

Guidelines for brief feasibility study

1. The executive summary

This point shall provide a clear description of the activities which are planned to be implemented within the project. In case of more complex projects, the particular activities shall be grouped into several stages.

The suggested layout of the information.

a. Name of the project

Presentation of the Applicant/Lead Partner/Partners. Presentation of the entity who shall explore the investment and the whole system. This point shall provide the basic information regarding the applicant/partners/exploring entity, such as:

- Full name
- Exact address (including telephone and fax numbers)
- Legal form
- Short description of the activities implemented until now
- Details of the contact person (name, surname, position, e-mail, telephone and fax numbers)

It shall be also described how the scope of activities was divided between the institutions involved in the project implementation and infrastructure exploration.

b. Scope of the project

Scope of the project shall be presented taking into account the division into tasks, i.e. all the parts of the project which are planned to be implemented in their logical sequence. The possible tasks may include e.g. preparation of the documentation required to enter of the executor into the construction site, hiring the contract engineer, establishment by the contracting party of the project monitoring unit, organization of the tender for the task implementation, carrying out tests etc. In order to ensure the visibility of the information, these tasks could be presented using the Gantt's chart.

2. Project Background Analysis

Each project is aimed at solving some specific problem which is faced by a smaller or bigger group of people called the beneficiaries. In order the project could improve the current situation, which requires intervention, the problems shall be precisely identified. The following questions should be answered: what is wrong? What makes the project so much important and necessary? That is why the project background analysis should be made.

In this point the issue(s) related with the project (with a special attention paid to the points/edge values) and at which target group the project is aimed at – please describe these groups/entity(ies). The description should begin with the presentation of the problems faced

by the future project beneficiaries. The general description of the region (demographic, economic, financial and social data) where the project will be implemented should be given.

3. Definition of demand/ development needs and aims

a. Sources of the project identification and aims

One of the main reasons of each project implementation is “a problem” (or problems) concerning concrete group of people, entities or area, which should be solved in the result of the activities implemented within the project. In this point the links and reason-effect configurations between all the negative aspects of the current situation should be shortly presented. However, the project for which the feasibility study is being prepared, shall not solve all the problems due to the specific character of the Poland-Belarus-Ukraine CBC Programme and the budgetary limitations. Therefore, please specify in your description and analysis which problems will be solved or which the project may contribute to solve.

This point shall describe also the socio-economic aims, identified basing on the selected group of problems and which are planned to be reached during the project implementation. These aims should be logically connected with the project, while their achievement progress during the project implementation and after its finalization shall be measurable.

b. Coherence with the aims of the Poland-Belarus-Ukraine CBC Programme and compliance with other programmes

The coherence of the analyzed project aims with the Priorities and Measures of the Poland-Belarus-Ukraine CBC Programme which are described in the Programme Document should be justified in this point.

c. Determination of the products

Products should be understood as infrastructure which will be built thanks to the project implementation, it means the material effect of the project implementation (e.g. a road of the concrete length and specific parameters, a waste-water treatment plant of the concrete capacity, a bridge of the concrete span, a building of the concrete cubature, etc).

d. Determination of the results and expected long-term influences/expected changes

Results should be understood as the benefits of the direct or indirect final beneficiaries of the project through project implementation directly after its finalization.

Products can serve while the project implementation as a tool, through which the concrete results could be reached. The estimated value of the abovementioned benefits from the project implementation should be presented in figures in a table which shall allow their easy comparison.

e. Determination of long-term impact

Long term **impact** of the changes resulting from the project implementation should be understood as activities which are supposed to take place after some defined period of time since the finalization of the project (e.g. the extension of the residential district thanks to modernization of the infrastructure in some area, development of services, etc). Impact should be foreseen and described with the highest possible probability

and its expected estimated value should be given (obviously if it is possible to make such estimation).

4. Implementation part

Localization of the project. Name of the country, voivodeship, district and municipality (city) of the project implementation should be specified. Also a relevant unit on the NUTS level should be given. All other information which might be helpful to locate the project should be provided in this point.

a. Description of options, scenario analysis

Scenario analysis should be carried out on a much earlier stage than the submission of the application form, therefore this point should present in details the previously carried out analyses. These analyses can be a part of the documents such as functional-utility programme, spatial-technical concept, technical-economic concept, draft project, environmental impact assessment prepared on the stage when the localization was determined or other documents where the alternative implementation of the project (mainly products) was analyzed. Therefore, the alternative possibilities of the project implementation – alternative options of the project should be described in this point. The alternative variants in general practically are understood as different location, technology, route (e.g. of water-supply or road), technology of the processes (e.g. waste-water treatment, water treatment or sludge dehydration) or organizational variants e.g. implementation of the projects in the Public Private Partnership (PPP) or other. The analysis which was carried out earlier should be quoted and especially the conclusions should be described in details. It should be justified that the selected project is the most suitable out of the analyzed options.

b. Readiness for the project implementation

The contemporary practice of project management usually requires putting twice more efforts into preparation of the project for its implementation than the implementation itself. Such period is extended in case of projects which require the social consultations, agreements with many partners whose interests can be quite different and finally when the technical solutions require to carry out the pilot projects or tests in order to decrease the risk of failure. From this point of view, the project should be advanced in terms of its preparation to implementation already when the feasibility study is being prepared. In case not all administrative procedures required to launch the tender are finalized – it should be analyzed what else could be done in order to finalize this procedure. Due to the extensive character of the issue, big volume of the relevant literature and regulations, and the aim of these guidelines, the administrative questions were not described but only the necessary information is presented in order to provide the reader with the idea of the project feasibility. This point should contain information on the activities undertaken by the investor in the past, the tasks which are planned to be implemented within the project, concepts of the investor (or other entities), projects, permissions etc. regarding directly or indirectly the project implementation. All this information should be presented in the chronological sequence in the form of a small description of the activities including the dates and set of documents/materials in order to determine easily the stage of project preparation. In case the project is still not yet prepared to start the construction works, all the steps which will be taken to finalize preparation of the project for its implementation should be described in this point.

c. Technical description of the project

Technical description of the project should be composed of the following elements:

- Short description of the current technical solutions (of the products) and the suggested changes (clear description of the investment with the technical concept) which shall serve to achieve the project aims;
- Description of the suggested elements/technical appliances (with information on their technical features);
- Determination of the investment and exploration costs.

d. Links with other entities, municipalities within the system

This point should provide information whether the project shall be implemented/explored individually or with the other entities. It should be described whether the investment shall be separate and independent or it could be a part of the existing/planned to be implemented system. Such network should be shortly described and the participation of the project in the system should be determined.

e. Sustainability and institutional feasibility of the project

It should be described who and how will cover the costs of the possible maintaining and exploration of the project in the long-term perspective. If possible, it should be also presented what is the management and exploration structure of the infrastructure which will be a result of the project implementation. The institutional feasibility of the project should be provided by describing the current situation of the organization implementing the project. This point should contain detailed information on project implementation, giving in details what are the institutions/organizations/persons involved in the project and what is their role and responsibility. Procedures and time frameworks of the tasks implementation/tenders/acquiring permissions/preparation works/acceptance together with the project implementation time framework should be described in this point. Also this point should contain information on the activities planned by other institutions and organizations in order to achieve the products and reach the results and aims. Value of the resources necessary to finance the project and their origins should be identified.

f. Determination of the target group.

In order to determine the target group the regional data should be applied, if possible (e.g. number of households connected to the sewage system, number of households planned to be connected, number of vehicles using the concrete road, etc). In case such data/researches/analyses are not available, the statistical data could be used.

5. Conclusions of the analysis and summary

This part of the feasibility study should be elaborated as the last one as far as the information included in this point is the summary of the data given/described/analyzed in the before mentioned parts of the document. After its lecture the reader shall be able to understand what is the purpose of the investment, what are the investment expenditures, who shall be the main user of the infrastructure, what were the outcomes of the financial analysis and what in terms of the Programme is the most important to justify financing of the project from the ENPI resources.

The suggested/recommended layout of the information in this point should be as follows:

ENPV/K	-1 458,51
FIRR/K	n/a

3

Economic analysis (social benefits)

Year	Total value	2009	2010	2011	2012	2013	2014	2015	2016-x
Total inflows	22 070,00	0,00	780,00	1 600,00	2 100,00	2 130,00	2 230,00	2 230,00	11 000,00
1	15 200,00	0,00	700,00	1 000,00	1 500,00	1 500,00	1 500,00	1 500,00	7 500,00
2	5 780,00	0,00	80,00	500,00	500,00	500,00	600,00	600,00	3 000,00
3	290,00	0,00	0,00	0,00	0,00	30,00	30,00	30,00	200,00
4	800,00	0,00	0,00	100,00	100,00	100,00	100,00	100,00	300,00
Total outflows	16 815,00	10 000,00	6 000,00	70,00	80,00	80,00	40,00	35,00	510,00
1	450,00	0,00	0,00	30,00	30,00	30,00	30,00	30,00	300,00
2	310,00	0,00	0,00	40,00	50,00	50,00	0,00	0,00	170,00
3	55,00	0,00	0,00	0,00	0,00	0,00	10,00	5,00	40,00
Investment expenditure	16 000,00	10 000,00	6 000,00	0,00	0,00	0,00	0,00	0,00	0,00
Cash flows	5 255,00	-10 000,00	-5 220,00	1 530,00	2 020,00	2 050,00	2 190,00	2 195,00	10 490,00
discount rate	0,05								
ENPV	625,46								
EIRR	0,06								
B/C	1,04								

The above mentioned tables must be accompanied by precise description of:

- All assumption to the analysis (e.g. discount rate, reference period, all types of inflows and outflows etc.);
- All economic performance indicators (e.g. impact on employment, social benefits, fiscal corrections etc.).

Any others economic and financial indicators may be additionally presented.

7. Risk analysis

The first step of a risk analysis is to identify threats. Threats may be human, operational procedural, financial, technical, natural, and political, etc.

Analysis of threat is important because it is so easy to overlook important threats. Next step is to estimate risk. When the threats will be identified, the next step is to estimate the likelihood of the threat being realized and to assess its impact. This will give a value for the risk. Next step concern managing and avoiding risk identified and appeared during implementation. Please describe process managing and avoiding of risk.