**January**

2016

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08

**Fall**

Concept Note – Municipal Distributed Ledger Development Platform for All Economic Activities

|  |  |
| --- | --- |
| Project Title | Project Concept Note (PCN) – Municipal Distributed Ledger Pilot Development Platform for All Economic Activities |
| Estimated Fund Requirements | CNY 1.5 Million |
| Sponsor |  |
| Author | Michael Chang, Visiting Professor |
| Date.Version | 2016-03-22.1 |
| Abstract | [Type the abstract of the document here. The abstract is typically a short summary of the contents of the document.] |

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| **PCN Requirements Checklist** | | |
| **Item** | **Description** | **Status** |
| 1 | Cover Sheet |  |
| 2 | Key Development Issues and Rationale for MOST-CN Involvement | In Progress |
| 3 | Proposed Development Objective(s) |  |
| 4 | Preliminary Project Description |  |
| 5 | Potential Risks and Mitigation Plans |  |
| 6 | Issues on Which the Team Seeks Guidance |  |
| 7 | Proposed Feasibility Study Preparation Schedule, Team Composition, and Resource Estimates |  |

# Cover Sheet

|  |  |  |
| --- | --- | --- |
| **Section Name** | **Contents** | **Suggested Length** |
| Cover Sheet | 1. Identification of Project Name and Key Parameters 2. Estimated Bank Funds and Resources needed to deliver the project 3. Links to web sites showing average preparation and approval costs for the banks’ lending instruments by region, country, and sector. | One (1) page A4 |

# Key Development Issues and Rationale for MOST-CN Involvement

|  |  |  |
| --- | --- | --- |
| **Section Name** | **Contents** | **Suggested Length** |
| Key Development Issues and Rationale for MOST-CN Involvement | 1. Describe how the proposed project supports national and MOST-CN objectives, policies, and strategies in the sector. 2. Evidence of proposer’s commitment to and ownership of the relevant policies and strategies. 3. Describe how the proposed project supports the relevant country’s strategic objectives. If the project is NOT aligned with the country’s strategic objectives or not within the scope of the country’s strategy, explain. 4. What are the main lessons from AAA, previous national and MOST-CN projects, and partner activities? 5. What can MOST-CN finance or grants accomplish that cannot be accomplished by other means or other sources of funding? 6. What is the evidence of the proposer’s:    1. Interest in MOST-CN financing for this project    2. Preparedness to work on project preparation | One (1) page A4 |

# Proposed Development Objective(s)

|  |  |  |
| --- | --- | --- |
| **Section Name** | **Contents** | **Suggested Length** |
| Proposed Development Objective(s) | If the project is successful, what will be its principal outcome for the primary target group? See Appendix 2 for guidelines on project development objectives. | One half (1/2) page A4 |

# Preliminary Project Description

|  |  |  |
| --- | --- | --- |
| **Section Name** | **Contents** | **Suggested Length** |
| Preliminary Project Description | 1. What are the alternative development interventions or approaches being considered (Opportunity Study)? If an approach is favored, state the rationale. 2. What financing method is proposed and why. What alternative finance vehicles are being considered? 3. If the proposed project supports a sector program, what would be the key elements of the program and how does the proposed project fit into this program? 4. What project components are being considered? Can indicative costs be identified? 5. What issues are there at this stage, regarding potential partnerships and co-financing with other entities? | One (1) page A4 |

# Potential Risks and Mitigation Plans

|  |  |  |
| --- | --- | --- |
| **Section Name** | **Contents** | **Suggested Length** |
| Potential Risks and Mitigation Plans | 1. What are the risks that might prevent the project development objective(s) from being accomplished, including but not limited to political, policy-related, social/stakeholder-related, macro-economic, or financial? 2. What is the evidence of the institutional capacity on the part of the proposer to handle preparation and implementation of the proposed program and or project? 3. What relevant risks have been identified through predecessor projects or from poverty, social, environmental, financial management, and procurement assessments? How might they be addressed in the proposed project? Might any new assessments be required? 4. Would any stakeholders feel their interests are threatened by the proposed project? How might the related risks be mitigated? 5. Which safeguard policies might apply to the proposed project and in what ways? What actions might be needed during project preparation to assess safeguard issues and prepare to mitigate them? How might consultation and disclosure be addresses? | One half (1/2) page A4 |

# Issues on Which the Team Seeks MOST-CN Guidance

|  |  |  |
| --- | --- | --- |
| **Section Name** | **Contents** | **Suggested Length** |
| Issues on Which the Team Seeks MOST-CN Guidance | 1. What specific guidance does the proposal team seek? These may include but are not limited to:    1. Sector policy and strategy    2. Relationships with the project team and or other partners    3. MOST-CN policies and procedures    4. Project design    5. Choice of grant, lending instrument, or finance vehicle    6. Technical or analytical aspects    7. Institutional or capacity aspects    8. Mitigation of potential risks, to include fiduciary and safeguard issues    9. Resources for preparation, approval, project team composition and management, and any other issues related to MOST-CN internal organization | One half (1/2) page A4 |

# Proposed Feasibility Study Preparation Schedule, Team Composition, and Resource Estimates

|  |  |  |
| --- | --- | --- |
| **Section Name** | **Contents** | **Suggested Length** |
| Proposed Feasibility Study Preparation Schedule, Team Composition, and Resource Estimates | 1. What is the proposed timetable of key steps in the preparation process – quality enhancement review, appraisal, negotiations, Board approval, effectiveness, etc. 2. To what extent has the timetable been agreed upon with the project team? 3. Who are the members of the project team? List titles and units. What capacity issues are there on the MOST-CN side? 4. What is the estimated amount of MOST-CN funds needed for the entire process of project preparation and approval, consistent with the cover sheet? Briefly, what is the justification relative to the averages for the region, sector, and financial instrument/grant? | One half (1/2) page A4 |

# Project Concept Note (PCN) Processing Guidelines / Process Project Management

| **Process Step** | **Description** | **Primary Responsibility** |
| --- | --- | --- |
| 1. Preparation of PCN | The PCN shall be prepared and reviewed shortly after the first identification mission or before the amount spent on the project exceeds USD 30k.  A Microsoft Word or equivalent electronic format template (example database, web-based, etc) PCN shall be published and disseminated to primary or core stakeholders, through a contractually agreed upon process. | Project Team Leaders  (Team Leader and Deputy) |
| 1. Circulation of PCN | Once the PCN is electronically disseminated and published, the documentation system shall automatically generate a Project Information Document (PID) and an Integrated Safeguards Data Sheet (ISDS). As the PID and ISDS are automatically generated – PCN’s should ultimately be developed within a database framework – which provides security, archival, storage and retrieval features. | Project Team Leaders  (Team Leader and Deputy) |
| 1. Comments on PCN | Written comments shall be sent within 48 calendar hours of the Conceptual Design Review Meeting with the Core Stakeholders.  Acceptable comments must be within the scope of the Conceptual Design Review (CDR), where the focus is on qualitative strategic issues, options, and preliminary ideas of content and risk and NOT on quantitative technical detailed design details. | Core Stakeholders / Recipients or end-users of the PCN (Example – MOST) |
| 1. PCN Review Meeting | Host – Country Director or designated manager.  Goal and meeting exit criteria are as follows:   1. ACCEPT or DECLINE decision on project preparation 2. Preliminary Agreement on issues that the project should address, project’s objectives, and on the general approach or methodology to achieve the objectives. 3. Identify critical risks and multiple mitigation strategies that may be realistically implemented during the next / preparation phase. 4. Provide guidance to the MOST-CN / Grant Solicitation Teams on priorities or criteria to follow in the project preparation and appraisal processes.   The Country Directors of the relevant Core Stakeholder Teams must ensure the following:   1. Discussions are focused on strategy, options, and conceptual design(s). 2. Comments and or feedback are constructive and do NOT entail detailed descriptions or detailed analysis of the project, which are out of scope for a Conceptual Design Review Meeting. These discussions are appropriate to the chronologically successive and iterative Detailed Design Review meetings. | Country Director Level Management |
| 1. Minutes of PCN Review | Draft minutes of the Conceptual Design Review (CDR) meeting shall be published and disseminated to all Core Stakeholders / Attendees within FIVE (5) working days of the CDR.  Minutes shall include:   1. List of attendees, representative organizations, and titles 2. Decisions made, deferred, or declined (action items / next steps) 3. Guidance provided 4. Consensus agreed dates of key milestones, due dates, responsible managers, and quality enhancement reviews 5. Agreed estimate of MOST-CN funds for project preparation and approval. This is for PLANNING purposes and is NOT a commitment for funds. If there is a significant change in project scope, the proposer must submit a request to the respective Country Directors detailing the increased scope, schedule, cost, and resource requirement changes.   Core participants / recipients shall respond to the Minutes within THREE (3) working days of transmission. Non-responsiveness is deemed as acceptance. | Project Team Leaders  (Team Leader and Deputy) |
| 1. Approval of PCN Review Minutes | Country Director(s) approve the minutes within THREE (3) working days after the deadline for comments on the Minutes. | Country Director(s) |
| 1. Project Information Document and ISDS | Project Team Leaders revise the DRAFT PID and submit for Country Director or designee approval and electronic publishing and dissemination to Core Stakeholders.  Project Team Leaders update the ISDS and request formal written (e-signature) approval from relevant ISDS management.  PID and ISDS are published as approved documents. | Project Team Leaders  (Team Leader and Deputy) |
| 1. Revision of resource estimate through the Activity Update Summary (AUS) (SAP if available) | Relevant Resource Management (RM) Staff enter the agreed upon resource estimates for project preparation and approval in the Activity Update Summary (AUS) system or Project Management System (if any). | Project Team Leaders & Resource Management Manager  (Team Leaders and Deputies) |

# Appendix 1 – Template for the MOST-CN - Finnvera Grant Proposal

MOST-CN : Basic Proposal Information



MOST-CN : Proposal / Grant Application Template



# Appendix 2 - Guidelines for Stating the Project Development Objective(s) (PDO)

The Project Development Objective(s) (PD) answers the following issue:

**If the Project is successful, what will be the principal outcome for the Primary Target Group (PTG)?**

A project may have several secondary target groups whose needs are addressed in various components. For example, an education project may include teachers, faculty, and school administrators as secondary target groups. If the project improves their performance, the secondary target group will also better serve the primary target group.

The PDO should address the following detailed requirements:

1. What group is targeted directly by the project, as the key recipient of project benefits. Example: Students, farmers, residents of poor and or rural communities, small enterprises, civil servants, specific institutions, etc.
2. Immediately after the project is closed, what development issue and or objective was resolved for this target group?
3. What will the target group do differently after the project completion, that should make it perform better (economic, social, or environmental benefit)? Example – students learning better, residents using clean water, farmers using new techniques and or tools, civil servants working more efficiently and or effectively, etc.

Ideally, the project should have ONE (1) project development objective, focused on the primary target group.

The PDO should focus on the outcome for which the project can reasonably be held accountable, given the project’s duration, resources, and approach. The PDO should NOT encompass higher level objectives, that depend on other efforts outside the scope of the project. The “strategic context” section of the Project Appraisal Document (PAD) describes how the project contributes to the higher level objectives.

The PDO should NOT merely restate the project’s components or outputs. Efficient use of inputs or delivery of outputs must be translated into outcomes or results for the primary target group.

The figure below gives examples to illustrate the differences between the project development objectives (outcomes), higher level objectives, and outputs.

Figure . Sample Illustration Demonstrating Project Development Objectives (Outcomes), Higher-Level Objectives, and Outputs

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