

Quick Check Methodology (QCM)

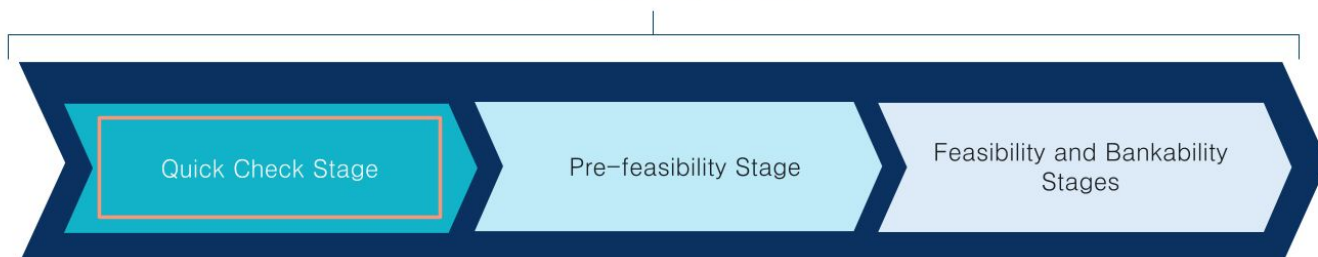
Is your cross-border
infrastructure project
ready for financing?

ALG has developed a new project assessment tool called Quick Check Methodology (QCM), which will help the most ambitious infrastructure development initiative in Africa —the Programme for Infrastructure Development in Africa (PIDA)— assess highly-complex transboundary project maturity levels, identify gaps and assure the quality of project proposals required to obtain much-needed financing.

The Programme for Infrastructure Development in Africa (PIDA) is an African Union Commission (AUC) initiative in partnership with the African Union Development Agency (AUDA-NEPAD), the African Development Bank and the United Nations Economic Commission for Africa. The aim of the Programme is to accelerate infrastructure development across the continent, and its total cost of implementation is estimated at US\$360 billion by 2040. However, the lack of bankable projects remains one of the major bottlenecks for implementation.

That is why AUDA-NEPAD is working on a number of mechanisms, including the deployment of the PIDA Quality Label, to address this challenge. The PIDA Quality Label (PQL) is a tool of the AUDA-NEPAD Service Delivery Mechanism (SDM) that is awarded to projects that excel in the preparation of PIDA projects at an early stage. The PQL encompasses a number of activities aiming at enhancing overall preparation of PIDA projects while shortening the times required to reach feasibility and bankability stages. Furthermore, this quality recognition also serves to certify excellence in project preparation, increasing PIDA projects' likelihood to attract investors. To achieve this, project sponsors must go through three stages, of which the first is the Quick Check Stage, where the Quick Check Methodology (QCM) is employed.

PIDA Quality Label



Quick Check Methodology

The methodology consists of a first filter that will identify project preparation gaps and help project sponsors to structure project information and knowledge in a simple, resource-efficient way.

- Provide applicants with a Project Concept Memorandum (PCM) that addresses the project characterisation, strengths and weaknesses and make recommendations for next steps before funding application.

The QCM makes it possible to:

- Assist applicants in structuring project information and knowledge.
- Identify project gaps and provide advisory services to meet minimum criteria for the application for funding to Project Preparation Facilities (PPFs).
- Appraise projects with a multidimensional objective approach agreed upon with PIDA stakeholders.



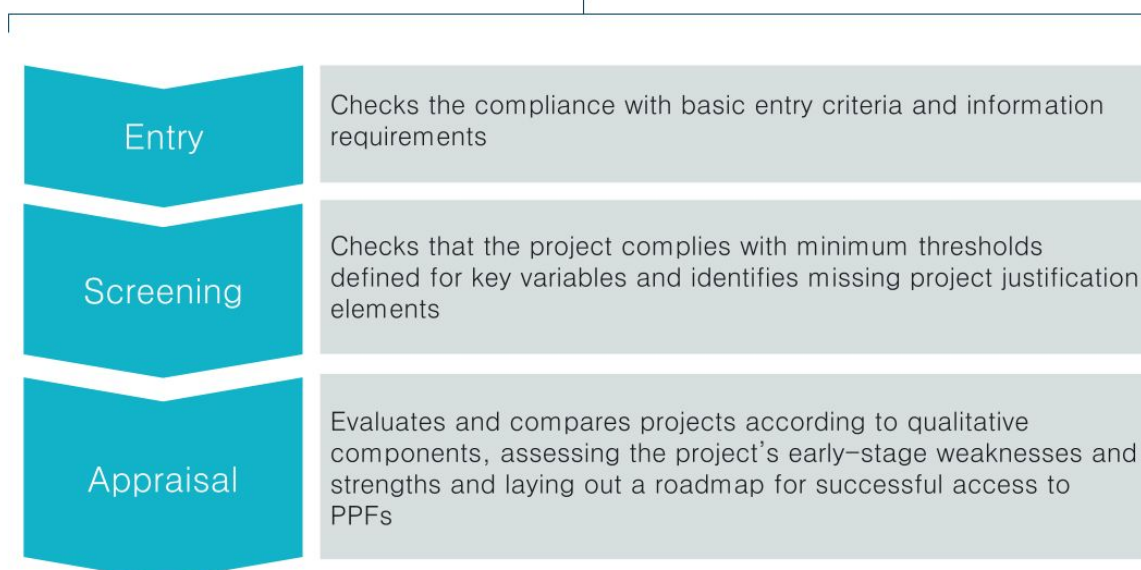


How it works

Provided the application complies with the content and format requirements, the project is evaluated within one month of the sponsors' submission to AUDA-NEPAD. By design, the methodology assesses the quality of data so that the participation of

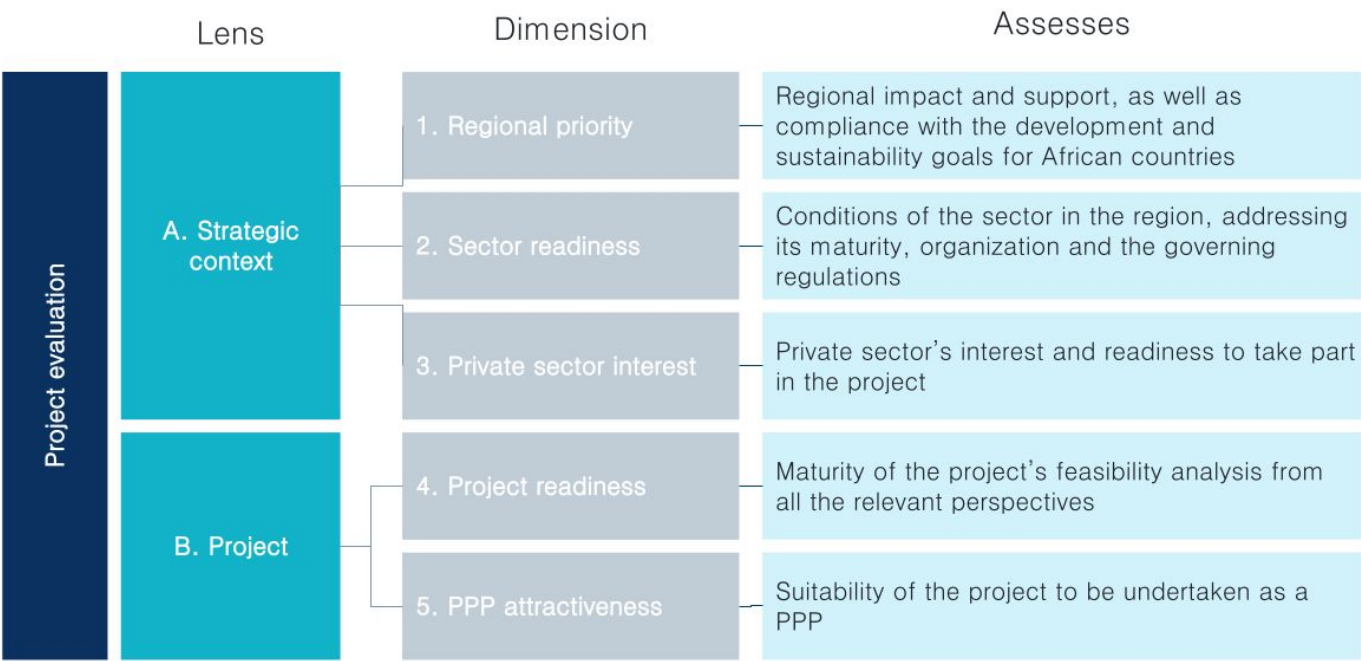
sector experts is not required and evaluation process can be streamlined and applied as many times as necessary. Considering these requirements, the methodology consists of three steps.

Quick Check Methodology



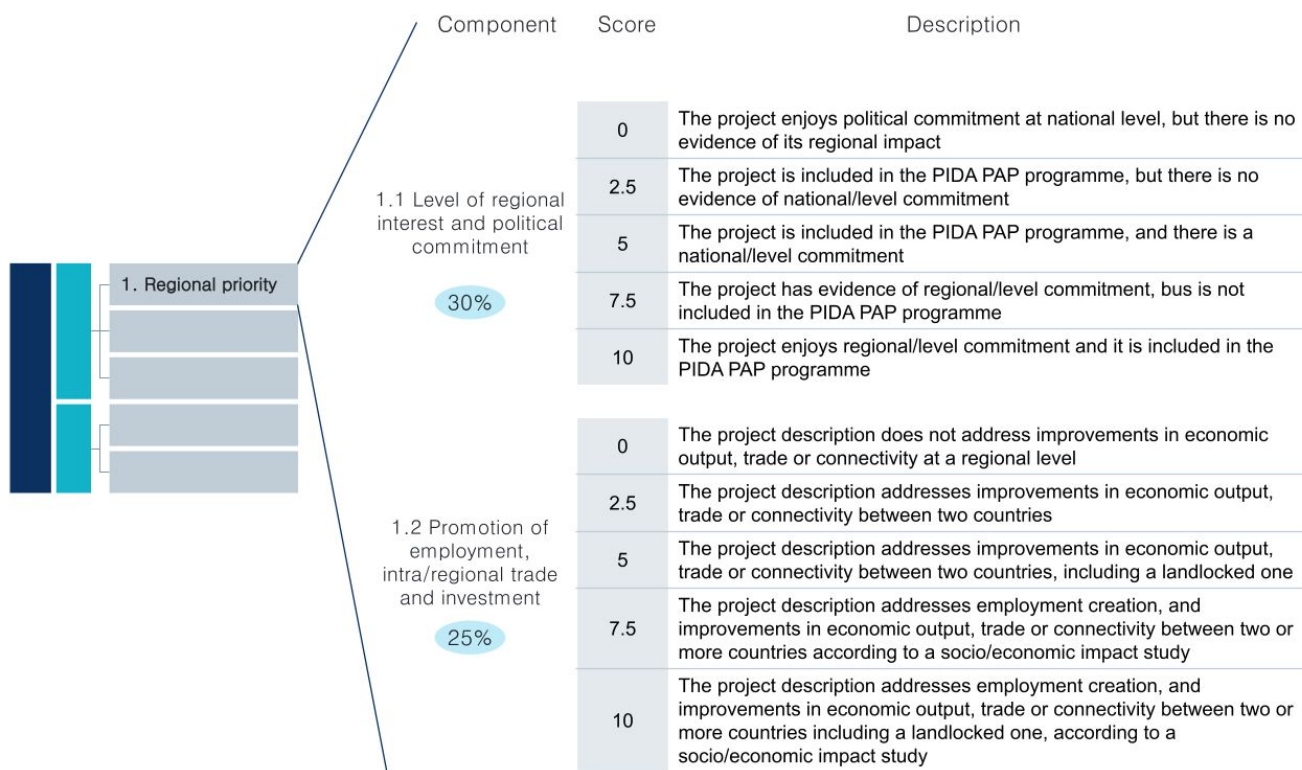
Once the evaluators have checked the project’s basic information in the Entry step, projects enter the Screening and Appraisal steps. For these steps, the Quick Check Methodology evaluates projects through two distinct lenses

that focus on the strategic context and the project itself. Each lens consists of a set of key dimensions, which in turn are determined by the aggregation of relevant components:



Each project can be scored for each of the key dimensions. The Screening covers Dimensions 1 through to 4 in order to check that the project meets the minimum requirements in key variables. Each dimension is evaluated based on several criteria, which, in turn, are graded from 0 to 10 based on the result of binary, mutually exclusive answers.

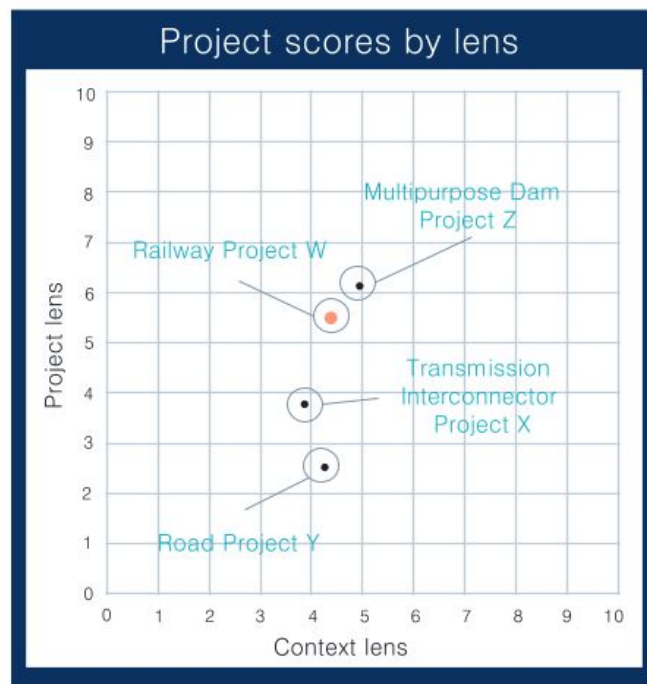
To demonstrate a practical example of the process, the figure below shows some of the components of Dimension 1 (Regional priority), which are scored based on the description. These results are then processed by the Quick Check tool, which provides weighted results per sector to give a combined project score.



If the project meets the minimum score requirements in the Screening step, AUDA-NEPAD will proceed to the Appraisal step, in which an additional dimension is considered. This fifth dimension, called “PPP attractiveness”, assesses the project’s suitability to be undertaken as a PPP.

To illustrate the results of the QCM, below is a graphic benchmark representation of the score results in the aforementioned 2 lenses (left) and five dimensions (right) of four preliminary projects. This assessment is included as a part of the Project Concept Memorandum.

Process feedback can be given to the applicant at any moment during the Quick Check Methodology. AUDA-NEPAD will support applicants to advance projects that are suitable to attract finance. Once the scores of a given project have been obtained, an executive report, the Project Concept Memorandum, is drafted and shared with the applicant, addressing the characterisation and evaluation of the project, as well as recommendations to successfully advance from project preparation to the pre-feasibility phase.



Railway Project W



Transmission Interconnector Project X



Road Project Y

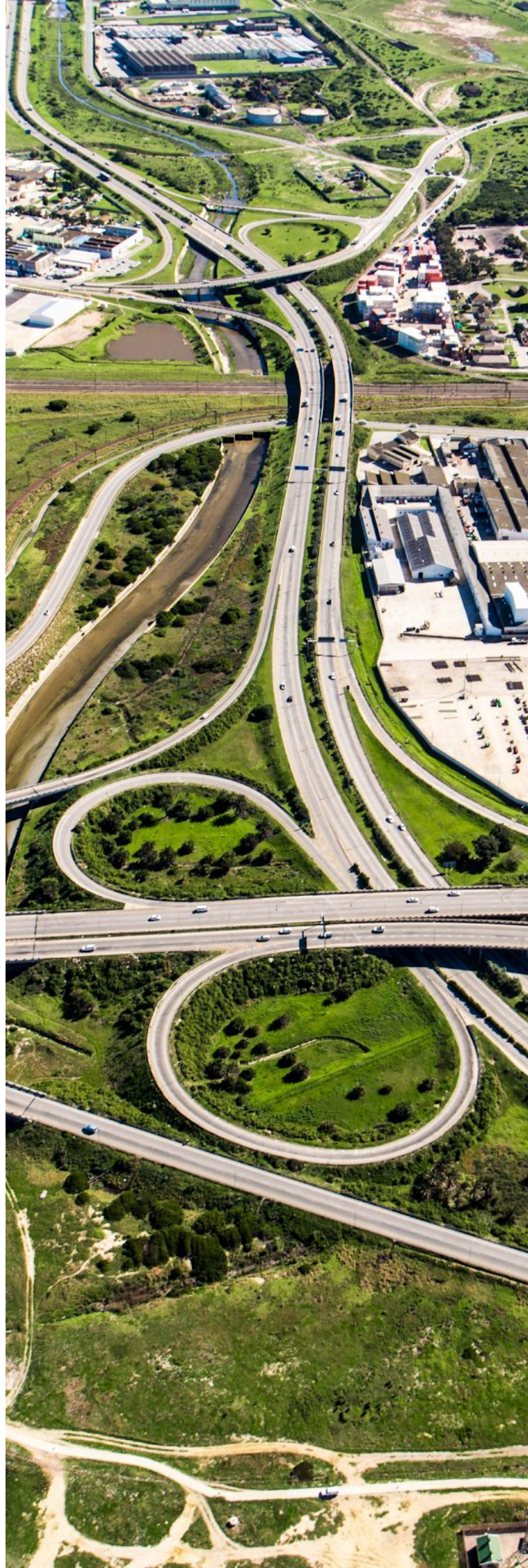


Multipurpose Dam Project Z



ALG uses the QCM methodology to assist the AUDA-NEPAD by evaluating several flagship PIDA Projects that have stalled, identifying bottlenecks and possible solutions for consideration by the project owners, implementing remedial actions as deemed appropriate. Some of the benefits of the Quick Check Methodology include:

- Project Sponsors can take advantage of this methodology for early-stage project structuring in order to finance the feasibility stages.
- Project Preparation Facilities can improve the quantity and quality of project applications with more mature concepts and better structured information, facilitating the application evaluation and granting processes.
- Financing institutions can use the QCM to identify project concepts that represent a financing opportunity.





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