



Ministry of Finance

GHANA PUBLIC PRIVATE PARTNERSHIP PROGRAMME (PPP) Newsletter

Partnering the Private Sector for improved delivery of Public Infrastructure and Services | Issue 2 ~ Sept. 2014



Government is committed to PPPs, President Mahama

President John Dramani Mahama has assured the private sector that Government is committed to the use of Public Private Partnerships, PPP, in the development of infrastructure.

In a speech read for him by the Minister responsible for private sector development and PPPs, Mr Rashid Pelpuo, at the opening of a four-day Global PPP conference in Accra, President Mahama said government “will support all private investors and ensure that they are not over-burdened by petty bureaucracy.” He said “Where necessary, we will expedite the passage of enabling regulations to improve the case of doing business”.

He assured investors that the government will soon provide the legal framework that would enable the

private sector to partner public institutions in the provision of public infrastructure and services.

He said consultations with stakeholders had taken place on the draft PPP legislation, which would be laid before Parliament soon.

The President said “Our stated aim is to encourage private sector involvement in public sector investment” and “in the context of our win-win partnerships, investors must receive a fair return for their risk capital and in return, we expect know-how and technology transfer and a commitment to local employment.”

Read more about the PPP Conference on page 4.

In this Issue

Page

- | | | | |
|---|---|----|---|
| 1 | Government is committed to PPPs | 8 | Bulletins |
| 2 | Editorial | 10 | Tribute To Dr. Sir Paul Victor Obeng |
| 3 | The Role of MDAs/MMDAs in PPPs | 11 | Establishing a new National Airline through PPP |
| 4 | First Global PPP Conference In Ghana | 13 | Educators meet on National Policy on PPP |
| 6 | The Role of Transaction Advisors in the Development of PPP Projects | 14 | LEKMA, PPP for Local Development |

EDITORIAL

Welcome to the second issue of the Ghana Public Private Partnership Newsletter, a quarterly Newsletter produced by the Public Investment Division of the Ministry of Finance (MoF - PID). The MoF-PID is leading the development of the Public Private Partnership (PPP) Initiative in Ghana. The maiden edition of the PPP newsletter attempted to create awareness of the concept of PPPs in Ghana and to show the work being done by the government and the MoF-PID to promote and implement PPPs in the country.

This second issue provides more detailed information about the National Policy on PPP, with the feature article focus on the PPP law, its importance and objectives in preparing a legal framework for appropriate implementation of PPPs in the country. It also provides some information on where we are in implementing the PPP Law in the country.

This second issue also features two PPP pipeline projects that are in the offing, detailing their goals

and objectives, the stages of their development, and where they are in their development. An article reproduced from AFD's Newsletter gives readers an opportunity to think creatively about developing PPP partnerships at the local level, to serve interests and needs of communities outside the big urban centres. Sadly this issue also features a tribute to our late inspirational PPP Champion, Dr Sir P.V. Obeng, which sad event of his passing occurred on 17th May 2014.



Mrs. Magdalene Apenteng
Director, Public Investment Division

PPP Mission Statement

Creating an enabling environment for increased investment in public infrastructure and Services through Public Private Partnerships.

PUBLIC PRIVATE PARTNERSHIP (PPP)

A PPP is a long-term contractual arrangement for the delivery of public services, where there is a significant degree of risk-sharing between the public and private sectors. What distinguishes a PPP from other forms of private participation in infrastructure is the greater degree of risk-sharing between the two parties. Principally, a PPP enables Government to provide better infrastructure and services through the use of private sector financial, human and technical resources, thereby freeing Government resources for other equally important uses.

KEY BENEFITS OF PPPs

- Accelerated delivery of needed infrastructure and public services on time and within budget;
- Encouraging the private sector to provide innovative design, technology and financing structures;
- Increased international and domestic investment;
- Risk sharing by Government with private sector partners;
- Ensuring good quality public services and their wider availability;
- Real financial benefits reflected in reduction in the initial public capital outlay, and a better utilisation and allocation of public funds;
- Economic growth and increased and wider employment possibilities;
- Technology transfer and capacity building; and
- Improved operation and maintenance of public infrastructure.

The Role of MDAs/ MMDAs in Public Private Partnerships (PPPs)

BY ISAAC OWARE ABOAGYE



Isaac Oware Aboagye
Project Coordinator, Ghana PPP Programme

Ministries, Departments and Agencies, (MDAs) and Metropolitan, Municipal and District Assemblies (MMDAs), play a critical role in the Public Private Partnership, PPP, arrangement. In most cases when there is a PPP arrangement, it is between a state-owned or public agency and a private organization. The Government hardly gets involved directly in PPP arrangements.

The MMDAs and the MDAs, including public corporations and companies, and quasi government organisations such as universities and colleges, which are legal entities by themselves, are the owners of the projects in the PPP arrangements on behalf of the Government. The public entities (MDAs/MMDAs) are also known as the Contracting Authorities (CAs) in Ghana's National Policy on PPP.

There are a number of activities to be performed by MDAs and MMDAs in the implementation of PPP projects. These include:

Project Identification

The MDA/MMDA must identify projects and include them in their short, medium and long term plans. They work closely with the Public Investment Division, PID, of the Ministry of Finance, MoF, to develop PPP projects. Broadly, the mandate of public entities in the PPP process is to lead the process in preparing projects for the PPP market and also enter into PPP agreements and manage them appropriately.

Project Registration

After the projects have been identified, the MDA/MMDA must write project briefs or concept notes and follow it up by registering potential PPP projects with the PID of MoF. The registration is completed when the projects are given unique numbers for easy identification in the process and also for effective monitoring throughout the project cycle.

Feasibility Studies

Following the registration of the projects, the MDA/MMDA must conduct feasibility studies to ascertain if the project can be implemented through a PPP

arrangement, and if so, assess the key issues to be considered in preparing the project. The feasibility studies are, most often, conducted in two phases; the Pre-Feasibility Study, which is a macro level qualitative study of the project, and the Full-Feasibility Study, which goes into further quantitative details. The Full-Feasibility in all cases will indicate whether the Contracting Authority will incur any financial commitment and also demonstrate the affordability of the project to the CA. It also sets out the proposed allocation of financial, technical and operational risks between the public entity and the private party and demonstrates the anticipated value for money and the need for incentives. The Full-Feasibility also provides detailed estimates of viability gaps, if any, and the need for incentives. Also, they explain the capacity of the MDA/MMDA to procure, implement, manage, enforce, monitor and report on the PPP. The legal aspects of the project are also detailed out in the feasibility study report to serve as a guide for the agreement that will be developed and signed by both parties.

Approvals

To ensure that the projects are properly prepared and Government has value for money, a number of approvals must be obtained before a project is given to a private sector sponsor/operator. Depending on the estimated cost of the project, approvals may be sought from bodies with various levels of authority. The Ghana PPP Policy clearly outlines the approvals required at the various stages of preparation.

Transaction Advisor

The MDA/MMDA may be required to recruit a Transaction Advisor (TA) to assist in preparing the

project; particularly in the conduct of feasibility studies, preparation of procurement documentation and selection of private sector sponsors/ operators. In addition, they are required to review the work of the TA before further action on them is taken in the process.

Procurement

Information from the work of the TA serves as input for the preparation of procurement documents to recruit interested private sector sponsors and operators for the projects.

Contract Management

After the Project Sponsor has been selected, the MDA/MMA has to ensure that the draft contract is shared with the Attorney General's Department. The public entity can only negotiate with the preferred private partner or sponsor after receiving advice from the AG's Department.

Where the public entity is working with an international sponsor the document is then sent to Cabinet and Parliament for approval before the contract is signed. If the private party is a local entity the MDA/MMDA has to ensure that appropriate reviews are made by PID-MoF and approvals from higher authorities like the Approvals Committee are sought.

An MDA/MMDA that is a party to a PPP Agreement/ Concession is responsible for ensuring that the PPP Agreement/Concession is properly implemented, managed, enforced, monitored and reported on, and must maintain such mechanisms and procedures as approved in the National Policy on PPP and in the upcoming PPP Law. The MDA/MMDA also have the duty to ensure that the contracts are managed efficiently to ensure that the private parties play their roles very well as we strive to get 'value for money' in the overall PPP process.

First Global PPP Conference In Ghana



Some Participants at the Conference

The Ministry of Finance, through its Public Investment Division (MoF-PID), partnered with Energy Global Holdings, an investment advisory services firm, to organise the first Global PPP Conference in Ghana. The conference was held in Accra from 18-21 August 2014 for about 400 delegates.

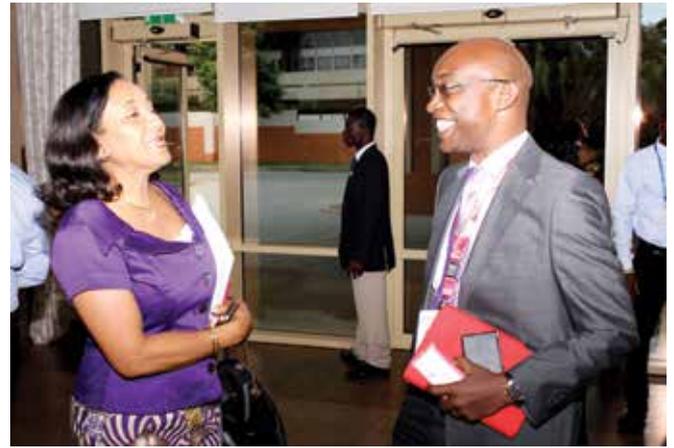
The Conference was under the theme "Addressing Ghana's Infrastructure Deficit: Moving from Policy to Implementation – the Public Private Partnership Alternative" and sought to position Ghana as an attractive investment destination for PPPs.

The three key objectives of the Conference were:

- To offer a range of international investors and private sector participants, direct insight into the infrastructure investment priorities and the economic development vision of the Government of Ghana to enable investors to begin strategic conversations with the Government in respect of building mutually beneficial public-private development partnerships;
- To provide senior public officials in Ghana, and in the ECOWAS region, the opportunity to gain practical



Hon. Rashid Pelpuo with Mrs Magdalene Apenteng



Dep. Minister Mona Quartey interacting with Mr Cobbah

knowledge on the formulation and implementation of PPPs in the hope of igniting a proactive wave of proposals and initiatives from related sectors; and

- To share the international experiences of other countries with the view that their lessons learnt will provide guidance to the Government, as it seeks to accelerate on the PPP path to bridge the infrastructure gap.

The Conference was structured in two parts. Part one was a formal opening session with the Welcome Address delivered a Deputy Minister of Finance, Mrs Mona Quartey. The Keynote Address was delivered by Hon. Rashid Pelpuo, the Minister of State responsible for the Private Sector Development and PPPs, on behalf of President John Dramani Mahama. His Address articulated the Government's vision for the development and transformation of the economy and the opportunity presented by PPPs. Other speakers at the session included representatives from the World Bank, Energy Global Holdings and the Director of MoF-PID, Mrs Magdalene Apenteng.

The second part of the Conference looked at the mechanics of developing, implementing and managing

PPP opportunities. These sessions were led by international facilitators from South Africa and Netherlands among others and included sector specific case studies. Topics treated included Structuring an Opportunity as a PPP; Developing a bankable PPP opportunity business case; Best practice regulatory frameworks and legal implications of PPPs; Best practice commercial and financial structures and case studies and sector workshops. Delegates were grouped into their sector areas of interest to review sector cases and identify PPP project development opportunities.



Some participants at the Conference



A group work session at the Conference



A section of participants at the Conference

The Role of Transaction Advisors in the Development of Public Private Partnership Projects

BY EKOW COLEMAN

Background

To secure private sector participation in PPP projects, the public sector has to show that it is possible for the private partner to make reasonable returns on their investment. Since private investors raise their funds largely from banks and other financial institutions, the projects must be prepared and packaged properly to be described as “bankable”; in other words, banks must see the proposed projects as worthy of providing funding for.

In Ghana, one may wonder why there are so many infrastructure investment opportunities but so few projects attract capital? Policy reforms and good governance are basic building blocks that must be in place, but beyond that a lack of bankable, well-packaged and “investment-ready” projects is a critical limiting factor. Indeed, it is becoming evident that the problem is not just lack of funding but the lack of bankable projects which in turn points to need for more and better project preparation.

Often the public sector lacks the capacity and skills set needed to undertake project preparation, procurement, and contract management activities. There is therefore the need for Ministries, Departments and Agencies (MDAs), Metropolitan, Municipal and District Assemblies (MMDAs), state-owned - and controlled entities/companies or corporations, state universities and colleges, and other public sector authorities to recruit top level specialist consultants and Transaction Advisors with proven expertise and experience.

Who is a Transaction Advisor?

Transaction Advisors are typically a firm (or consortium of firms) international and local who has (or have) appropriate expertise and proven track-record to assist, advise and support MDAs, MMDAs, and other public sector bodies to undertake PPP project assessment, procurement and/or conclusion of a PPP Agreement.

Transaction Advisors are hired to gain from their experience in similar sectors and transactions, gain access to international best practice, mitigate against costly and avoidable mistakes, add specialized technical strength to the public sector project teams, and enhance investor confidence. When projects are well structured and marketed, they are likely to attract top-tier investor interest.

As a general rule, Transaction Advisors should be brought on board as early as possible, at the inception stage of a PPP project. Decisions taken at an early stage can affect the success of a PPP project and can be costly if not based on sound advice. Selecting Transaction Advisors will normally take time.



Ekow Coleman
PPP Analyst, Ghana PPP Programme

Typically, where international competitive bidding is involved, this may increase the time required. Therefore, appropriate lead times should be built into the project process to allow for the selection and appointment of Advisors.

Role of Transaction Advisors

The primary role of the Transaction Advisor is to give MDAs, MMDAs and other public sector bodies appropriate advice in their area of expertise. Transaction Advisors likely to be required for a PPP project include a technical Advisor, a financial Advisor, a legal Advisor, an environmental Advisor, and a lead transaction Advisor. Other specialists, such as safeguards (environmental and social impact, gender issues), insurance, human resource, procurement management, project management, accounting, and tax Advisors, may also be required.



TYPE OF ADVISOR	ROLE
Lead Transaction Advisor	<ul style="list-style-type: none"> Assist MDAs, MMDAs and other public sector authorities to coordinate the work of all Advisors and manage the interface between government officials and the other Advisors;
Technical Advisor	<ul style="list-style-type: none"> Support the development and feasibility of the technical aspects of the project's strategic plan and feasibility report/business case; Draft the project output requirements and specifications; Develop payment mechanisms in conjunction with the financial Advisors; Ensure that all technical aspects of the project meet the objectives; Evaluate and advise on all technical solutions throughout the procurement phase; Scrutinize the costs of the bidders' solutions throughout the procurement phase; Undertake technical due diligence on bidders' solutions; Carry out any site condition, planning, and design work; Provide support in the clarification and fine-tuning of technical issues;
Financial Advisor	<ul style="list-style-type: none"> Support the development of the financial aspects of the project's feasibility report/business case, in particular, the appraisal of different options, financial modeling, and input on bankable finance terms; Develop project payment mechanisms in conjunction with the technical Advisors; Prepare the requirements for submitting a financial bid; Ensure that all financial aspects of the bidders' solutions meet the requirements for submitting a financial bid; Optimize and scrutinize the financial models submitted by bidders; Evaluate and advise on all financial proposals throughout the procurement phase; Review the funding, accounting, and taxation aspects of solutions proposed; Undertake financial due diligence on bids submitted; Provide support in the clarification and fine-tuning of financial and commercial issues
Legal Advisor	<ul style="list-style-type: none"> Assist MDAs, MMDAs and other public sector bodies in assessing the requisite powers and legal feasibility of the project; Develop the contract documentation for the project; Develop other legal aspects of bid documents, including analysis of the project's assets, land ownership, interface agreements, and other site-related issues; Ensure that bids meet legal and contractual requirements; Evaluate and advise on all processes and legal and contractual solutions throughout the procurement phase and minimize the risk of bid challenge; Undertake legal due diligence on bids; Provide support in the clarification and fine-tuning of legal aspects of the project and bids;
Safeguards Advisor	<ul style="list-style-type: none"> Examine the potential environmental, gender, health, safety and social impact of the project; Identify the potential risks; Consider risk mitigation measures and impact on scope and design of the project

Source: 1) Author 2) Farquharson, E, Torres de Mästle, C, Yescombe, E.R. and Encinas, J (2011)

Conclusion

In conclusion, MDAs, MMDAs and other public sector authorities should engage Transaction Advisors on their projects as early as possible at the inception stage of a PPP project. Doing so may save money later on. Once on board, the Transaction Advisors will

be involved at each stage of a PPP project including the prefeasibility and feasibility assessment phase, structuring of the project, procurement and negotiation, commercial and financial closure, construction and operation monitoring.

The Transaction Advisor should be viewed as an investment and not simply as an expense, and as key to assisting MDAs, MMDAs, and public sector bodies to secure the best PPP deal possible.

Engagement with Asokore Mampong and Nkoranza South Municipal Assemblies



Following the Workshop on model markets for MMDAs, a team from the Ghana PPP Programme at the MoF-PID, MoTI and MLGRD has organised sensitisation meetings at the Asokore Mampong Municipal Assembly, in Kumasi in the Ashanti Region and the Nkoranza South Municipal Assembly in the Brong Ahafo Region.

The programme in Kumasi was to educate employees and traders within the Asokore Mampong Municipality on the importance of PPPs for development of local projects like the model markets. The Asokore Mampong Municipal Assembly is currently considering renovating and rehabilitating the Sepe Timpom market using a PPP arrangement.

The PPP Project Coordinator, Mr. Isaac Oware-Aboagye, took participants through the model market concept and highlighted how the Municipality could benefit from a model market through a PPP.

The Development Planning Officer of the Municipal Assembly, Mr. Alex Asare, gave insights into the benefits of PPPs as a means of ensuring infrastructural development in the area by leveraging private sector funds. He said a PPP arrangement would enable the Municipality to channel resources into other productive ventures when private partners finance most of their infrastructure projects through PPPs.

At Nkoranza the team briefed the stakeholders in the area and the Municipal Assembly's technical committee on PPP processes, preparation of pre-feasibility and feasibility studies, as well as the components of a proposed Nkoranza model market project.

Other topics discussed included the preparation of a concept note, procurement of a Transaction Advisor, and financial modelling of a PPP project.



Signing of a Transaction Advisor for the Boankra Inland Port and the Eastern Rail Line Project

The Ministry of Transport has procured the services of a Transaction Advisor for the development of the Boankra Inland Port and the Eastern Rail Line project. The Ministry intends to develop the project through a PPP arrangement. The Transaction Advisor is Messrs PriceWaterHouseCoopers (PwC).

Mrs Dzifa Attivor, the Minister of Transport, signed for the Ministry and Mr Felix Addo, a senior partner of PwC, signed for the Transaction Advisor.



As Transaction Advisor, PwC will provide expert advice on all aspects of the preparations for the project. Specifically, the Transaction Advisor is, to among other things, analyse the project's fundamentals, undertake various feasibility studies, develop financial and economic models, advice and manage a procurement process including preparation of bidding documents, evaluation and

negotiations for the engagement of a private sector partner for the execution of the project.

The Boankra Inland Port and the Eastern Rail Line Project is an important multi-modal transport infrastructure development which, when completed, will improve the rail link from Tema through Accra to Kumasi and also enhance the operational efficiency of both the

Tema and Takoradi Ports. The project will facilitate trade, bringing import and export services closer to the door steps of shippers in the northern half of the country as well as the landlocked neighbouring countries including Mali, Niger and Burkina Faso. It will also position Ghana's ports as the preferred ports for the landlocked neighbours.

Ministry of Transport Contracts PwC as Transaction Advisors for New National Airline

The Ministry of Transport has procured the services of a Transaction Advisor for the establishment of a new National Airline. The Ministry intends to develop the project through a PPP arrangement. The Transaction Advisor is Messrs PriceWaterHouseCoopers (PwC).

Mrs Dzifa Attivor, the Minister of Transport, signed for the Ministry and Mr Felix Addo, a senior partner of PwC, signed for the Transaction Advisor at a ceremony in Accra in August.

Mrs Attivor, said her Ministry looks forward to PwC assisting it to engage experts in the airline business to partner government to establish and run an effective and efficient home-based national airline.



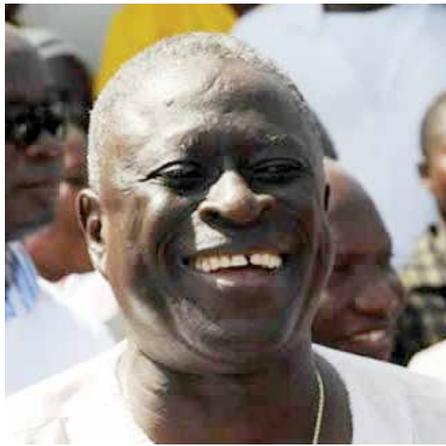
Tribute to Dr. Sir Paul Victor Obeng, The Former PPP Champion – Ghana PPP Programme

PV, as he was affectionately called, wore many hats. We at the Public Investment Division of the Ministry of Finance had the privilege of working with him on many projects under the Ghana PPP Programme and will simply describe him as inspirational and passionate for Ghana's growth and development.

We knew he had a very busy schedule as the Chairman of the National Development Planning Commission (NDPC) and were surprised and fascinated with the commitment and passion he worked with us as leader of the Ghana PPP Programme, for which he was officially known as the PPP Champion. He was available to us anytime we needed him and was a friend to all of us.

His ability to breakdown complex concepts to simple ideas for everyone to understand was unbelievable. He easily communicated his visions for Ghana with zeal at meetings and believed that Ghana could develop to the highest levels. His "can do" spirit always filled us with a lot of confidence in ourselves and spurred us on.

PV spoke to us about work on a blue print to ensure orderly development in the country and about the need to fast track plans for many critical projects for Ghana's overall development. These include the Boankra Inland Port with connecting rail links from Accra and Takoradi; expanded and modern ports at Takoradi and Tema;



Late Dr. Sir. Paul Victor Obeng
The Former PPP Champion

Late PPP Champion's Notable PPP Quotes

"...today by some statistical arrangement we have left our friends behind as low income country, and have now joined the lower middle income countries; it is a promotion but it is a promotion that goes with responsibilities."

"...that is why we believe that whilst central government takes into its hands the burden of dealing with the high priority highways which serve the economy more directly, we should also find a way of empowering the local governments to begin to do things about their environments to improve the wealth, the sanitation conditions and to bring newness to the lives of people living in our communities. That is why we are saying that let us free a budget, let us free the meagre resources of the Assemblies, let us find a third party way of financing these infrastructure developments."

“

His ability to breakdown complex concepts to simple ideas for everyone to understand was unbelievable.”

a world class international airport near Prampram to be accessed by multi-modal transport systems and efficient road and rail transport systems, making Ghana the transport hub of the West African sub-region.

He also spoke to us about improved facilities in the communities where we live, and his pet project in the LEKMA (Ledzokuku Krowor Municipal Authority) area in Accra. He spoke about the need to engage in projects that will enable us to feed ourselves; about projects to make education accessible to all and of good quality; and of an efficient and effective national health service that would improve the lives of the ordinary Ghanaian. His dreams about Ghana indeed touched on all aspects of our lives.

PV, in a quiet and unassuming way, was the ultimate champion of development, progress, and better quality of life for Ghanaians.

We are forever grateful to PV for all the insights and confidence he gave us and we will work very hard to achieve the goals and objectives he so wonderfully set out for us.

His sudden absence, so untimely, so unexpected, has left us all in shock. In life, PV led by example; in death his messages and words of wisdom continue to resound in our ears and are even clearer.

We at the Ministry of Finance, Public Investment Division, and the PPP team at large from all the MDAs and MMDAs will miss him dearly.

PV, rest in peace.
PV, damirifa due!
Due ne amane hunu!

Establishing a new National Airline through PPP

BY THE MINISTRY OF TRANSPORT



Project Description

One of the major projects being considered in the transport sector for a PPP arrangement is a new national airline. This is in line with the Government's objective of making Ghana the hub of transportation in West Africa.

Since the dissolution of Ghana Airways, the original national airline, in the early 2000s and the suspension of operations of its successor the Ghana International Airline, there has been a huge gap in the airline industry for a locally based international airline. After careful consideration the Government opted for a home based world class airline to be established through a PPP arrangement. The Government will not invest any public funds directly in it, but will look for a private partner to establish the airline under specific terms to benefit the country.

The Ministry of Transport (MoT) and Ministry of Finance (MoF) have been tasked to facilitate and promote the establishment of the airline on PPP basis. The two Ministries are required to select the private sector partner through a competitive and transparent process.

As a first step, the MoT registered the national airline project with the MoF to be considered for PPP financing. The National Policy on PPP requires that all Ministries, Departments and Agencies, (MDAs), develop a brief concept document on projects they intend to undertake as PPPs, register them with the Public Investment Division (PID) of MoF and go through a number of detailed processes to ensure that the project is beneficial to the country.

Following registration of the project, the MoT has engaged Messrs PriceWaterhouseCoopers (PwC), a

company with a high level of international experience in the airline industry, as Transaction Advisor (TA) to help it prepare the project properly before selecting a private partner. The work of PwC as Transaction Advisor includes:

- Undertaking Pre-feasibility and feasibility studies to establish the overall viability of the project. This will include project risk analysis, business risk analysis, financial risk analysis, legal and regulatory risk analysis
- Market the project to potential investors and partners
- Develop a procurement plan, bidding documents and invite bids
- Evaluate potential bids from private sector partners and assist in the selection of preferred bidder
- Assist in the negotiation and signing of the contract
- Facilitate the financial close process and post evaluate the project.

Goals and Objectives

Establishment of the national airline is in line with the key objective of the National Transport Policy, which is to establish Ghana as a transportation hub in the West African sub-region and in particular to create Kotoka International Airport (KIA) as an aviation hub for tourism and trade.

Other objectives of the project include:

- Enhancing Ghana's brand positioning as the "Gateway to Africa"
- Providing employment opportunities for many qualified nationals in the aviation industry and source of aspiration for the youth, and
- Increasing competition and possibly forcing down air fares for the benefit of the travelling Ghanaian public.



Stages of Development

Details of the work plan for the development of the project include the following:

1. Inception Report Stage: Preliminary meetings with relevant stakeholder institutions and individuals
2. Pre-Feasibility Report: A report on preliminary market analysis, determine technical, operational and regulatory parameters of the Project, determine financial and economic parameters to enable the preparation of pre-feasibility report.
3. Full-Feasibility Report and Financial Models: Involves conducting detailed market analysis, option analysis, Project due diligence, viability assessment, economic assessment, value for money assessments, market testing, development of management & procurement plan and preparation of feasibility report.
4. Marketing of Project to potential investors: This would entail bringing potential investors up to speed with the commercial viability of the project and interest them to invest in the project.
5. Preparation and Procurement: Involves the preparation of a data room, development of bid documents, undertaking competitive bidding, evaluation and preparation of bid evaluation report.
6. Agreements, Negotiations and Contract Signing: The TA would assist MoT in negotiations, preparation of final legal documents, Contract signing, financial closure, preparation of close-out report, PPP project summary & PPP management and implementation plan.

A Project Implementation Team and Project Steering Team made up of stakeholder representations have been constituted to work closely with the TA to ensure timely and successful execution of the assignment, which is estimated to be finished by the end of July, 2015, when a private sector partner would have been procured to establish the airline.

Potential for Success

The potential for the success of the airline is great. Available traffic and operational data from the Ghana Airports Company indicate that passenger traffic to and from Ghana has been growing steadily over the last decade, providing a potentially viable market to ensure success of the airline.

Also informal surveys point to a high interest among Ghanaian air travellers for a reliable and efficient home based carrier, so the presence of the airline is expected to receive high patronage of the community.

Furthermore, the Government has its weight behind the airline and is lending full support to the Project. There is also support from many agencies working with the Ministry of Transport including the MoF-PID, the World Bank, the Ghana Civil Aviation Authority, Ghana Airports Company and other airline industry stakeholders. With all these agencies in support, the MoT is determined to drive the project to its successful execution for the benefit of the Ghanaian public.

Workshop for PROs and Communication Officers in MDAs/MMDAs with PPP Pipeline Projects

The MoF-PID organised a two-day sensitization Workshop for public relations officers, PROs, and Communications Specialists who work or will be working on pipeline PPP projects. The Workshop took place in August in Koforidua in the Eastern Region.

The primary objective of the Workshop was to sensitize the public relations/communication officers in all the MDAs and MMDAs with pipeline projects on the Ghana PPP Programme and to share knowledge on the communication demands of PPP projects. A second objective of the forum was to build channels of communication between the public relations units and the MoF-PID to help harmonise the communication efforts of the MDAs/MMDAs and MoF-PID on PPPs generally.

Twenty-two participants from a wide range of Agencies and Assemblies attended the Workshop.



Educators meet on National Policy on PPP



The MoF-PID organised a two-day meeting in the last week of June at Senchi for about 30 participants drawn from the business schools at the University of Ghana, Legon, University of Cape Coast and GIMPA.

The objective of the meeting was to sensitize participants on the National Policy on PPP and work with them to generate ideas on how to develop and entrench a culture of PPP learning and implementation among the business and legal departments of tertiary educational institutions.

The meeting formed part of the MoF-PID's capacity building initiative and was one of a series of events designed to sensitize the academic and training communities on Government's Policy on PPP.



LEKMA, PPP for Local Development



Public Private Partnership arrangements are normally associated with major national infrastructure projects. But for the people of Martey Tsuru in the Ledzokuku-Krowor Municipal Assembly (LEKMA) area in the eastern half of Accra, the PPP idea could be the vehicle that completely transforms all aspects of life in the community. Martey Tsuru, a relatively well to do community within the LEKMA area in Accra, is currently involved in a community development experiment with the potential to change the face of local development in the country.

The Project

The project, known as “The Martey Tsuru Community Infrastructure Improvement Project”, is a Public Private Partnership (PPP) arrangement between the Government, working through the Ministry of Local Government and Rural Development and the Ledzokuku-Krowor Municipal Assembly on one part and the private sector, including members of the community on the other.

The project involves the improvement of:

- Road infrastructure including drainage, pedestrian walkways, landscaping, bicycle lanes, signage and other street furniture, cross-road ducting for future extension of services;
- Public security including provision of police posts, street lighting and video surveillance;
- Public transportation ancillary facilities including bus shelters, terminals; and
- Shared recreational facilities.

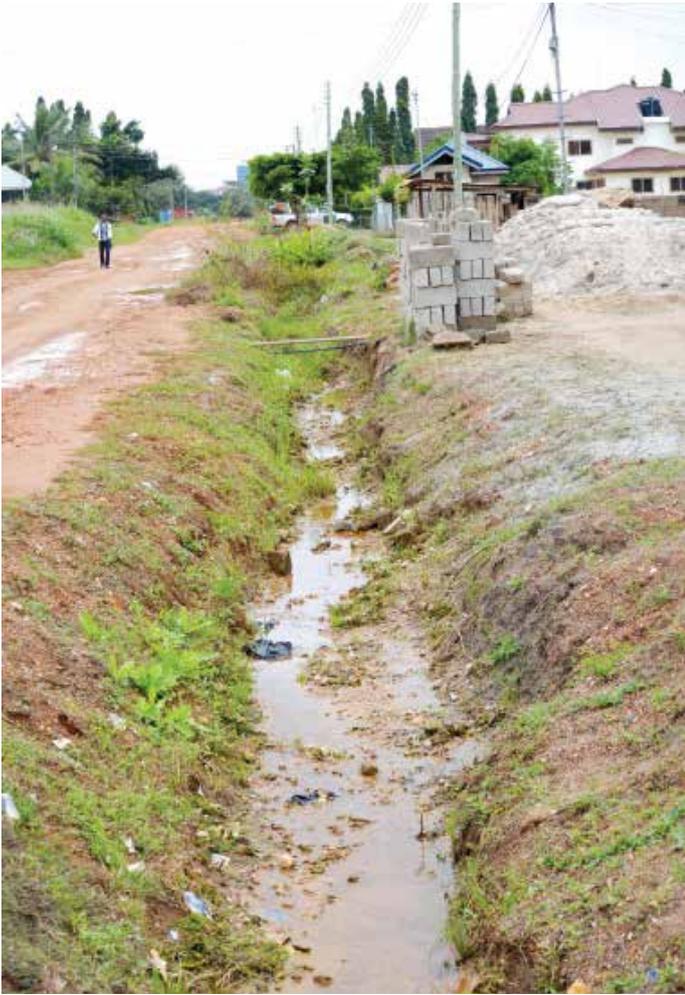
The overall objective is to improve physical infrastructure and service delivery in the Martey Tsuru Community as well as provide adequate security within the community with the aim of improving the general ambiance and value of the neighbourhood.

LEKMA, Strategic Objectives

The Martey Tsuru project is in line with LEKMA’s strategic objectives in the 2014-2017 Medium Term Development Plan. Among other things, the Plan seeks to create and sustain an efficient transport system that meets user needs, promote well-structured and integrated urban development and improve fiscal resource mobilization in accordance with the Ghana Shared Growth Development Agenda.

One of the major philosophies in the LEKMA medium term plan is that the Assembly will partner communities that are capable and willing to provide counterpart contribution, either in cash or in kind, to complement





all the issues and risks associated with it have been considered to the extent possible. The Public Investment Division of the Ministry of Finance, which is the public unit charged with overseeing all PPP projects, is assisting the Assembly with the process. The project has been registered as a PPP Project and the first request for expression of interest is yet to be published but discussions are already on-going with some prospective investors who have expressed interest in it.

Community Buy-In

Currently the project stakeholders have been identified and a register of all their issues has been prepared and categorized. Large sections of the community have been sensitized about it and have actually been involved in some of its activities since inception. People living in and around the project area have also been sensitized to perceive the project as theirs and to help sustain it.

As a result of the sensitization, the traditional authorities as well as private individuals have committed themselves to provide land needed for some facilities, such as police posts. In addition, all the identified stakeholders including the residents, who are the direct and immediate beneficiaries of the project, have pledged to give their required support and cooperation to LEKMA to execute the project.

the delivery of its mandate. Private capital and expertise will be channelled into local government infrastructure development and service delivery whilst the scarce resources of the Assembly are reallocated to cater for the needs of those in the most deprived parts of the Municipality. It is envisaged that the investment by the private sector shall be recovered through mechanisms such as user fees, ring-fenced increments in the property rates, special levies and annuities by LEKMA.

Benefits

All members of the municipal area are expected to benefit from the scheme. The people will have better planned neighbourhoods with good infrastructure and services and the Assembly will use more of its limited resources to improve lives in the more deprived areas. The scheme also creates an opportunity for synergy between the public and private sectors of the community and could sharpen the responsiveness of local government as community involvement in its work increases.

PPP

As a PPP arrangement the project has to go through various oversight and approval phases to ensure that



CONTACT DETAILS

Public Investment Division/Ghana PPP Programme
Ministry of Finance
Post Office Box M.40
Accra

Tel: +233 (0)30 266 6254
www.mofep.gov.gh/divisions/pid
Email: pid@mofep.gov.gh

LOCATION

Ministry of Finance, Ministries, Fourth Floor
(New Block), Room 402.

Subscription: send an email to pid@mofep.gov.gh to receive an electronic copy of this Newsletter

STOP - LOOK!

We are looking forward to continuing this channel of information and hope you will find this newsletter and subsequent issues interesting, informative, of great value and a useful update on our activities. Remember the future success of the Newsletter depends on your comments, contributions and ideas so please keep them coming!

Follow us on



www.facebook.com/ghanaPPP



www.twitter.com/ghanaPPP



www.skype.com/pid.mofep