

## **PROJECT SUMMARY**

### **1. PROJECT TITLE**

A brief title that characterises the project.

### **2. LOCATION / TARGET POPULATION**

The island atoll or region where the physical activities of the project are to be implemented.

### **3. IMPLEMENTING AGENCY**

The agency responsible for carrying out the project activities.

### **4. EXECUTING AGENCY**

The agency responsible for financial management and co-ordination of the project.

### **5. START DATE**

The expected start date of the project activities.

### **6. DURATION**

The total duration of the project in months / years.

### **7. PROJECT COST**

#### **External Financing Requirement**

Proposed budget requested for external financing

#### **Domestic Financing Requirement**

Proposed budget requested for domestic financing (government contribution)

#### **Total Project Costs**

Total project costs covering the external financing and domestic financing

### **8. CURRENT SITUATION (PROBLEMS AND NEEDS)**

-Give a brief description of the situation, problems and needs that the project would address. Append any report, surveys and feasibility studies, economic or financial appraisals prepared for this project. (Feasibility studies, economic or financial appraisals would be essential for economic projects).

-State whether this project is in anyway related to or is an extension of another project. Or related to a project (completed/ongoing/planned) in the same area.

## **9. JUSTIFICATION AND BENEFITS**

The project justification should include the rationale for the project and how the project will address the problems mentioned in section 8 and meet the objectives stated in section 10.

## **10. PROJECT OBJECTIVES**

State the objectives of the project indicating clearly;

- (a) the relationship to national development objectives,
- (b) sectoral objectives, and
- (c) immediate objectives, which are quantifiable and constitute the basic performance indicators for monitoring and evaluation.

## **11. PROJECT DESCRIPTION / MAIN COMPONENTS**

Describe the main components of the project.

## **12. CROSS CUTTING ISSUES**

### **12.1 Gender**

- Project components, which require special considerations for women such as gender differences, women-specific roles and/or women's participation.
- Anticipated impacts on women caused by the project, if any.

### **12.2 Poverty Reduction**

- Anticipated positive impact of the project for the low-income earners.

### **12.3 Employment Opportunities for Maldivians**

### **12.4 Governance**

- Explain the ways in which the project is likely to improve the provision of services to the public and improve transparency and accountability.

### **12.5 Training / Skills Upgrading**

### **12.6 Others**

## **13. PROJECT MANAGEMENT AND ORGANISATION**

The organisational arrangements for project implementation including the role and responsibilities of the implementing agency.

## **14. EXPECTED ENVIRONMENTAL IMPACTS**

Explain briefly the possible impact on the environment.

## 15. MONITORING AND EVALUATION

Describe project-monitoring arrangements, for e.g. Quarterly monitoring reports required by MPND and additional monitoring reports required by donors.

## 16. FINANCING REQUIREMENTS

### 16.1 Investment Plan

**Table 1: External Financing**

Description	Year1...	Total (USD/Rf)
1.		
2.		
3. Contingencies		
<b>Total (a)</b>		

**Table 2: Domestic Financing**

Description	Year 1...	USD/Rf
1.		
2.		
<b>3. Contingencies</b>		
<b>Total (b)</b>		

**Table 3: Total Project Costs**

Description	Year 1 ...	USD/Rf
<b>External + Domestic Cost (c)</b>		


- USD:US Dollars,
- Rf: Maldivian Rufiyaa

Financial figures for projects proposed for external financing should be given in United States Dollars (USD). In such projects, the external financing costs and the domestic financing should be shown in Table 1 and Table 2 respectively, as shown above. If the entire project is proposed for domestic financing, then the figures should be given in local currency (Rf). In such projects, only Table 2 needs to be filled. If the duration of the project is more than one year, the annual financial breakdown should be given.

The components under project budget covers costs such as training charges, consultant fees, cost of equipment and material, project staff salary, building and construction, travel, food and accommodation and operating expenses. The components could be different from the above depending on the type of the project. The components can be shown in Table 1 and/or Table 2.

External financing requirement (a) could be 80-90% of the total project cost, i.e. 80-90% of (c)  
Domestic financing requirement (b) could be 10-20% of the total project cost, i.e. 10-20% of (c)

### **16.2 Cost Benefit Analysis**

Please see the attached example 1 & 2 

### **17. COST RECOVERY AND SUSTAINABILITY**

- Under cost recovery explain any strategies for cost recovery including user charges etc.
- Explain the financial and operational sustainability of the project. (Operational costs of the first three years after completion of the project should be given).
- The operational sustainability can be explained in terms of adequate organizational, management and human resources capacity.

### **18. Terms of Reference**

- For the consultants

## 16.2. COST BENEFIT ANALYSIS

### Matrix to Calculate NPV (Net Present Value)

**example 1**

	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
<b>Economic Costs of the project</b>	<b>(28,000)</b>	<b>(6,200)</b>	<b>(5,500)</b>	<b>(4,500)</b>	<b>(4,100)</b>	<b>(4,000)</b>
Capital expenditure	(20,000)	(1,000)	-	(500)	-	-
Acquisition of Land						
Cost of building & construction	(10,000)					
Cost of machinery	(8,000)	(200)		(250)		
Cost of equipment	(2,000)	(800)		(250)		
Recurrent costs	(2,000)	(2,200)	(2,500)	(3,000)	(3,100)	(3,000)
Labour costs	(10)	(800)	(1,100)	(1,500)	(1,500)	(1,500)
Transportation costs		(100)	(100)	(100)	(100)	(100)
Maintenance costs				(200)		(400)
Training and HRD		(500)	(500)	(200)	(500)	
Operational costs (utilities, accomodation..)		(800)	(800)	(1,000)	(1,000)	(1,000)
Other economic costs	(6,000)	(3,000)	(3,000)	(1,000)	(1,000)	(1,000)
pollution						
loss of natural habitat						
increase in prices (loss in consumer surplus)						
others (eg: interruption to key services or econ. activities)						
<b>Economic Benefits of the project</b>	<b>-</b>	<b>1,000</b>	<b>1,500</b>	<b>15,000</b>	<b>20,000</b>	<b>20,000</b>
Revenues generated		800	1,000	8,000	10,000	10,000
incremental income generated						
value of efficiency gains as a result of the project (eg: less travelling time, less repeaters)		100	250	500	800	800
Benefit of intangibles (research, environment projection)		100	100	3,000	4,700	4,700
Value of other externalities (education & training)			150	3,500	4,500	4,500
<b>Net benefit (cost less benefit)</b>	<b>(28,000)</b>	<b>(5,200)</b>	<b>(4,000)</b>	<b>10,500</b>	<b>15,900</b>	<b>16,000</b>
<b>Present value of cost less benefit = (net benefit)/ (1+r)^n</b>	<b>(28,000)</b>	<b>(4,727)</b>	<b>(3,306)</b>	<b>7,889</b>	<b>10,860</b>	<b>9,935</b>
<b>NPV (on the assumption r = 10%)</b>	<b>(7,350)</b>					
<b>Conclusion:</b> since NPV is negative, the project should not undertaken						

**example 2: Construction of school**

Lifetime of school is assumed to be 25 years, and the investment to build the school is \$80,000

Assumed 400 secondary students, with a throughput of 100 graduates a year

Student population increases from 100 students in projects 2nd year to 400 in its 5th year, when school becomes full operational

It takes 1 year to build the school and teachers are hired as intake increases

Recurrent costs rise in tandem from \$ 12,000 in 2nd year to \$ 48,000 a year by the 5th year.

It is assumed that while in school student forgoes \$600 annually in income

It is assumed that the present value of the increase in income of secondary school leavers as apposed to those who do not have the education is

**Hypothetical Cost-benefit analysis of investing in the secondary school**

	<b>Present value</b>	<b>Year</b>					
		0	1	2	3	4	5-25
		<i>(in thousands \$)</i>					
<b>Benefits</b>							
Increased productivity	2,616	-	-	-	-		450
<b>Costs</b>							
Construction	(80)	(80)					
Salaries and other recurrent costs	(370)	-	(12)	(24)	(36)	(48)	(48)
Forgone income	(1,848)	-	(60)	(120)	(180)	(240)	(240)
<b>Net benefits</b>	318	(80)	(72)	(144)	(216)	(288)	162
Memorandum							
IRR:15.6							
Cost per student: \$ 2,700							