

Multi Donor Fund for Aceh and Nias

Explanatory Note for the Project Concept Note (PCN) Outline Updated November 12, 2007

Purpose of the PCN:

The purpose of the PCN is to show the MDF Steering Committee that the proposed project concept is relevant to the reconstruction and that it should be financed by the MDF. Specifically, a successful PCN should convince the Steering Committee that it fills a critical gap or solves a critical problem in the reconstruction.

The evaluation and endorsement of the PCN is the first step of the MDF two-tier approval process. Should the concept be considered relevant, the Partner Agency designated for this project concept shall appraise the project and create a detailed project plan. During the second stage, the Steering Committee evaluates the technical details of the project only.

The PCN, therefore, should not be filled with project implementation details, but provide an overall explanation of:

- Why is the project relevant to Aceh and/or Nias and to the mandate of the MDF? What is the status of the project relevant situation, what are the *remaining* needs for the project relevant situation, how does the project tackle those needs, what will be the expected results?
- Who will do it? Who are the cooperation partner/s? Who is the Partner Agency and Team Leader from the Partner Agency and what was their involvement in concept preparation?
- What and how will it be done? E.g. what type of activities will be undertaken?
- What is the expected time line? What are the expected costs and how are they linked to the proposed activities and timeline (i.e. a budget justification)?
- What is the project's strategy for sustainability?

How long should a PCN be?

To fulfill all the requirements set out below, but still keeping the document concise, the PCN should be 15 to 20 pages in length.

Project Concept Note Outline

1. **Project Title**
2. **Proponent Information:** name, address, phone number, mobile number, email address of two people from the proponent's organization, as well as the name of expected Partner Agency, if different.
3. **Goal and Objective of the Project:** in one or two sentences, state the overall benefit or change this project aims to achieve.
4. **Relevance of the project concept:** this section should convincingly document why this project is fulfilling a critical gap or solving a critical problem in the reconstruction. Suggested information includes (suggested 3-5 pages):
 - a. Describe briefly the current situation; analyze the needs; how will the project improve that current state, and what will be the results – need to take into consideration achievement of recovery to date to argue for remaining gap;
 - b. If this is an existing project to which *new activities* are being added, highlight current status of achievements against the Project Development Objective (PDO), indicate findings from an independent evaluation on project achievements, and explain how the project will incorporate recommendations from such an independent evaluation.
 - c. Alignment with the Master Plan, GoI Reconstruction Policies, and MDF Recovery Assistance Policy: in one or two paragraphs, indicate how this project concept is aligned with, and supports tsunami and earthquake related reconstruction needs as indicated by the MDF mandate¹
 - d. Why is the MDF the most appropriate forum to implement these activities and why the needs have not been addressed by other parties;
5. **Project Description:** the purpose of this section is not for a detailed project plan, but to give the Steering Committee a comprehensive set of information to understand the scope of the project and its activities, who will be doing what, and why the project is expected to succeed. If applicable, describe what has been learned, referencing studies, where applicable or examples in similar circumstances. In addition, the MDF has a set of 9 quality criteria (see page x of annex 1) which the project will be evaluated against, and this project description should provide information on some of the criteria. At minimum, the project description should contain the following information (suggested 5-10 pages):
 - a. *Project components:* describe components and how they interact to support the project objective (*project management and M&E should be part of a separate last component*);

¹ “To support a post-earthquake and post tsunami emergency rehabilitation and reconstruction program in Indonesia.” Activities outlined by GOI Program/Master Plan are (1) reconstruction of communities (2) reconstruction of economy (3) reconstruction of infrastructure and housing (4) reconstruction of governance.

- Main activities;
 - Targeted beneficiary(s) of each component;
 - Location(s)
 - Expected results and outcomes of each component;
- b. *Complementarity with other activities/ actors:*
- In a matrix, show the relevant activities of other actors in the sector(s)/ geographic area(s) of this project and, based on the matrix, describe shortly, how the project complements their activities.
 - Indicate, how you have consulted with them during design of this proposal
- c. *Implementation arrangements:*
- Describe Partner Agency and Implementation Agency arrangements (incl. on/off budget and contractual arrangements);
 - In general terms, describe who is expected to be responsible for what, including a simple organizational chart – this will be further elaborated during appraisal;
 - Describe project management arrangements (incl. contractual services as required and M&E capacities) – to be further elaborated during appraisal;
- d. *Funding Plan and Budget*
- Attach annex with draft budget, broken down by components and main activities (single item breakdown limited to maximum US\$500,000)
 - Budget justification in terms of project components as well as main activities and timeline – to be elaborated further during appraisal.
 - Table summarizing by categories of financing (i.e. civil works, equipment, TA, studies, etc.). List by components and sub components.
- e. *Implementation Plan*
- Attach annex with draft implementation workplan in the form of a Gantt Chart, broken down in the same manner as the draft budget.
6. **Implementing Agency** – Background and Experience: in one or two paragraphs, show why the designated Implementing Agency is most appropriate organization to implement this project. For example, what are the Agency’s comparative advantages and capacities in implementing all the activities of this project? Where relevant, identify areas where capacity is weak and how the organization will strengthen this capacity.
7. **Sustainability and Capacity Building:** this section should describe how the project will work towards making its activities, outputs and outcomes sustainable in the short term, medium term and long term. Elements may include (suggested 1-2 pages):
- a. Institutional sustainability;
 - b. Operating and maintenance costs;
 - c. Asset management (including ownership transfer);
 - d. Training and capacity building;

e. Human resources planning.

This section should also highlight, how the project will prepare for transition (phasing out of BRR in April 2009), and how provincial and district governments have been consulted during the development of the proposal (if many agencies have been consulted, it is suggested to attach a matrix as annex). State results of this consultation process and how local government will be further involved in the appraisal process and ongoing implementation.

8. Environmental and Social Considerations (suggested 1 page):

- a. In general terms, describe expected environmental and social impacts of the project. Further safeguards assessments needs to be elaborated during appraisal.
- b. Prioritizing vulnerable groups – women, children and the poor: state how this project will promote the participation of women, both in its activities but also to ensure that they are prioritized as beneficiaries.
- c. Community participation and involvement:
 - Describe the extent to which the activities of this project have been driven by the community, if appropriate. Where the project is not community driven, indicate why this is the case.
 - Identify the elements of the project (if any) where community participation is essential, and how the project will facilitate that consultative process.

9. Risks and Dependencies: We suggest a table describing the broad risks and dependencies for the success of this project and the mitigation envisaged (e.g. inter-component, institutional, external, and/or policy dependencies). During appraisal, a more comprehensive risk assessment must be developed, as well as a detailed strategy for the mitigation of those risks (suggested 1-2 pages).

Suggested Annexes:

- 1) Draft budget as stipulated above, preferably as part of the workplan
- 2) Workplan in form of Gantt Chart
- 3) Local government stakeholder involvement matrix/ list
- 4) High level logical framework linked to project components and MDF results framework – to be elaborated with implementation plan during project appraisal