

PSG Japan Rules regarding submission of PPP Project Preparation Proposals

1. **Proposals Requirements.** Proposals should include:
 - a. Description of the PPP project, with sufficient information to demonstrate consistency with the PSG Japan eligibility and selection criteria;
 - b. Status of the PPP project development and work completed to date (including any sector reforms in process and/or related public infrastructure under development);
 - c. Identities and roles of public, multilateral and private entities that have been involved in the PPP project to date (e.g., donors, consultants, government entities, multilateral agencies) as well as government staff responsible for the PPP project implementation;
 - d. Scope of the PPP project development activities already underway or planned, with estimated timeline, budget, funding sources, and implementation arrangements;
 - e. Scope and estimated cost of proposed PSG Japan Preparation at each project stage — that is, the set of PPP project support activities to be implemented with PSG Japan funding and a detailed cost table;
 - f. At least draft versions of the Terms of Reference of the activities that the PSG Japan would be funding.
2. **Letter of Support.** All proposals should be accompanied by a letter of support for the PPP project from a representative of the government.
3. **Internal Selection Process.** All the proposals will be analyzed by the PPP Team Leader in consultation with the IDB Country Representative and the BID Invest/NFP Team Leader, who should decide on the eligibility of the application, considering the alignment of the proposal with the IDBG Strategy in the country and the priorities of the operational program.
4. **Japanese government Consultation.** The PPP team will further consult with the Office of the Executive Director for Japan before agreeing to finance the activity. The Office must give its opinion about the proposal within one week. After this period, the proposal will be decided by taking into consideration solely the internal selection process.
 - 4.1. PPP project proposals will be given special funding consideration, if they are designed to:
 - a. include collaboration with Japanese aid agencies at any appropriate stage.
 - b. Utilize or transfer Japanese knowledge, best practices, or expertise to the beneficiaries, and/or will enhance the economic relationship between Japan and LAC countries.
5. **Amount.** The maximum amount of financing for an individual PPP project is US\$ 1.5 million.

No beneficiary country will receive more than thirty percent (30%) of the total approved amount of this PSG. This limitation will be applied only to A and B countries.
6. **Expenditures.** The following expenditures are eligible for financing:
 - a. Consultant's salaries and fees;

- b. Travel cost and per diem for consultants;
- c. Publication of documents produced as a result of the PPP project;
- d. Costs/ fees for monitoring, evaluation and audit; and
- e. Contingency costs (up to 5% of the PPP project cost).

The following expenditures are not eligible for financing:

- a. Activities currently funded by other donors;
- b. Land acquisition;
- c. Government employee's salaries;
- d. Bank staff salaries and travel costs;
- e. Training from non-beneficiary countries;
- f. Study tours;
- g. The Bank's administrative costs.
- h. Equipment and supplies (up to 30% of the PPP project cost);
- i. Training materials (books and documents); and
- j. Training expenses such as workshops and consultations;

7. Visibility. The PPP team will be encouraged to establish the visibility of Japan by promoting local awareness in borrowing member countries. The followings are the desired activities to be carried out under close coordination and communication with the Japanese Executive Director's Office of the Bank:

- a. Sharing information about the activities of the program – both those in implementation and under preparation – with Japanese aid agencies.
- b. Encouraging involvement of Japanese aid agencies in the early stages of the development of Program's activities;
- c. Inviting the Japanese embassy to events related to the Program's activities (in the field, if such events take place, the invitation will be extended to Japanese embassy well in advance);
- d. Utilizing the media to promote the visibility of Japan; and
- e. Disseminating the outcomes in close collaboration with Japanese aid agencies.