approved PIP that are recommended for implementation using the PPP financing modality.

7.7. Ministry responsible for Infrastructure Development

The Ministry responsible for Infrastructure Development shall:

- a) Issue standards, specifications, regulations and guidelines on technical design and costing;

- b) Assure technical quality of projects by appraising the technical feasibility during the development and implementation phase; and
- c) Ensure contractual provisions of the project are adhered to during implementation.

7.8. Ministry responsible for Works and Supply

The Ministry responsible for works and supply shall:

- a) Issue methodologies, standards, specifications, regulations and guidelines on project maintenance; and
- b) Assure technical quality of maintenance works during project operation.

7.9. Zambia Environmental Management Agency

The Zambia Environmental Management Agency shall:

- a) Assess the social and environmental impact of a proposed project;
- b) Issue a decision on whether the project is environmentally viable; and
- c) Ensure compliance with environmental regulations.

7.10. Ministry of Lands

The Ministry of Lands shall:

- a) Provide control of unauthorised settlements that may affect projects implementation;

- b) Provide updated land surveys and mapping;
- c) Provide information on land ownership; and
- d) Assist in resolving any land related issues that may affect; implementation of public investment projects.

7.11. Ministry of Justice

On request from MNDP and MPSAs, advise on potential legal aspects that will ensure the successful implementation of the project.

7.12. Zambia Public Procurement Authority

The Zambia Public Procurement Authority shall:

- a) Issue regulations and guidelines on the procurement of public investment projects; and
- b) Assure that the procurement regulations and procedures are adhered to.

8.0 The Project Development Calendar

The Project Development Calendar provides an outline of the sequencing and linkages of various activities required for the smooth functioning of the PIMS. The purpose of the Project Development Calendar is to enable seamless coordination with respect to the processes and activities undertaken by various stakeholders who are involved at different stages of the project development phase that culminates into the PIP.

The key Calendar dates are as outlined below:

1. **The PIB Sitzings:** The PIB shall sit quarterly each year, to evaluate projects that have been recommended for consideration and approval. The PIB Quarterly meetings shall be as scheduled follows:
 - 1st Quarter PIB Meeting: 16th - 30th March
 - 2nd Quarter PIB Meeting: 16th - 30th June
 - 3rd Quarter PIB Meeting: 16th - 30th September
 - 4th Quarter PIB Meeting: 1st - 15th November (Consideration of projects submitted in that quarter and the approval of the draft PIP)

2. **Project Documents Submission by Project Sponsors:** In order to facilitate the effective and efficient appraisal of projects, the project sponsors shall ensure that projects are submitted for the consideration of the PIB in good time for the respective PIB quarterly meetings. The submission of these projects should be as follows:

- **1st Quarter PIB Meeting (March):**
 - PFS Documents: 30th December
 - FS Documents: 30th December
 - PCN Documents: 15th January

- **2nd Quarter PIB Meeting (June):**
 - PFS Documents: 15th April
 - FS Documents: 15th April
 - PCN Documents: 15th May

- **3rd Quarter PIB Meeting (September):**
 - PFS Documents: 15th July
 - FS Document: 15th July
 - PCN Documents: 15th August

- **4th Quarter PIB Meeting (November)**
 - PFS Documents: 15th September
 - FS Documents: 15th September
 - PCN Documents: 30th September

MPSAs should note that if the indicated submission dates are not met, then the consideration of the project by the PIB will be done in the subsequent quarterly PIB meeting.

Issuance of Decision of the PIB: MNDP shall issue the decision of the PIB on projects that have been considered within 14 days after the sitting of the PIB.

3. **Cabinet Approval of PIP:** All projects that have been appraised and approved by the PIB shall be consolidated into the draft PIP. The draft PIP shall be considered and approved by Cabinet by 28th February of each year. This will ensure that the PIP is ready for consideration during the budget process.

Figure 3. Project Development Calendar

AGENT	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
CABINET												Approval of Investment Plan by the 28th
PIB	1st PIB Quarterly meeting 16th-30th			2nd PIB Quarterly meeting 16th-30th			3rd PIB Quarterly meeting 16th-30th		4th PIB Quarterly meeting 1st-15 th (Draft PIP Approval)			
MNDP		Provide Feedback on 1st Quarterly PIB Meeting by 15th		Preparation for 2nd PIB Quarterly meeting 1st-15th	Provide Feedback on 2nd Quarterly PIB Meeting by 15th		Preparation for 3rd PIB Quarterly meeting 1st-15th	Provide Feedback on 3rd Quarterly PIB Meeting by 1st		Provide Feedback on 4th Quarterly PIB Meeting by 1st		
MPSA		Submissions for 2nd Quarterly meeting; PFS: 15th FS: 15th	Submissions for 2nd Quarterly meeting; PCN: 15th		Submissions for 3rd Quarterly meeting; PFS: 15th FS: 15th	Submissions for 3rd Quarterly meeting; PCN: 15th	Submissions for 4th Quarterly meeting; PCN: 30th PFS: 15th FS: 15th			Submissions for 1st Quarterly meeting; PFS: 30th FS: 30th	Submissions for 1st Quarterly meeting; PCN: 15th	

9.0 Annexes

ANNEX A: Concept Note Form

Item	Project Information Required
PROJECT INFORMATION	
ID	Insert project identification number. Identification number should be unique and should include up to 5 alphabetic letters to identify the MPSA, followed by a numerical sequence.
MPSA	MPSA functionally responsible for the project.
Implementing Agency	Indicate the authority that is or will be in charge of implementing the project.
Title	Short and succinct, capturing the essence of the project.
Project Start Date	Indicate the day/month/year in which project implementation is expected to begin.
Project End Date	Indicate the day/month/year in which project implementation is expected to end.
Estimated Project Lifetime	Provide an estimate of the project's economic lifetime.
Location	Provide project location including Province and District.
PROJECT JUSTIFICATION	
Project Objective	One clear sentence to describe the direct benefit of implementing the project. Think of the fundamental reason the project is being proposed — examining immediate change or overall result. Do not provide project details here that can be described elsewhere on the Form.
Status Before Project	Briefly describe the current situation (that is, without the project), using concrete, factual data.
Status After Project	Briefly , describe how the current situation will be affected if the project is implemented. Use specific and accurate data.
Justification	Justify the reason for undertaking the project in less than 250 words. Justification is done by comparing anticipated results and expected costs.
Options Analysis and Technical Feasibility	Briefly , describe the options considered to deliver the project outputs and the viability technical solutions.
Alignment with Development Strategies	How is the project aligned with Government strategic objectives? Which Government strategic objectives does the project address, and how?
Other Strategic Considerations	Does the project fit with national security considerations? Could it prevent or mitigate a national disaster (for example, a drought or epidemic)?
COST AND FUNDING	
Total Capital Cost (Kwacha millions)	Preliminary estimates of the project's total capital costs.

Item	Project Information Required		
Operating and Maintenance Cost (Kwacha millions)	Anticipated annual operating/maintenance expenditures.		
Sources of Funds	Internal MPESA, budget funds, the private sector, borrowing.		
ECONOMIC EFFECTIVENESS			
Socio-economic Effectiveness	Provide evidence for the demand for project output. List quantifiable and other socio-economic benefits that the project is expected to generate.		
Environmental Brief	For Category II and III projects list main environmental and social impacts, if adverse, propose mitigation strategies. For Category I projects provide the summary of Environmental Decision letter issued by the Environmental Council, Decision number and Decision Date.		
RESULTS MATRIX			
Outcomes	List all expected outcomes resulting from the project. Outcomes should be a direct result of the project outputs.		
Outputs	List all expected outputs to be directly delivered by the project (that is, the direct result of project activities. See below). Outputs should be within or just within the Government agency's control. List all anticipated results (that is, those that will remain once the project has ended).		
Main Activities	List the main project activities associated with the delivery of outputs. Activities should be listed in a logical order and numerically linked to outputs to facilitate an assessment of whether the proposed activities can realistically produce the outputs expected.		
Implementation Plan:	Provide a project implementation plan which is technically optimal. The construction schedule should also specify funds required for each phase and propose sources of funding.		
STAKEHOLDER ASSESSMENT			
Stakeholder	Role	Qualitative Impact (if applicable)	
Project Beneficiaries			
Stakeholders with adverse impacts from the project (specify)			
Project Sponsor Department / MPESA			
Implementing Authority			
Local government authority			
Donor Organisations			
Civil Society Organisations			
Organised Labour			
Local Committees			

Item	Project Information Required	
Others		
Risk Analysis		
Risk Variable	Mitigation	
ATTACHMENTS		
Sources of Information	List primary sources of information used to derive alignment with strategic policies, preliminary project costs, demand projections and other information used in the preparation of PCN Form. Provide references to support key assumptions.	
List of Supporting Documentation Attached	List all supportive documents/studies that are attached to the form.	

ANNEX B: Pre-feasibility Study Form

Item	Project Information Required
PROJECT INFORMATION	
ID	Insert project identification number. Identification number should be unique and should include up to 5 alphabetic letters to identify the MPSA followed by a numerical sequence.
MPSA	MPSA functionally responsible for the project.
Implementing Agency	Indicate the authority that is or will be in charge of implementing the project.
Title	Short and succinct, capturing the essence of the project.
Project Start Date	Indicate the day/month/year in which project implementation is expected to begin.
Project End Date	Indicate the day/month/year in which project implementation is expected to end.
Estimated Project Lifetime	Provide an estimate of the project's economic lifetime.
Location	Provide project location including Province and District.
Project Concept Decision and Date	Insert decision number for the project concept. Enter project concept decision date.
PROJECT JUSTIFICATION	
Project Objective	Describe the direct benefit of implementing the project. Think of the fundamental reason the project is being proposed — examining immediate change or overall result. Do not provide project details here that can be described elsewhere on the Form.
Status Before Project	Briefly describe the current situation (that is, without the project), using specific, factual data.
Status After Project	Briefly , describe how the current situation will be affected if the project is implemented. Use specific and factual data.
Justification	Justify the reason for undertaking the project in less than 250 words. The project should comply with all regulations and have positive socio-economic returns.
Options Analysis and Technical Feasibility	Briefly , describe the options considered to deliver the project outputs and the viability technical solutions as well as justification for the preferred option.
Alignment with Development Strategies	How is the project aligned with Government strategic objectives? Which Government strategic objectives does the project address, and how?

Item	Project Information Required
Other Strategic Considerations	Does the project fit with national security considerations? Could it prevent or mitigate a national disaster (for example, a drought or epidemic)?
COST AND FUNDING	
Total Capital Cost (Kwacha millions)	Updated estimates of the project's total capital costs. The estimates of the project's total capital cost should be as accurate as possible . Please provide the source of information and justification for the amount stated.
Operating and Maintenance Cost (Kwacha millions)	Anticipated annual operating and maintenance expenses.
Sources of Funds for the Project	Internal MPSA, budget funds, the private sector, borrowing.
Funds Required to Conduct Feasibility Study (Kwacha millions)	Indicate the funding needed to complete the feasibility analysis of the project. A compelling case should be made if the funding requirement exceeds 3 percent of the total capital cost.
Proposed Financing Modality of Public Investment	Indicate the optimum or desired financing modalities for the project such as Public investment project, PPP.
RESULTS MATRIX	
Outcomes	List all expected outcomes resulting from the project. Outcomes should be a direct result of the project outputs.
Outputs	List all expected outputs to be directly delivered by the project (that is, the direct result of project activities. See below). Outputs should be within or just within the Government agency's control. List all anticipated results (that is, those that will remain once the project has ended).
Main Activities	List the main project activities associated with the delivery of outputs. Activities should be listed in a logical order and numerically linked to outputs to facilitate an assessment of whether the proposed activities can realistically produce the outputs expected.
Implementation Plan	Provide a project implementation plan which is technically optimal. The implementation plan should also specify the funds required for each phase and propose sources of funding. Provide output and activity schedule (Gantt chart) showing timing, sequencing, and dependencies for all activities.
COST-BENEFIT ANALYSIS	
Financial Effectiveness	Financial rate of return. Financial net present value.
Socio-economic Effectiveness	Economic rate of return. Economic net present value.

Item	Project Information Required			
Fiscal Effectiveness	Annual nominal net fiscal impact. Present value of net fiscal impact over the project's life.			
STAKEHOLDER ASSESSMENT				
	Stakeholder	Role	Qualitative Impact (if applicable)	Quantitative Impact (if applicable)
	Project Beneficiaries			
	Stakeholders with adverse impacts from the project (specify)			
	Project Sponsor Department / MPSA			
	Implementing Authority			
	Local government authority			
	Donor Organisations			
	Civil Society Organisations			
	Organised Labour			
	Local Committees Others			
	Others			
RISK ANALYSIS				
	Risk Variable	Mitigation		
OTHER STUDIES				
Procurement Plan	Draft project procurement methods — open tender, closed tender, direct purchases — for all project goods and services (be alert to any Government thresholds). Include a schedule (Gantt chart) detailing principal procurement deadlines.			
Other Studies Conducted	List and provide a summary of results of other studies carried out.			
ATTACHMENTS				
Sources of Information	List primary sources of information used to derive alignment with strategic policies, preliminary project costs, demand projections and other information used in the preparation of PCN Form. Provide references to support key assumptions.			
List of Supporting Documentation Attached	List all supportive documents/studies that are attached to the form.			

ANNEX C: Feasibility Study Form

Item	Project Information Required
PROJECT INFORMATION	
ID	Insert project identification number. Identification number should be unique and should include up to 5 alphabetic letters to identify the MPSA followed by a numerical sequence.
MPSA	MPSA functionally responsible for the project.
Implementing Agency	Indicate the authority that is or will be in charge of implementing the project.
Title	Short and succinct, capturing the essence of the project.
Project Start Date	Indicate the day/month/year in which project implementation is expected to begin
Project End Date	Indicate the day/month/year in which project implementation is expected to end
Estimated Project Lifetime	Provide an estimate of the project's economic lifetime
Location	Provide project location including Province and District.
Project Pre-feasibility Study Decision and Date	Insert decision number for the project pre-feasibility study. Enter project PFS decision date.
Feasibility Analysis Completion Date	dd/mm/yyyy
PROJECT JUSTIFICATION	
Project Objective	Describe the direct benefit of implementing the project. Think of the fundamental reason the project is being proposed — examining immediate change or overall result. Do not provide project details here that can be described elsewhere on the Form.
Status Before Project	Describe the current situation (that is, without the project), using specific, factual data.
Status After Project	Describe how the current situation will be affected if the project is implemented. Use specific and factual data.
Justification	Justify the reason for undertaking project. The project should comply with all regulations and have positive socio-economic returns.
Technical Feasibility	Summarise the technical details of the preferred solution and its viability.
Alignment with Development Strategies	How the project is aligned with Government strategic objectives? Which Government strategic objectives do the project address, and how?
Other Strategic Considerations	Does the project fit with national security considerations? Could it prevent or mitigate a national disaster (for example, a drought or epidemic)?

Item	Project Information Required
COST AND FUNDING	
Total Capital Cost (Kwacha millions)	Final estimates of the project's total capital costs. The estimates of the project's capital costs should be as accurate as possible . Copies of engineering drawings and costing should also be submitted.
Operating and Maintenance Cost (Kwacha millions)	Optimal annual operating and maintenance expenditures.
Sources of Funds for the Project	Internal Contracting Authority funds, Government budget funds, the private sector, borrowing.
RESULTS MATRIX	
Outcomes	List all expected outcomes resulting from the project. Outcomes should be a direct result of the project outputs.
Outputs	List all expected outputs to be directly delivered by the project (that is, the direct result of project activities. See below). Outputs should be within or just within the Government agency's control. List all anticipated results (that is, those that will remain once the project has ended).
Main Activities	List the main project activities associated with the delivery of outputs. Activities should be listed in a logical order and numerically linked to outputs to facilitate an assessment of whether the proposed activities can realistically produce the outputs expected.
Implementation Plan	Provide a project implementation schedule which is technically optimal. The construction schedule should also specify funds required for each phase and propose sources of funding. Provide output and activity schedule (Gantt chart) showing timing, sequencing, and dependencies for all activities.
COST-BENEFIT ANALYSIS	
Financial Effectiveness	Financial rate of return. Financial net present value.
Economic Effectiveness	Economic rate of return. Economic net present value.
Fiscal Effectiveness	Annual nominal net fiscal impact. Present value of net fiscal impact over the project's life.
STAKEHOLDER ASSESSMENT	

Item	Project Information Required			
	Stakeholder	Role	Qualitative Impact (if applicable)	Quantitative Impact (if applicable)
	Project Beneficiaries			
	Stakeholders with adverse impacts from the project (specify)			
	Project Sponsor Department / MPESA			
	Implementing Authority			
	Local government authority			
	Donor Organisations			
	Civil Society Organisations			
	Organised Labour			
	Local Committees Others			
	Others			
RISK ANALYSIS				
A comprehensive risk analysis shall be conducted at this stage. Whenever possible additional data should be collected to better measure the risk. At this stage implementing agencies are encouraged to use the entire range of techniques, such as sensitivity analysis, decision trees, and risk simulation software.				
	RISK BEFORE MITIGATION	PROPOSED MITIGATION		
	Political Risk			
	Policy-related risk			
	Social risk			
	Institutional risk			
	Legal risk			
	Macro-economic risks			
	Financial Risks			
	...			
Environmental and Social Impact Assessment	Summary of Environmental Decision letter issued by the Environmental Council. Decision number and date.			
OTHER STUDIES				
Procurement Plan	Project procurement methods — open tender, closed tender, direct purchases — for all project goods and services (be alert to any Government thresholds). Include a schedule (Gantt chart) detailing principal procurement deadlines.			
Implementation and	Implementation and monitoring plan.			

Item	Project Information Required
Monitoring	
Other Studies	List and provide a summary of the results of other studies carried out.
ATTACHMENTS	
Sources of Information	List primary sources of information used to derive alignment with strategic policies, preliminary project costs, demand projections and other information used in the preparation of PCN Form. Provide references to support key assumptions.
List of Supporting Documentation Attached	List all supportive documents/studies that are attached to the form.

ANNEX D: Project Completion Form

Item	Project Information Required			
PROJECT INFORMATION				
ID	Insert project identification number. Identification number should be unique and should include up to 5 alphabetic letters to identify the MPSA followed by a numerical sequence.			
MPSA	MPSA functionally responsible for the project.			
Implementing Agency	Indicate the authority that was in charge of implementing the project.			
Title	Short and succinct, capturing the essence of the project.			
Project Objectives				
Item	Status	Comment		
Project Objective	Achieved or not achieved	Include any pertinent comments/explanations about the objective, especially if it was not achieved		
Timelines				
<i>< Indicate any changes in the timelines of the project. ></i>				
Item	Expected	Actual	Variance (calendar days)	Variance Explanation
Start date	dd-mm-yyyy	dd-mm-yyyy		
End date	dd-mm-yyyy	dd-mm-yyyy		
Budget				
<i>< Provide details of the budget. Detailed budget information can be included as an attachment. ></i>				
Item	Expected	Actual	Variance (Kwacha/%)	Variance Explanation
Project Cost				
Lessons Learned from Project				
Describe any lessons learned during the various stages of the project cycle.				
<i>Signatures and dates?</i>				

ANNEX E: Additional Information on Roles of MNDP in the PIMS

Within the MNDP are the following departments will serve a key function with respect to the PIMS; the Department of Development Planning (DPD), the Monitoring and Evaluation Department (M&E), and the Public Investment Planning Department (PIPD).

Department responsible for Development Planning

The DPD is the central point for managing and coordinating the formulation and implementation of national development policies, strategies, and programs. The DPD shall assess the alignment of the projects with national development plans at the project concept note stage of the project life cycle.

Department responsible for Monitoring and Evaluation (M&E)

M&E department shall coordinate the monitoring and evaluation of the development programs including public investment projects.

Department responsible for Public Investment Planning Department (PIPD)

The PIPD shall coordinate and manage the public investment planning processes. PIPD will also provide the Secretariat to the PIB as well as review and analyse project proposals by MPSAs and make recommendations to the PIB on the financial, economic and fiscal feasibility of projects. The PIPD shall also set standards and develop guidelines on project appraisal.

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