REGIONAL MEETING ON SUSTAINABLE ENERGY FOR ASIA-PACIFIC LEAST DEVELOPED COUNTRIES

PROJECT PREPARATION SKILLS
The project cycle

- Programming
- Identification
- Formulation
- Implementation
- Evaluation

Financing decision
Project Cycle Stages

• Project Preparation and Formulation
  – Conception (Identification), Feasibility study, selection, Financing.

• Implementation
  – Consultant recruitment for detail design, procurement of goods and services, construction, Contract Administration, completion of project requirements, operational testing, start up, and training, Project Administration by Bank staff, Evaluation

• Evaluation and Termination
  – Review of Project preparation (relevancy, Feasibility, Sustainability), Appraisal and implementation, Review of Project Benefit
Project Cycle Stages

• World bank and ADB Funded Projects
  – Project Pre-approval Period
    • Project Identification, Project Preparation(Feasibility Study), Appraisal, Loan Negotiation
  – Project Implementation Period
    • Consideration and Loan Approval,
    • Loan Effectiveness,
    • Project Execution
      – Consultant recruitment for detail design, procurement of goods and services, construction, completion of project requirements, operational testing, start up, and training, Project Administration by Bank staff,
      Evaluation
  • Evaluation
    – Review of Project preparation, Appraisal and implementation, Review of Project Benefit
Project Cycle Stages

• Local banks and Financial Institutions
  – Project Pre-Construction Period
    • Project Identification, Project Preparation (Feasibility Study), PPA, Appraisal, Loan Negotiation, Financial Close, Procuring goods and services,
  – Project Implementation Period
    • Project Execution
      – construction, completion of project requirements, operational testing, start up, and training, Project Administration by Bank staff, Evaluation
    • Evaluation
      – Review of Project preparation, Appraisal and implementation, Review of Project Benefit
Project Preparation.....

• Planning for:
  – Relevance
  – Feasibility
  – Sustainability
Relevance....

- Why this Project?

What is Relevance?

- Problems versus Needs
  (Final Beneficiaries)
- Policy objectives
- Reservoir, Peaking, ROR
- Transmission and Distribution
- Proof from lessons (evaluations)
Feasibility....... 

What is Feasibility?
Technical
Financial and Economic
Environmental
Sustainability .....  

What is Sustainability?

- Policy match
- Ownership (socio – cultural – gender)
  - Appropriate Technology
  - Environment
  - Management
  - Finance
How to build Robust Project Pipeline

• River basin Master Plan with Cascade Development and Priority of the Project
• Project Design and Level of Study: DPR, Feasibility
• Transmission Master Plan for Evacuation
• Distribution Master Plan for consumption
• Infrastructure Development Plan
Financing Modality

• Allocate projects for:
  – Local Financing: Attractive Projects
  – FDI
  – EPCF
  – Grant
Challenges

• Licensing Regime
• Consultant
• Project Selection
• Market
• Cross-boarder Trade
• Infrastructure
• Geology
• Cost
THANK YOU
The triple constraint

- Quality
- Time
- Cost

Stakeholder Relations
Project Cycle - Time Period

• Formulation or preparation
  – Long period: 10 years for upper seti, Upper Tamakoshi, Khimti Dhalkebar 220 kV TL, Chamelia, Kulekhani III, Rahughat
  – Consultant selection Process - long
  – Study process
  – Uncertainty in financial resources
  – Political intervention

• Mobilization
  – Study, financing, Procuring
  – Preconstruction activities takes more than the construction period
  – Rahughat and Chamelia, Kulekhani III

• Construction
  • Planning, organizing, scheduling, monitoring, control
  • Variation, Geological risk, Contractor Risk,

• Evaluation and Termination
Project Development Mode

• Sequential Traditional Approach
• Fast Track Development Approach
Project selection

• Technical and Financial Viability
• Proven Technology
• Socio political context
• Accessibility
• Ease of financial Management and construction
• Time for construction
• Multiple Benefits