



INTER-AMERICAN DEVELOPMENT BANK
Integration and Trade Sector



REGIONAL PUBLIC GOODS
Promoting Regional Solutions to Regional Problems

Guide for Proposal Preparation

(Part 2 of 3)

Call for Proposals

2007

ANNEXES

- Annex 1: Registration Form
Annex 2: Eligible expenses to be financed by the Program
Annex 3: Expenses to be financed with counterpart resources

Guide for Proposal Preparation

Proponents are required to follow the guidelines as outlined below and to respond to the questionnaire included at the end of this section. The text of the proposal should not exceed eight (8) pages.



A. Executive Summary

- 1.1 The executive summary provides a quick overview on the principal features of the proposal (see sections of the summary in the questionnaire).

B. Diagnosis

- 1.2 The diagnosis provides the basis for determining the nature of the problem or issue in terms of (i) the conditions that highlight the need for collective action among participating countries, (ii) the public incentives and interests that make a good a public good, and (iii) the reasons, if any, that have prevented the problem or issue to be successfully solved (a public bad or an opportunity that has not been taken advantage of) in a satisfactory manner. **Questions 1-7** of the questionnaire address these matters.

C. The Regional Public Good

- 1.3 There are two complementary concepts that need to be addressed when defining the public good: Which is the good in question? And, which is the benefit associated with the consumption of that good? The first question needs to be answered with a noun making reference to the object (abstract or material) to be produced. The second concept relates to benefits; it needs to be answered with an action or a verb and refers to the impact of consuming the good.
- 1.4 An example illustrating the difference between the regional public good and the benefits resulting from the consumption thereof is the eradication and/or control of malaria. A public good (without disregarding the existence of other public goods) is the knowledge used to produce a vaccine or cure against malaria (which includes the chemical formula, the production procedures and other relevant information). The benefit, on the contrary, is the elimination or control of malaria as a result of producing and administering the vaccine (consumption of the benefit). **Questions 8-14** of the questionnaire address the nature of the good and its production.

D. Costs

- 1.5 The proposal should include a budget estimate (in US dollars). The costs should be disaggregated as shown in the table included in the questionnaire (see also examples on the Program website).
- 1.6 All proposals must indicate counterpart contributions in cash and/or in kind. The cost sharing by the executing agency and the organizations and/or countries that participate in the execution of the project should reflect their commitment to the proposal.
- 1.7 **Please make sure that all expenses to be covered by the IDB are eligible under the terms of this Call for Proposal.** Annexes 3 and 4 indicate the type of expense that can be covered by the Program and counterpart resources, respectively.

E. Execution

- 1.8 This section provides information about the executing agency, i.e. the entity responsible for the implementation of project activities and the administration of the Bank's contribution to the project (see the section on "Terms and Conditions" regarding the entities that are eligible to act as executing agencies).

F. Annexes

- 1.9 **Annex I - Documentation on the legal status of the executing agency.** The proposed executing agency has to be legally incorporated in one of the borrowing members countries of the IDB and it has to have capacity to enter into agreements. In the case of an organization of the public sector or decentralized agency, the proposal documentation must include the law or the relevant decree that created it. In the case of a non-profit organization, it must include the statutes and registration certification in one of the borrowing members countries of the IDB. In the case of subregional organizations, it must include the relevant treaties that created them.
- 1.10 **Annex II - Letters of commitment.** The purpose of the commitment letters is to: (1) demonstrate the interest that each country has in cooperating with others in the process of producing the RPG; (2) verify the availability of financial and human resources to endorse the implementation of the activities that are proposed to promote the RPG; and (3) guarantee the sustainability of the production and implementation of the RPG once the financial support of the Bank has ended. The Program website includes examples of letters of commitment.
- 1.11 Each one of the institutions involved in the production of the RPG must submit a letter of commitment. In all cases, the proposal must have letters of commitment from the public sector issued by the agency at the national or local level (according to each case) responsible for the public policy related to the RPG. Supranational institutions can submit a letter on behalf of its members, provided that this letter is based on an explicit mandate or specific resolution of the countries to produce the RPG.

QUESTIONNAIRE

1. Executive Summary (1/2 Page)

- a. Name of the RPG Proposal: As entered in the Registration Form.
- b. Beneficiaries: Countries that will benefit from production of the good.
- c. Applying institutions: Name of applying institutions.
- d. Executing agency: Name and country of the executing agency.
- e. Sources of financing: Total amount disaggregated by source of financing (Program, counterpart resources, other donors).
- f. Execution period: Timeframe for execution of the project.

2. Diagnosis (3 Pages)

Concerning the nature of the issue:

Question 1: Which is the issue that the proposal will address?

Question 2: Does the issue have any cross-border effects (e.g. a contagious disease) or is it a domestic issue (e.g. in the area of elementary education) that is shared by several countries and whose solution on a regional basis is expected to produce additional benefits?

Question 3: How many countries are affected by the issue? Are all of them willing to participate in the production of the proposed RPG? If the response is “no”: What is the reason for some being absent?

Question 4: What distinguishes the population that is directly and indirectly affected by the issue? What is its size? Which are its characteristics (socio-economic, cultural, organizational, political, etc.)?

Question 5: Why is it more advisable to address the issue through multi-country cooperation? In other words, what are the benefits to be obtained by means of cooperation that could not be achieved if the issue were to be addressed solely in a national context?

Question 6: Which is the collective action that has been carried out in the identification of the issue and the preparation of this proposal?

Regarding the conditions that have so far prevented the issue from being solved:

Question 7: Have there been previous attempts to address the issue?

- If not, why?
- If there have been previous attempts (either at a local or regional level), did they produce results and what were those results? What was the institutional framework for the provision of the regional public good? How effective was it?

3. The Regional Public Good (3 Pages)

Concerning the nature of the good:

Question 8: What is the RPG to be produced?

Question 9: Can a cost and/or unit or set price be associated with the good to be produced? Which is the procedure used to set the price? Is there any entity responsible for regulating such pricing?

Concerning the production of the good (activities and benefits):

Question 10: Give a brief description of the main activities or phases that will illustrate how the RPG will be produced. The same activities and the costs associated with implementing them should be mentioned in the budget. How will the countries cooperate in the production of the RPG?

Question 11: Which are the benefits of the RPG? (Benefits should be directly related to the issues identified in the diagnosis). As a result of the activities described under Question 10, which benefits will be produced at the regional level and which at the national level?

Concerning the production of the good (actors):

Question 12: Which are the countries that will produce the RPG? Within each country, which are the agencies responsible for public policy in the area of the RPG that will participate in the RPG production? Will private entities (for profit or non-for profit) also participate in the production of the good?

Question 13: What happens if one or more countries decide not to cooperate to produce the RPG? That is to say, can the RPG, based on its nature, be produced anyway? Or, does production of the RPG depend on the participation of all the countries affected?

Concerning sustainability:

Question 14: How will the RPG be financed once the resources of this project are used up? What strategies or mechanisms will be implemented to facilitate sustainability of RPG production?

4. Costs (1 Page)

The proposal should include a budget estimate (in US dollars). The costs should be disaggregated as shown below (see also examples on the Initiative's website):

Activity and type of expense	Unit of measurement	Total Value	Sources of financing		
			IDB	Counterpart	Other sources
For example: Study preparation: <ul style="list-style-type: none"> consultant fees, travel expenses, etc. 	For example: consultant daily fee, travel days and average airfare, etc.				

5. Execution (1/2 Page)***Concerning execution:***

Question 15: What is the institutional capacity of the executing agency? Describe the experience, the capacity to bring participants together, institutional strength and other characteristics that demonstrate the appropriateness of the executing agency.

Question 16: What is the timeframe for execution of the project?

**ANNEX 1:
REGISTRATION FORM**

Applicant information			
Applying Institution:			
Acronym:	Type of Institution		
Number of Employees	Institutional Budget (in US dollars)		
Mission			
Mailing Address			
Address:		City	
		Postal Code	
State:		Country	
Telephone #: (country and city codes)		Fax # (country and city codes)	
Web Page:	http:\\		
Contact Details			
Name	Position	E-mail	
1. Head of Institution (Minister/President/Director/Manager)			
2. Individual Responsible for RPG Proposal			
3. Contact Name			

RPG Title	
Title	Resources Requested from IDB (USD)

Note: For proposals to be considered, the following information needs to be specified (mark with a X):	
1. Proposal prepared pursuant to the Guide for Proposal Preparation.	
2. Legal documentation of proposed executing agency.	
3. Letters of commitment.	

**ANNEX 2:
EXPENSES ELIGIBLE FOR FINANCING THROUGH THE INITIATIVE**

1. Consulting Services

- a) Individual consultant fees (national or international).
- b) Specialized firms or agencies fees (national or international).

Individual consultants are persons hired for a pre-determined period to produce well-defined deliverables, either professional or administrative. IDB resources shall not be used to hire individual consultants who presently (or in the six months prior to the submittal of the proposal to the IDB) belong to the regular or temporary staff of the institution granted financing (executing agency), or to an institution that is the beneficiary of the services to be provided by the individual consultant.

Similarly, IDB resources shall not be used to hire consulting firms, if the partners, associates, directors and other technical or professional staff of such consulting firms belong (or have belonged in the six months prior to the presentation of the proposal to the IDB) to the regular or temporary staff of the institution that receives the financing (executing agency), or of an institution that is the beneficiary of the services to be provided by such consultants.

2. Travel

Travel and per diem expenses incurred for local and international travel of consultants hired under the project, provided such travel is exclusively for project-related activities.

3. Training

- a) Registration fee.
- b) Travel, subsistence allowance and medical insurance expenses to allow for participation in relevant training program.

4. Publication/reproduction of documents and materials

Printing, editing, translation, distribution of documents and materials and the right to reproduce them (copyright), provided that this documentation results from, or is used in, project-related activities.

5. Meetings

Simultaneous interpretation and related support services (technical support).

- a) Secretarial services required to organize and/or conduct meetings.
- b) Rental of equipment necessary to conduct meetings.
- c) Purchase of certain meeting-related supplies, such as binders, name tags, etc.

6. Equipment and supplies

In general, the contribution of the Bank shall not be used to finance the acquisition of equipment, software or other goods. Nevertheless, under special circumstances, up to 30% of IDB resources may be used for the purchase or rental of equipment and supplies that are directly related to project activities. Justification on why these expenses cannot be covered by the executing agency or other counterpart should be provided.

7. Audit expenses

Expenses inherent to external auditor services and related expenses concerning project audits.

ANNEX 3:**EXPENSES FINANCED THROUGH COUNTERPART RESOURCES**

1. Compensation or professional fees of beneficiary and counterpart institutions, including the executing agency.
2. Travel and per diem expenses of beneficiary and counterpart institution staff, including the executing agency.
3. Rental of premises necessary for project activities.
4. In general, purchase or rental of equipment and supplies necessary for consultants to perform their activities. Under special circumstances, up to 30% of IDB resources may be allotted to purchase or rental of equipment and supplies necessary for activities directly related to the project (see item 7 in Annex 3).
5. Communication expenses.
6. Social activities resulting from IDB-financed activities throughout the project are to be financed with counterpart resources. Nevertheless, these expenses may not be posted as counterpart expenses in the project budget.