PIPELINE DEVELOPMENT TOOLKIT FRAMEWORK

USAID Expanding Water and Sanitation

July 15, 2022

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USAID EXPANDING WATER AND SANITATION

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CONTENTS

List of Tables

List of Figures

ACRONYMS

AfDB	African Development Bank
CAPEX	Capital Expenditure and
CHWSC	Chambeshi Water and Sanitation Company
CU	Commercial Utility
DFC	United States International Development Finance Corporation
O&M	Operations & Maintenance
OPEX	Operational Expenditure
PPD	Public-Private Dialogue
PPP	Public-Private Partnership
PPS	Problem, Priority, Solutioning
PSE	Private Sector Engagement
SWSC	Southern Water and Sanitation Company
USAID	United States Agency for International Development
WASH	Water, Sanitation, and Hygiene
WWSC	Western Water and Sanitation Company

INTRODUCTION

United States Agency for International Development (USAID) has launched the Expanding Water and Sanitation project (Expanding WASH) in Zambia to support the professionalization of water, sanitation, and hygiene (WASH) services, promote accountability for reliable and high-quality WASH services, and to enhance the enabling environment for private sector engagement (PSE) in WASH service delivery.

Planet Partnerships is supporting the execution of this mandate through the design and implementation of PSE strategies to facilitate private sector-driven and sustainable access to safe WASH services in the Northern, Western, Southern, and Muchinga Provinces. Specifically, Planet Partnerships' scope includes the following technical areas:

- **Policy:** Conducting diagnostics and assessments of the enabling environment for investment and private sector participation in the WASH sector and supporting reform efforts to strengthen the framework.
- **Pilots:** Identifying, screening, and piloting projects and transactions to introduce and strengthen private sector participation in the WASH sector.
- **General PSE and Partnerships:** Facilitating public-private dialogue (PPD), strengthening PSE strategies, and supporting the project team in PSE and partnership development.

This Report presents the Pipeline Development Toolkit Framework, providing methodological guidance to the following stages of pipeline development:

- **Step 1: Conducting the Problem, Priority, Solution (PPS) Workshops**
- **Step 2: Developing the Long List of Projects**
- **Step 3: Applying the Screening Criteria and Methodology**
- **Step 4: Applying the Prioritization Criteria and Methodology**
- **Step 5: Developing the Shortlist of Pilot Projects**
- **Step 6: Preparing Pilot Project Roadmaps**

The *Excel Tools* for the completion of these steps are presented in Annex 1, while the template for *Project Profile Template* is presented in Annex 2.

TOOLKIT PURPOSE, GUIDANCE, AND METHODOLOGY

TOOL PURPOSE AND GUIDANCE

The Pipeline Development Toolkit Framework T Specifically, this Tool has been developed for the following CUs:

- · Chambeshi Water and Sanitation Company (CHWSC), which covers Northern and Muchinga Provinces
- · Western Water and Sanitation Company (WWSC), which covers Western Province
- · Southern Water and Sanitation Company (SWSC), which covers Southern Province

The Framework is intended to standardize early-stage assessment to identify projects that appear likely to be technically and financially viable, as well as institutionally feasible and impactful. It also provides guidance for the consideration of stakeholder support and the potential for robust impact on climate resilience and social equity.

By using the Toolkit, CUs will be able to select high priority pilot projects that will be subjected to additional stages of appraisal and structuring prior to implementation.

It is intended that this Framework can be reapplied for subsequent pipeline tranches following the first full cycle (completion of Step 1 to 6), allowing for CUs to renew and refresh investment pipelines to reflect evolving needs and priorities.

The pipeline development process is comprised of the following steps:

- · **Step 1: Conducting the Problem, Priority, Solution (PPS) Workshops**
- · **Step 2: Developing the Long List of Projects**
- · **Step 3: Applying the Screening Criteria and Methodology**
- · **Step 4: Applying the Prioritization Criteria and Methodology**
- · **Step 5: Developing the Shortlist of Pilot Projects**
- · **Step 6: Preparing Pilot Project Roadmaps**

The methodological process is outlined in detail in the following pages and captured graphically below:

Figure 1: Pipeline Development Process

Pipeline Development Process
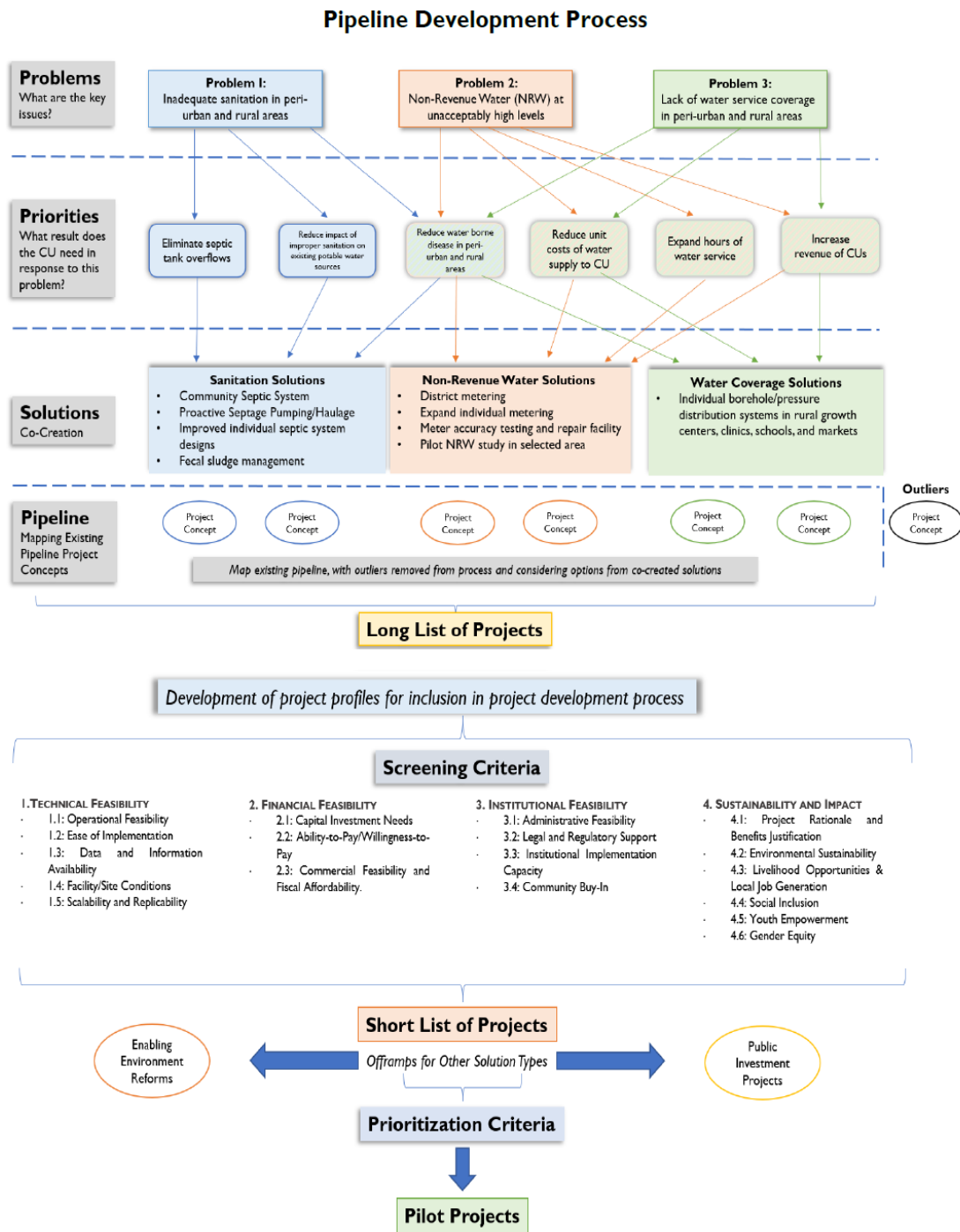
Prior to the PPS Workshop, the Team will conduct targeted trainings with each of the three CUs. This training will focus on presenting the pipeline development process, the project development lifecycle, and foundational knowledge for understanding PPPs and partnerships with the private sector.

Each step of the process is outlined below.

STEP 1: CONDUCTING THE PROBLEM, PRIORITY, SOLUTION (PPS) WORKSHOP DESIGN

The first stage of the project pipeline development process is the PPS Workshop. This stage will entail participatory and collaborative workshops with the three target CUs to inform pipeline development. The Project Team will serve as Facilitators.

Each workshop will include four main sessions. These sessions are outlined below:

· **Session 1: Problems –** In this first step, the Team facilitates discussions with CU management to identify key problems and re-examine core assumptions to identify the central issues inhibiting the CU's ability to meet its mandate effectively. Essentially, this session identifies where the current impediments are, establishing the baseline from which the pipeline development will begin.

Using a flipchart to record findings, the Facilitators will open the discussion by initiating a brainstorming of core challenges facing the CU with the workshop participants. All the issues identified will be compiled on the flipchart. Parameters set at the commencement of the session will restrict the brainstorming to WASH issues in rural and peri-urban areas of coverage in line with Expanding WASH's focus.

Following the 15-minute open discussion, the Facilitators will then ask participants to rank the key issues in order of severity, urgency, and importance. The Facilitator will then identify the top 3 problems, based on the inputs from the CU. Throughout this process, the Facilitators will focus on creating a conducive environment for discussion, creating an atmosphere of peers collaborating, as opposed to a classroom or lecture style.

To illustrate this process through an example, the CU participants in the workshop may indicate that NRW is very high in the CU's coverage areas and that there is inadequate sanitation in peri-urban areas. Following the brainstorming, the CU participants may then rank the issues, noting that inadequate sanitation in peri-urban areas is the most urgent and severe problem facing the CU. This issue would then be established as one of the top issues that will aim to be addressed during the pipeline development process.

· **Session 2: Priorities –** During the second session, the facilitated discussions will focus on the results that CUs are seeking to fulfil their mandate. This process will map out the various end results needed to overcome the key issues identified during Session 1. Essentially, this will map out where the CU wants to go from the current baseline identified in Session 1.

This 15-minute session will again take the form of a participative discussion, with Facilitators making sure the dialogue remains on topic and constructive but avoiding dictating what results would be most appropriate. The results will be listed on the flipchart under the corresponding problem, with arrows showing which result would overcome which issue. While mapping these,

Facilitators will offer advise if needed on how to refine or expand thinking around these priorities.

To continue the hypothetical example, the CU may continue from Session 1, focusing on addressing inadequate sanitation coverage. One of the CU management team may seek to eliminate septic tank overflows, citing the regularity of such issues and how it contributes to the broader coverage problem. When discussing, it may become clear that each problem may have several different end results. These solutions may also address multiple problems. For example, the CU may determine the need to reduce the impact of improper sanitation on existing potable water sources, as well as eliminate septic tank overflows, as both are necessary to fully address the issues identified.

- **Session 3: Solutions –** Having identified the results needed to overcome the core issues facing CUs, the Team will then facilitate a solutioning co-creation session. This process will determine *how* the CU will get from the baseline in Session 1 to where the CU seeks to be (determined in Session 2).

  This 30 to 45-minute solutioning process will focus on identifying ways to reach the results identified at the Priorities level. CU participants and technical specialists will brainstorm and co-develop project concepts which are contextually appropriate and could address these foundational problems and key priorities. These solutions will be mapped under the results to signify that they can be pursued to achieve these goals using the flipchart.

  For example, to continue the hypothetical sanitation issue, the CU participants and Facilitators may identify that a proactive septage pumping and hauling solution could be a possible solution. They may, however, also see that a community septic solution could offer significant benefits. All would be mapped as possible solutions under the eliminate septic tank overflows and the reduction of impact of improper sanitation on potable water sources.

- **Session 4: Pipeline –** During the final session, the Facilitators will map out the existing pipeline under the solutions identified during the co-creation solutions. During project kick-off, CUs have refined their existing pipelines with the Expanding WASH Project Team. These lists will be discussed and then mapped under the corresponding Problems and Priorities on the flipchart.

  This process will ensure project concepts proceeding to screening are in line with CU needs. Outlying project concepts will be placed to the side for the initial screening and will be reconsidered under future tranches. If solutions identified under the co-creation session offer a better alternative to the existing pipeline project concept, the Team will collaboratively decide on one option to move forward to ensure there is no replication.

Following the completion of the workshop, the Team will proceed to Step 2. This process is highlighted in the extract from Figure 1 below, which includes the examples discussed in the explanations above:

Figure 2: The PPS Process in Practice
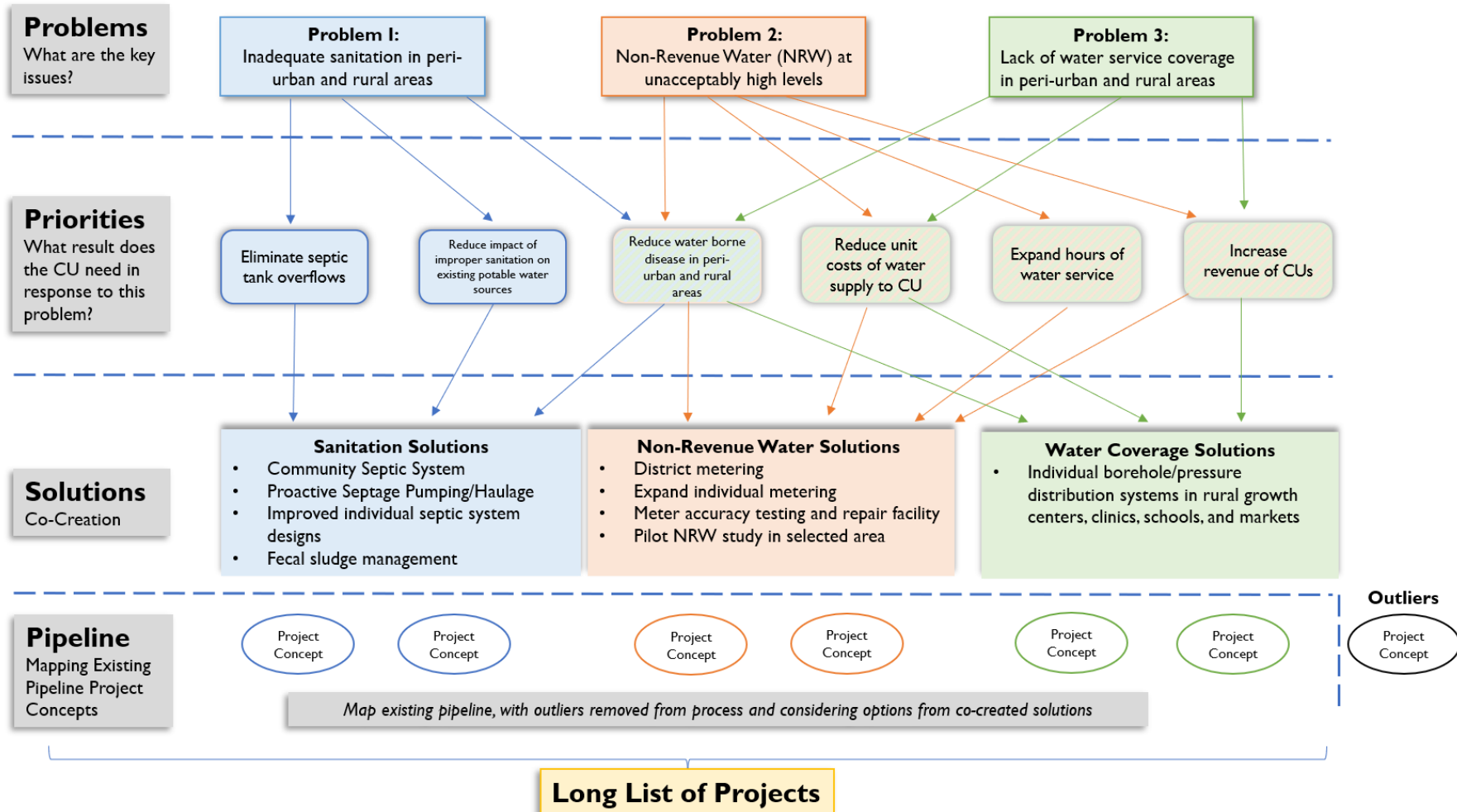
STEP 2: DEVELOPING THE LONG LIST OF PROJECTS

Following the completion of Step 1, the Team will compile those project concepts identified under Session 3 and 4 of the PPS Workshop (excluding those outlying projects and any duplication of solutions). For Tranche 1, the Team will prepare these concepts and then present to the CU for refinement and sign-off during a validation workshop. As the pipeline development process becomes more internalized and capacity grows, the CU will take increasing responsibility in the preparation of these project concept profiles. Those which align with the determined priorities and problems will compose the *Long List of Projects*.

Each of these project concepts will be fed in the *Project Profile Template*, which ensures the minimum data required for screening is available before moving forward to the next stage. This template includes sections for the following:

- **Overview**
  - Project Name
  - Objective and Rationale
  - Location
- **Technical Structure**
  - Technical Solution
  - Site and Facility
  - Data Availability
- **Financial Structure**
  - Capital Expenditure (CAPEX) and Operational Expenditure (OPEX)
  - Commercial Structure
- **Institutional Structure**
  - Legal and Regulatory
  - Institutional Architecture
  - Consumer and Community Demand
- **Sustainability and Impact**
  - Social Inclusion, Gender, Youth, and Livelihoods
  - Environmental Sustainability

Annex 2 presents the *Project Profile Template*. Once the *Long List of Projects* has all solutions prepared in the necessary template, the Team will then proceed to Step 3.

STEP 3: APPLYING THE SCREENING CRITERIA AND METHODOLOGY

The *Screening Criteria and Methodology* is a tool to evaluate and rank projects to develop a viable short-list of projects. The objective of developing a customized approach is to ensure that projects that are well-suited for the specific context of the CU coverage areas and show signs of viability move forward with project development, while those projects that show "fatal flaws" or that are not contextually appropriate do not.

During the May 2022 mission, the Team co-designed and validated criteria that reflect CU priorities and are aligned with the contextual circumstances of the four target provinces (Muchinga, Northern, Western, and Southern) covered by the 3 CUs. They are designed to be inclusive of those viable projects possible, while specific enough to

rank highest those projects that are broadly feasible and can engender political and market support.

The Team has also ensured criteria include consideration of ease of implementation, affordability, and community buy-in as opposed to just technical and financial factors. This means that a project which may meet most of the criteria, but is highly complicated, costly, or has a long transaction life cycle (and subsequently has a lower chance of success in implementation), may not be ranked as highly as a project that is easier to implement, finance, and transact.

It is important to note that rather than being mutually exclusive and cumulatively exhaustive, screening criteria are inherently interlinked and reinforcing. This approach is intentional. Framing criteria in this manner increases the likelihood that key, but interlinked, issues can be analyzed through multiple lenses during evaluation. Adopting this objective and standardized analysis supports the likelihood that multiple assessors will reach similar conclusions in spite on their subjective viewpoint.

The four key criteria guiding the screening process are as follows:

- **Criterion 1: Technical Viability Scoring**
- **Criterion 2: Financial Viability Scoring**
- **Criterion 3: Institutional Feasibility Scoring**
- **Criterion 4: Sustainability and Impact**

These criteria and their respective sub-criteria are described in detail below.

CRITERION 1: TECHNICAL VIABILITY SCORING

CUs require the identification of potential pilot projects that indicate high likelihood of viability. Given the CU's intent to engage the private sector support the fulfilment of their mandate, these initiatives should also be capable of being structured to enable a potential partnership with a private operator.

The first criterion, *Technical Viability*, is comprised of the following sub-criteria:

Table 1: Criterion 1: Technical Viability Scoring

Sub-Criterion	Guiding Questions
Criterion 1: Technical Viability Scoring	
1.1: Operational Feasibility	1.1.1 Will the planned project be capable of achieving design and regulatory metrics (e.g., meet prescribed drinking water standards or effluent discharge standards)?
	1.1.2 Are there no significant technical, architectural, and/or engineering challenges to the planned project?
	1.1.3 Do local public staff have the technical capabilities to implement the necessary solution?
	1.1.4 Do local public staff have the technical and managerial abilities to operate final project?

Sub-Criterion	Guiding Questions
	1.1.5 Does the domestic private sector have the technical capabilities to implement the necessary solution(s)? 1.1.6 Does the domestic private sector have the technical and managerial abilities needed to operate the final project? 1.1.7 Will it be relatively easy to obtain spare parts and equipment for the project? 1.1.8 Are contingencies (e.g., drought, fire, force majeure, etc.) adequately planned for in the technical design?
1.2: Ease of Implementation	1.2.1 Can existing operations be maintained during project implementation? 1.2.2 Are any extra steps necessary to maintain operations while performing the project? 1.2.3 Can the project be implemented with minimal complications in a reasonable time?
1.3: Data and Information Availability	1.3.1 Is the necessary level of data available for the project? 1.3.2 Are sufficient data available to inform technical design? 1.3.3 Are the required data readily available, or are further studies required to obtain a complete dataset? 1.3.4 Is there a list of existing electric motors? *If applicable:* 1.3.5 Is there a summary of existing pipes and valves by diameter, length, material, and age? 1.3.6 Is there a summary of the capacity and age of existing storage tanks? 1.3.7 Are data on current water demand and metered usage available? 1.3.8 Is there information on the number, location, and age of existing meters (if any)?
1.4: Facility/Site Conditions	1.4.1 Is the current condition of the project site or facility reasonably up to standard? 1.4.2 Is the requirement for capital investment in site rehabilitation or preparation for construction works not extensive?
1.5: Scalability and Replicability	1.5.1 Could the project lead to additional investment that would not have otherwise occurred without support from USAID? 1.5.2 Can the project generate additional commercial opportunities and create a broader economic impact? 1.5.3 Is there reasonably foreseeable direct and indirect infrastructure and facilities that might be established because of this project?

In short, if the candidate project is technically viable, then it can be considered for advancement to the next phase.

CRITERION 2: FINANCIAL VIABILITY SCORING

Transactions must also be structured in a financially sound manner to be viable in the long-term. When looking at PPPs and partnerships, this also includes a need for a commercial case.

As such, the second criterion, *Financial Viability*, is comprised of the following sub-criteria:

Table 2: Criterion 2: Financial Viability Scoring

Sub-Criterion	Guiding Questions	
Criterion 2: Financial Viability Scoring		
2.1: Capital Investment Needs	2.1.1	Is the project not reliant on government or donor support to sustain operations (both direct and indirect)?
	2.1.2	Is it possible to finance the project in full or in part through a user-pays arrangement?
2.2: Ability-to-Pay/Willingness-to-Pay	2.2.1	Is there available information on the affordability of the asset or service for users?
	2.2.2	Is there available information on the willingness of beneficiaries to pay for the asset or service at a level for it to be commercially viable?
	2.2.3	Are there data available to perform affordability analysis (e.g., average income, cost of living, service delivery costs, etc.)?
2.3: Commercial Feasibility and Fiscal Affordability	2.3.1	Can operational expenses for the project be accurately determined?
	2.3.2	Do existing tariffs cover all current costs, as opposed to only operation and maintenance (O&M) costs or only a portion of O&M costs?
	2.3.3	Can O&M costs be financed through the collection of tariffs?
	2.3.4	Are subsidies (including cross-subsidies) permissible?
	2.3.5	Has the CU budgeted (either annually or multi-year) for the capital and operational costs required to completely operationalize the facility?
	2.3.6	Has the CU accounted for potential explicit, implicit, direct, and indirect contingent liabilities that might arise from this project?
	2.3.7	Is the CU able to secure concessional finance from various development finance institutions to offset fiscal costs?

CRITERION 3: INSTITUTIONAL FEASIBILITY SCORING

A key factor in evaluating projects will be the level and forms of support (direct and indirect), as well as buy-in and ownership, from the various levels of government, key stakeholders, and communities. After passing the screening stage, many projects often encounter a range of obstacles that were unanticipated or ignored during the conceptual design stage. These obstacles may have been clear from the outset, but wishful proponents often underestimate the importance of political and community support, legal eligibility, and institutional capacity to long-term project viability.

If the project does not have public support (both political and consumer) from the outset, it will likely take too long to justify its development as there is a high likelihood of non-materialization. Each of the other listed factors go to the heart of accurately understanding project viability over extended time horizons.

As such, the third criterion, *Institutional Feasibility*, is comprised of the following sub-criteria:

Table 3: Criterion 3: Institutional Feasibility

Sub-Criterion	Guiding Questions
Criterion 3: Institutional Feasibility Scoring	
3.1: Administrative Feasibility	3.1.1 Is the government responsible for obtaining required permits and/or licenses, as opposed to the private party? 3.1.2 Does the project have institutional support from different actors? 3.1.3 Is there clear ownership of the water or sanitation system? 3.1.4 Does the operator have the necessary permits or are they readily obtained? 3.1.5 Is there a land use certificate for or clear ownership of the plot? 3.1.6 Is the operator formally registered? 3.1.7 Is there an asset inventory for the system?
3.2: Legal and Regulatory Support	3.2.1 Does the legal framework support implementation and operation of the project in relation to scope, structure, size, and sector? 3.2.2 Are there any WASH sector specific regulations that could restrict implementation? 3.2.3 Are environmental regulations and implementation standards able to be adhered to? 3.2.4 Are contractor qualifications and tender procedures clear for the desired project? 3.2.5 Can this transaction be procured within existing laws and regulations (size, type, structure, and duration)?

Sub-Criterion	Guiding Questions
	3.2.6 Is it clear which institutional stakeholder holds ultimate decision-making responsibility for procurement evaluation and contract approval?
	3.2.7 Is it clear which institutional entity is mandated to sign the contract?
	3.2.8 Is it clear which agency is required to monitor and manage contract implementation?
3.3: Institutional Implementation Capacity	3.3.1 Do the public and private sponsors have the institutional capacity to manage project implementation?
	3.3.2 Is there a strong project management team behind the project planning and analysis?
	3.3.3 Does the institutional project initiator have the technical capacity to manage the project development process?
3.4: Community Buy-In	3.4.1 Has the demand for the project by users and sponsors been demonstrated, for example, through community advocacy?
	3.4.2 Is there formal or informal support among civil society and industry associations for the proposed asset or service in question?
	3.4.3 Are there social, cultural, or practical norms that may represent impediments to project implementation?
	3.4.4 Are the positive impacts of infrastructure development and service delivery likely to create public support for implementation?
	3.4.5 Has there been a process of public consultation and engagement to solicit community feedback for the proposed project?

CRITERION 4: SUSTAINABILITY AND IMPACT

Outside of the underlying viability of transactions, it is critical to also evaluate the impact and sustainability of the projects within the respective provincial context. Transactions should be justified through quantifiable benefits, support local community economic development and livelihood opportunities, and foster social inclusion, youth empowerment, and gender equity goals.

As such, the fourth criterion, *Sustainability and Impact*, is comprised of the following sub-criteria:

Table 4: Criterion 4: Sustainability and Impact

Sub-Criterion	Guiding Questions
Criterion 4: Sustainability and Impact	
4.1: Project Rationale and Benefits Justification	4.1.1 Can the envisioned impact of project implementation be either qualitatively or quantitatively determined? 4.1.2 Will the project lead to positive health and social outcomes that support long-term economic benefits?
4.2: Environmental Sustainability	4.2.1 Have potential environmental impacts been identified, the severity assessed, and mitigation strategies proposed? 4.2.2 Does the project incorporate environmental remediation measures into the design parameters? 4.2.3 Have long-term climate variability and resilience factors been accounted for in project planning?
4.3: Livelihood Opportunities & Local Job Generation	4.3.1 Will the project create livelihood opportunities for local communities, including subcontracting opportunities for businesses? 4.3.2 Will the project generate business opportunities for local communities (for example, through supply of materials for construction and/or operation of project)? 4.3.3 Are there qualified local firms capable of supporting project implementation?
4.4: Social Inclusion	4.4.1 Are there identified and quantified social inclusion benefits of proposed project? 4.4.2 Does the concept support social inclusion for disadvantaged communities, disabled individuals, minority groups, or impoverished households? 4.4.3 If the project involves any community resettlement, has there been a process of considered consultation? 4.4.4 Has consideration been given to strategies to integrate pro-poor actions into the implementation strategy? 4.4.5 Does the asset or service benefit a broad cross-section of society? 4.4.6 Does the project increase access to services for the lowest wealth quintile?
4.5: Youth Empowerment	4.5.1 Does the concept support youth empowerment through the creation of livelihood opportunities? 4.5.2 Is the project targeted at improving health, education, or other social outcomes for youths?
4.6: Gender Equity	4.6.1 Does the concept support gender equity by creating opportunities for female-oriented economic

Sub-Criterion	Guiding Questions
	opportunities, participation, leadership, and social empowerment?
	4.6.2 Are there minimum employment requirements for women or subcontracting specifications for women-owned businesses?

SCREENING SCORING

Using the guiding questions for the sub-criteria under each of the four major criteria, the Team will score each project concept. Each criterion will be assessed using a scoring system of 0 to 3, with 3 representing the highest positive score. The scoring system is provided below:

3 points	Yes
2 points	Partially
1 point	No
0 Points	Undetermined

An undetermined score receives a 0 score to ensure projects moving forward can be assessed with some degree of certainty. If the sub-criterion is not applicable, the Team will assign a N/A score, instead of 0, to avoid distorting results.

In terms of scoring, there will be three layers of averages:

· The scores to the guiding questions under each sub-criterion will be averaged so there is one single score per sub-criterion.
· In turn, the results of the sub-criterion assessment will then be averaged so each criterion has a single score.
· Finally, the scores of each criterion will then again be averaged so that each project concept has one final screening score.

The highest obtainable result is thus 3 at the screening stage. It is recommended that 65% (higher than average) is a reasonable threshold for project viability in line with international best practices. As such, according to this screening tool, projects would need to receive a minimum result of **1.95** out of 3 to be considered viable.

Therefore, higher ranked projects would need to score well on most criteria so as not to allow a marginal project with a few high scores to advance. The objective is to end up with a portfolio of high-quality candidate projects for advancement to the next step of project development

The tables below showcase the scoring tool in Excel, which is also accessible in **Annex 1**:

Figure 3: Criterion 1 Scoresheet

Screening Criteria	1
Project Title	
Criteria Scoring	
Criterion 1: Technical Viability Scoring	
Sub-Criterion 1.1: Operational Feasibility	
1.1.1 Will the planned project be capable of achieving design and regulatory metrics (e.g., meet prescribed drinking water standards or effluent discharge standards)?	
1.1.2 Are there no significant technical, architectural, and/or engineering challenges to the planned project?	
1.1.3 Do local public staff have the technical capabilities to implement the necessary solution?	
1.1.4 Do local public staff have the technical and managerial abilities to operate final project?	
1.1.5 Does the domestic private sector have the technical capabilities to implement the necessary solution(s)?	
1.1.6 Does the domestic private sector have the technical and managerial abilities needed to operate the final project?	
1.1.7 Will it be relatively easy to obtain spare parts and equipment for the project?	
1.1.8 Are contingencies (e.g., drought, fire, force majeure, etc.) adequately planned for in the technical design?	
Sub-Total	0
Average Sub-Total	0
Sub-Criterion 1.2: Ease of Implementation	
1.2.1 Can existing operations be maintained during project implementation?	
1.2.2 Are any extra steps necessary to maintain operations while performing the project?	
1.2.3 Can the project be implemented with minimal complications in a reasonable time?	
Sub-Total	0
Average Sub-Total	0
Sub-Criterion 1.3: Data and Information Availability	
1.3.1 Is the necessary level of data available for the project?	
1.3.2 Are sufficient data available to inform technical design?	
1.3.3 Are the required data readily available, or are further studies required to obtain a complete dataset?	
1.3.4 Is there a list of existing electric motors?	
1.3.5 IF APPLICABLE, is there a summary of existing pipes and valves by diameter, length, material, and age?	
1.3.6 IF APPLICABLE, is there a summary of the capacity and age of existing storage tanks?	
1.3.7 IF APPLICABLE, are data on current water demand and metered usage available?	
1.3.8 IF APPLICABLE, is there information on the number, location, and age of existing meters (if any)?	
Sub-Total	0
Average Sub-Total	0
Sub-Criterion 1.4: Facility/Site Conditions	
1.4.1 Is the current condition of the project site or facility reasonably up to standard?	
1.4.2 Is the requirement for capital investment in site rehabilitation or preparation for construction works not extensive?	
Sub-Total	0
Average Sub-Total	0
Sub-Criterion 1.5: Scalability and Replicability	
1.5.1 Could the project lead to additional investment that would not have otherwise occurred without support from USAID?	
1.5.2 Can the project generate additional commercial opportunities and create a broader economic impact?	
1.5.3 Is there reasonably foreseeable direct and indirect infrastructure and facilities that might be established because of this project?	
Sub-Total	0
Average Sub-Total	0
Final Criterion Score	
Criterion Total	0
Average Criterion Score	0.00

Figure 4: Criterion 2 Scoresheet

Screening Criteria	I
Project Title	
Criteria Scoring	
Criterion 2: Financial Viability	
Sub-Criterion 2.1: Capital Investment Needs	
2.1.1 Is the project not reliant on government or donor support to sustain operations (both direct and indirect)?	
2.1.2 Is it possible to finance the project in full or in part through a user-pays arrangement?	
Sub-Total	0
Average Sub-Total	0
Sub-Criterion 2.2: Ability-to-Pay/Willingness-to-Pay	
2.2.1 Is there available information on the affordability of the asset or service for users?	
2.2.2 Is there available information on the willingness of beneficiaries to pay for the asset or service at a level for it to be commercially viable?	
2.2.3 Are there data available to perform affordability analysis (e.g., average income, cost of living, service delivery costs, etc.)?	
Sub-Total	0
Average Sub-Total	0
Sub-Criterion 2.3: Commercial Feasibility and Fiscal Affordability	
2.3.1 Can operational expenses for the project be accurately determined?	
2.3.2 Do existing tariffs cover all current costs, as opposed to only operation and maintenance (O&M) costs or only a portion of O&M costs?	
2.3.3 Can O&M costs be financed through the collection of tariffs?	
2.3.4 Are subsidies (including cross-subsidies) permissible?	
2.3.5 Has the CU budgeted (either annually or multi-year) for the capital and operational costs required to completely operationalize the facility?	
2.3.6 Has the CU accounted for potential explicit, implicit, direct, and indirect contingent liabilities that might arise from this project?	
2.3.7 Is the CU able to secure concessional finance from various development finance institutions to offset fiscal costs?	
Sub-Total	0
Average Sub-Total	0
Final Criterion Score	
Criterion Total	0
Average Criterion Score	0.00

Figure 5: Criterion 3 Scoresheet

Screening Criteria	I
Project Title	
Criteria Scoring	
Criterion 3: Institutional Feasibility	
Sub-Criterion 3.1: Administrative Feasibility	
3.1.1 Is the government responsible for obtaining required permits and/or licenses, as opposed to the private party?	
3.1.2 Does the project have institutional support from different actors?	
3.1.3 Is there clear ownership of the system?	
3.1.4 Does the operator have the necessary permits or can they be readily obtained?	
3.1.5 Is there a land use certificate for or clear ownership of the plot?	
3.1.6 Is the operator formally registered?	
3.1.7 Is there an asset inventory for the system?	
Sub-Total	0
Average Sub-Total	0
Sub-Criterion 3.2: Legal and Regulatory Support	
3.2.1 Does the legal framework support implementation and operation of the project in relation to scope, structure, size, and sector?	
3.2.2 Are there not any WASH sector specific regulations that could restrict implementation?	
3.2.3 Are environmental regulations and implementation standards able to be adhered to?	
3.2.4 Are contractor qualifications and tender procedures clear for the desired project?	
3.2.5 Can this transaction be procured within existing laws and regulations (size, type, structure, and duration)?	
3.2.6 Is it clear which institutional stakeholder holds ultimate decision-making responsibility for procurement evaluation and contract approval?	
3.2.7 Is it clear which institutional entity is mandated to sign the contract?	
3.2.8 Is it clear which agency is required to monitor and manage contract implementation?	
Sub-Total	0
Average Sub-Total	0
Sub-Criterion 3.3: Institutional Implementation Capacity	
3.3.1 Do the public and private sponsors have the institutional capacity to manage project implementation?	
3.3.2 Is there a strong project management team behind the project planning and analysis?	
3.3.3 Does the institutional project initiator have the technical capacity to manage the project development process?	
Sub-Total	0
Average Sub-Total	0
Sub-Criterion 3.4: Community Buy-In	
3.4.1 Has the demand for the project by users and sponsors been demonstrated, for example, through community advocacy?	
3.4.2 Is there formal or informal support among civil society and industry associations for the proposed asset or service in question?	
3.4.3 Are there no social, cultural, or practical norms that may represent impediments to project implementation?	
3.4.4 Are the positive impacts of infrastructure development and service delivery likely to create public support for implementation?	
3.4.5 Has there been a process of public consultation and engagement to solicit community feedback for the proposed project?	
Sub-Total	0
Average Sub-Total	0
Final Criterion Score	
Criterion Total	0
Average Criterion Score	0.00

Figure 6: Criterion 4 Scoresheet

Screening Criteria	I
Project Title	
Criteria Scoring	
Criterion 4: Sustainability and Impact	
Sub-Criterion 4.1: Project Rationale and Benefits Justification	
4.1.1 Can the envisioned impact of project implementation be either qualitatively or quantitatively determined?	
4.1.2 Will the project lead to positive health and social outcomes that support long-term economic benefits?	
Sub-Total	0
Average Sub-Total	0
Sub-Criterion 4.2: Environmental Sustainability	
4.2.1 Have potential environmental impacts been identified, the severity assessed, and mitigation strategies proposed?	
4.2.2 Does the project incorporate environmental remediation measures into the design parameters?	
4.2.3 Have long-term climate variability and resilience factors been accounted for in project planning?	
Sub-Total	0
Average Sub-Total	0
Sub-Criterion 4.3: Livelihood Opportunities & Local Job Generation	
4.3.1 Will the project create livelihood opportunities for local communities, including subcontracting opportunities for businesses?	
4.3.2 Will the project generate business opportunities for local communities (for example, through supply of materials for construction and/or operation of project)?	
4.3.3 Are there qualified local firms capable of supporting project implementation?	
Sub-Total	0
Average Sub-Total	0
Sub-Criterion 4.4: Social Inclusion	
4.4.1 Are there identified and quantified social inclusion benefits of proposed project?	
4.4.2 Does the concept support social inclusion for disadvantaged communities, disabled individuals, minority groups, or impoverished households?	
4.4.3 If the project involves any community resettlement, has there been a process of considered consultation?	
4.4.4 Has consideration been given to strategies to integrate pro-poor actions into the implementation strategy?	
4.4.5 Does the asset or service benefit a broad cross-section of society?	
4.4.6 Does the project increase access to services for the lowest wealth quintile?	
Sub-Total	0
Average Sub-Total	0
Sub-Criterion 4.5: Youth Empowerment	
4.5.1 Does the concept support youth empowerment through the creation of livelihood opportunities?	
4.5.2 Is the project targeted at improving health, education, or other social outcomes for youths?	
Sub-Total	0
Average Sub-Total	0
Sub-Criterion 4.6: Gender Equity	
4.6.1 Does the concept support gender equity by creating opportunities for female-oriented economic opportunities, participation, leadership, and social empowerment?	
4.6.2 Are there minimum employment requirements for women or subcontracting specifications for women-owned businesses?	
Sub-Total	0
Average Sub-Total	0
Final Criterion Score	
Criterion Total	0
Average Criterion Score	0.00

Figure 7: Final Screening Scoresheet

Screening Criteria	I
Project Title	
Stage 1: Scoring	
Criterion 1: Technical Viability	
Sub-Criterion 1.1: Operational Feasibility	0
Sub-Criterion 1.2: Ease of Implementation	0
Sub-Criterion 1.3: Data and Information Availability	0
Sub-Criterion 1.4: Facility/Site Conditions	0
Sub-Criterion 1.5: Scalability and Replicability	0
Sub-Total	0
Average Sub-Score	0.00
Criterion 2: Financial Viability	
Sub-Criterion 2.1: Capital Investment Needs	0
Sub-Criterion 2.2: Ability-to-Pay/Willingness to Pay	0
Sub-Criterion 2.3: Commercial Feasibility and Fiscal Affordability	0
Sub-Total	0
Average Sub-Score	0.00
Criterion 3: Institutional Feasibility	
Sub-Criterion 3.1: Administrative Feasibility	0
Sub-Criterion 3.2: Legal and Regulatory Support	0
Sub-Criterion 3.3: Institutional Implementation Capacity	0
Sub-Criterion 3.4: Community Buy-In	0
Sub-Total	0
Average Sub-Score	0.00
Criteria 4: Sustainability and Impact	
Sub-Criterion 4.1: Project Rationale and Benefits Justification	0
Sub-Criterion 4.2: Environmental Sustainability	0
Sub-Criterion 4.3: Livelihood Opportunities & Local Job Generation	0
Sub-Criterion 4.4: Social Inclusion	0
Sub-Criterion 4.5: Youth Empowerment	0
Sub-Criterion 4.6: Gender Equity	0
Sub-Total	0
Average Sub-Score	0
Final Screening Score	0.00

STEP 4: APPLYING THE PRIORITIZATION CRITERIA AND METHODOLOGY

The purpose of the screening assessment is to utilize an objective tool for the assessment of project concepts to develop a pipeline of actionable investments that demonstrate prima facie evidence of viability for implementation. While some variance is to be expected between the results of a screening assessment conducted by different individuals, the adoption of a standardized "lens" through which potential projects are viewed lessens the likelihood that projects not suitable for implementation will be included in the pipeline. This lens also ensures that the projects that are addressing the most immediate need (in terms of severity, urgency, and importance) are prioritized.

In this context, the lens will be the Prioritization Methodology. This methodology is constituted of applying the priorities established during the PPS workshop to ensure those top-ranked projects identified as pilot projects best meet the needs of each respective CU.

Application of the Prioritization Methodology will validate the quality of the screening assessment by ensuring Pipeline Projects reflect the objectives and priorities of each specific CU. As such, each CU will have unique criteria, drawing from the results of the PPS Workshop.

PRIORITIZATION SCORING

Only those projects which meet or exceed the threshold score of **1.95** in the screening criteria will be assessed under the prioritization criteria.

Based on the results of Session 1 of the PPS Workshop, each CU will have a ranked list of 3 core problems. Scoring will be as follows:

- Those project concepts addressing all 3 priority problems will receive an additional score of 3.
- Those project concepts addressing 2 of the 3 priority problems will receive an additional score of 2.5.
- Those project concepts addressing only the first ranked problem will receive an additional score of 2.
- Those project concepts addressing only the second ranked problem will receive an additional score of 1.5.
- Those project concepts addressing only the second ranked problem will receive an additional score of 1.0.

Project concepts will then have a maximum score of 6.

The table below showcase the final scoresheet, incorporating the prioritization scoring:

Figure 8: Final Scorecard with Prioritization Scoring

Screening Criteria	Projects																			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Project Title																				
Stage 1: Scoring																				
Criterion 1: Technical Feasibility	Scoring (0-3)																			
Sub-Criterion 1.1: Operational Feasibility	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Criterion 1.2: Ease of Implementation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Criterion 1.3: Data and Information Availability	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Criterion 1.4: Facility/Site Conditions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Criterion 1.5: Scalability and Replicability	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Sub-Score	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Criterion 2: Financial Feasibility	Scoring (0-3)																			
Sub-Criterion 2.1: Capital Investment Needs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Criterion 2.2: Ability-to-Pay/Willingness to Pay	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Criterion 2.3: Commercial Feasibility and Fiscal Affordability	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Sub-Score	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Criterion 3: Institutional Feasibility	Scoring (0-3)																			
Sub-Criterion 3.1: Administrative Feasibility	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Criterion 3.2: Legal and Regulatory Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Criterion 3.3: Institutional Implementation Capacity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Criterion 3.4: Community Buy-In	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Sub-Score	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Criteria 4: Sustainability and Impact	Scoring (0-3)																			
Sub-Criterion 4.1: Project Rationale and Benefits Justification	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Criterion 4.2: Environmental Sustainability	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Criterion 4.3: Livelihood Opportunities & Local Job Generation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Criterion 4.4: Social Inclusion	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Criterion 4.5: Youth Empowerment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Criterion 4.6: Gender Equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Sub-Score	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Final Screening Score	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FOR THOSE PASSING SCREENING THRESHOLD, CUS WILL APPLY ADDITIONAL SCORES BASED ON EACH'S CUSTOMIZED PRIORITIZATION CRITERIA																				
Prioritization Score (Score 1-3)																				
Final Prioritization Score	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Final Score																				
Highest to Become Pilot Projects	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

STEP 5: DEVELOPING THE SHORTLIST OF PILOT PROJECTS

Those projects which pass screening and go through the prioritization scoring will then be ranked in order of numeric value. The top 2 ranked projects will move forward as the respective tranche's pilot projects.

In cases of multiple projects on the shortlist of projects receiving the same score, the Team will conduct a selection discussion with CU management to determine which best meets the CU's needs.

The final list will then be validated with CUs and the pilot projects move forward to the final step of the pipeline development process.

STEP 6: PREPARING PILOT PROJECT ROADMAPS

At the final stage of the pipeline development process, the Team will determine next steps to continue project development for pilot transactions. Based on the specific needs of the pilot projects, the Team will prepare brief roadmaps to outline the necessary subsequent appraisal and structuring stages to follow, which may include viability analysis, business case development, transaction options analysis, pre-feasibility studies, feasibility studies, tender package development, and other project development activities.

These steps will follow the PPP and PSP project lifecycle, as outlined in the following graphic[1] from the *PPP Reference Guide – Version 3*:

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[1] *Source: World Bank. 2017. Public-Private Partnerships: Reference Guide Version 3. World Bank, Washington, DC. © World Bank. https://openknowledge.worldbank.org/handle/10986/29052 License: CC BY 3.0 IGO.*

Table 5: PPP Project Lifecycle
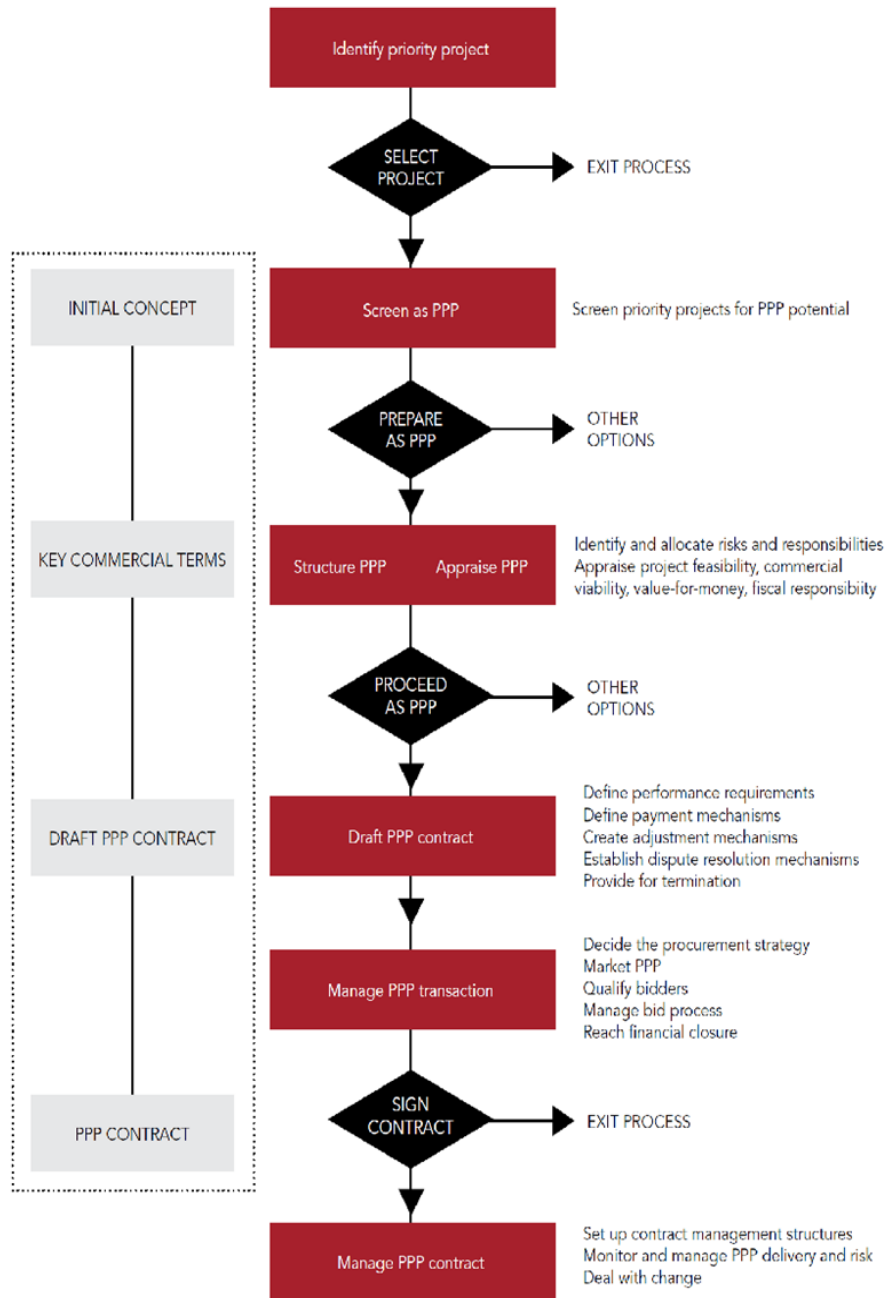
NEXT STEPS

In terms of next steps, the Team will proceed to the following stages of the Pipeline Development tasks (which align with Task 4.1.1 in the Year 1 Work Plan). These steps include the following:

- · Under Task Order 2:
  - o Design and prepare for the 3 CU PPS Workshops
  - o Conduct the 3 CU PPS Workshops
- · Under Subsequent Task Orders:
  - o Prepare Tranche 1 Long List of Projects using Project Profile Templates
  - o Screen and prioritize the Long List of Projects to identify the Tranche 1 Shortlist of Pilot Projects
  - o Prepare Project Development Roadmap for Tranche 1 pilot projects, including consideration of co-financing opportunities and United States International Development Finance Corporation (DFC) support

ANNEX 1: EXCEL TOOLS

The Excel tools can be accessed through the link below:

Tool	Link
Excel Tools	Excel Tools.xlsx

ANNEX 2: LONG LIST PROJECT PROFILE TEMPLATE

The *Long List Project Profile Template* is presented below:

Table 6: Long List Project Profile Template

Long List Project Profile Template	
Overview	
Project Name:	*What is the project name?*
Objective and Rationale:	*What is the objective and rationale of project?*
Location:	*Where is the project?*
Technical Structure	
Technical Solution:	*What is the technical solution proposed under the project?*
Site and Facility:	*Describe the site and facility proposed.*
Data Availability:	*Is sufficient information available?*
Financial Structure	
Capital Expenditure (CAPEX) and Operational Expenditure (OPEX):	*What is the CAPEX and OPEX estimates?*
Commercial Structure:	*What is the proposed commercial case and are the proposed fees/tariffs affordable?*
Institutional Structure	
Legal and Regulatory:	*Is this legally permissible?*
Institutional Architecture:	*What institutions are involved?*
Consumer and Community Demand:	*What is the consumer demand? Does the community recognize the need and buy-in to the concept?*
Sustainability and Impact	
Social Inclusion, Gender, Youth, and Livelihoods:	*What is the impact on development objectives for gender, youth, social inclusion, and community livelihoods?*
Environmental Sustainability:	*Is the project environmentally sustainable?*