Introduction to Worked Examples on CVC

Innovative Revenues for Infrastructure Guidelines (IRI)

Annex 1: Worked Examples

The Worked Examples are provided to demonstrate to practitioners how the Guidelines can be applied to projects. They are hypothetical project business cases and include hypothetical financial assessments.

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Annex 1 of the Annex for IRI Guide:

The Worked Examples are provided to demonstrate to practitioners how the Guidelines can be applied to projects. The Worked Examples are hypothetical project business cases and include hypothetical financial assessments with key project information.

Worked Examples were selected to cover diverse sectors, including sectors which have proven CVC concepts and sectors which are relatively new to CVC. They were selected to cover different types of CVC opportunities. While the Worked Examples are hypothetical and entirely fictitious, they are drawn from real-world projects to demonstrate practical challenges and concrete CVC opportunities.

Assumptions made in the hypothetical financial assessment in each Worked Example are based on statistical data and the consultant's estimations from experience in similar projects around the world and are prepared strictly for capacity building purpose. Any similarity to any existing or planned projects is coincidental. It should neither be used for any decision making nor applied to any real or planned projects, without taking into account the specificities of the project being assessed. To avoid any misunderstandings or any adverse influences that this report may have on an actual real project, all names and locations have been anonymized to ensure that the capacity building value of the report is not undermined.

No.	Project	Sector	Core Services/ Public Service Delivery	CVC Opp
1.	Wastewater treatment plant	Urban Management	Wastewater treatment	Water reclamation, carbon cred
2.	Urban transit	Transport	Urban mobility	Commercial space, advertising sharing
3.	Public hospital	Health	Public health services	Revenue from improved medica space

No.	Project	Sector	Core Services/ Public Service Delivery	CVC Opp
4.	Affordable housing	Housing	Low-income and middle-income housing	High-quality amenities services in a nearby land
5.	Waste recycling	Urban Management	Solid waste management	Sustainable road construction

The structure of the Worked Examples will be as follows: First, the content of the Worked Examples will be provided, and brief project scope introduced. The first section of the Worked Example will demonstrate how the first Guidelines on policy, legal and institutional readiness can be applied. The second section will demonstrate how the second Guidelines on preparing a project to maximize CVC opportunities can be applied.

As developing CVC activities will incur additional cost, the Project Owner should consider if this additional cost will outweigh the additional revenue generate from CVC.

Net revenue from CVC is thus hypothetically assumed to be *total revenue stream from CVC throughout the project life minus additional CVC-related expenses throughout the project life*. In the hypothetical financial assessment, potential net revenue contribution of CVC is calculated as a % of net revenue from CVC to total required revenue. For simplification, it is assumed that total required revenue is the total revenue required to make the project financially viable or to make the project's return exceed the hurdle rate.

The hypothetical financial assessment only aims to conceptually show a potential revenue structure in the scenario with and without CVC and its potential to help reduce or close the funding gaps.

Related Sections

Inside of tunnel

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CVC for Wastewater Treatment Plant

Cars driving through street

Image not found or type unknown

CVC for Urban Transit

Modern glass building

Image not found or type unknown

CVC in Public Hospitals

Modern glass building

CVC in Public Hospitals

Low angle view of modern building

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CVC in Affordable Housing

Person throwing water bottle in a yellow bin

CVC in Waste Recycling

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The Guidelines on Innovative Revenues for Infrastructure (IRI) is intended to be a living document and will be reviewed at regular intervals. They have not been prepared with any specific transaction in mind and are meant to serve only as general guidance. It is therefore critical that the Guidelines be reviewed and adapted for specific transactions.

To find more, visit the Innovative Revenues for Infrastructure section and the Content Outline, or Download the Full Report. For feedback on the content of this section of the website or suggestions for links or

materials that could be included, please contact the Public-Private Partnership Resource Center at ppp@worldbank.org.

