



President Mahama Inaugurates US\$115m PPP Water Desalination Plant Project

President John Dramani Mahama inaugurated the Water Desalination Plant project at Nungua, a suburb in the Greater Accra Region, on 17th April 2015.

The project, which converts saline sea water into drinkable, potable form, was undertaken as a Public-Private Partnership (PPP) initiative, between the Ghana Water Company Ltd (the Contracting Agency) and ABENGOA, a Spanish innovative technology company (the private sector partner).

The project involves producing clean potable water from salty sea water. The water source is taken from the sea, and has salt in it, but through the process of desalination, the fresh water is taken out of the sea water. The facility has a laboratory that tests the water to make sure it is of good quality.

While there are many desalination plants in the world in areas with water scarcity, this is the



President Mahama and Odaifio Welentse III at the inauguration

first desalination plant in West Africa.

The US\$115million project treatment plant will produce about 13 million gallons of water per day to serve a population of about 500,000 people in the Teshie and Nungua communities and surrounding areas, ending 25 years of interrupted water supply in the area.

President Mahama said the availability of reliable water for the community would help contain the cholera outbreak. He commended

all past Ministers of the Ministry of Water Resources, Works and Housing for their efforts in the successful implementation of the project.

The President cautioned beneficiaries of the plant to pay their bills promptly, to enable the Ghana Water Company Ltd to continue to supply them with potable water.

The Minister of Water Resources, Works and Housing, Dr *continues on page 2*

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Kweku Agyemang Mensah, noted the project is evident of the results that good PPPs can offer. He said, "This achievement should spur us on to undertake more of such projects where the government provides the needed leadership and congenial atmosphere that enable the private sector participate in water delivery and other infrastructural projects in the country."

The Paramount Chief of Nungua, Odaifio Welentse III, commended government for providing water to the areas that hitherto had to rely

on other scarce sources of water in their communities. The Chief attested to the purity of the water and said, "I must say here and now that the water is very pure without any salt or infection when taken. The members of the Nungua Traditional Council tasted it prior to this commissioning." He urged the beneficiaries not to politicize the project, but embrace it with all the necessary support that it needed.

German Bejarano, Director, Institutional Relations of ABENGOA, the private partner, noted that the project was the first of its kind on the continent and said with climate change affecting the

environment, there was the need for such innovative ideas including the treatment of sea water into potable drinking water.

The desalinated water is being sold to Ghana Water Company Limited under a 25-year Build-Own-Operate-Transfer (BOOT) PPP model for distribution to households and businesses.

The project is expected to create 400 direct and indirect jobs with revenue forecast of about US\$1,300 million dollars over the 25-year period.

Read more about the Desalination Plant on page 9

Editorial

Welcome to the Third issue of the Ghana Public Private Partnership Newsletter, a quarterly Newsletter produced by the Public Investment Division (PID) of the Ministry of Finance (MoF). The MoF-PID is leading the development of the Public Private Partnership (PPP) Initiative in Ghana.

This Third Issue features President Mahama's inauguration of the Nungua Water Desalination Plant which was developed as a PPP project; and this is accompanied with a detailed project description. As in previous issues, this issue provides information on various aspects of the National Policy on PPP - in this case, information on the processes to be followed in structuring PPPs in the country, and the cherished values or principles that should inform the development of any PPP.

This issue also features the Boankra Inland Port and Eastern Railway Project, one of the PPP pipeline projects in the offing, detailing its goals and objectives, the stages of its development, and the current stage of work on the project.

In addition to the short news stories on the activities of MoF-PID and PPP events, there is an interesting article from the United States of America on the growing importance of seeking private sector partners to develop public infrastructure and services. This article is part of our series on sharing international experiences on PPPs with our stakeholders in Ghana.



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.

GUIDING PRINCIPLES FOR PPPs IN GHANA

Ministries, Departments and Agencies (MDAs) and Metropolitan, Municipal and District Assemblies (MMDAs) are required to register potential PPP projects at the MoF-PID for a vigorous process before projects can be undertaken as PPPs.

The guiding principles for PPPs in Ghana are as follows:

1. Value for Money

Value for money is paramount and PPPs should give greater value for money than the best realistic public sector project designed to achieve similar service outputs. Achieving value for money is a key requirement of government at all stages of a project's development and procurement and is a combination of the service outcome to be delivered by the private sector, together with the degree of risk transfer and financial implications for government. Value for money is the main driver for adopting the PPP approach, rather than capital scarcity or the balance sheet treatment.

2. Risk Allocation

An efficient risk allocation is vital in determining whether value for money can be achieved in PPP projects. The Government of Ghana's principle with regards to risk allocation shall be used to optimise, rather than maximise, the transfer of project risks to the private party. Risks will, therefore, be allocated to the party best able to control and manage them in such a manner that value for money is maximised. The allocation of risk will, therefore, determine the chosen method of private sector involvement and allocation of responsibilities, which shall take into account the protection of the public interest.

3. Ability to Pay

End user ability to pay shall be a key consideration for all PPP projects. The PPP option must demonstrate long-term affordability to the public and overall Government budgetary sustainability, forward commitments in relation to public expenditure and the potential for returns on private sector investment, given other priorities and commitments.

4. Local Content and Technology Transfer

PPP projects shall be structured to encourage the maximum use of local content and technology transfer. As much as possible, the PPP arrangement shall facilitate the promotion of local industries and the private sector in Ghana.

5. Safeguarding Public Interest and Consumer Rights

The Government of Ghana is committed to ensuring that each PPP project shall have positive impact upon the public interest. The following principles shall be addressed in PPP transactions:

- Safeguards to users particularly vulnerable groups; and
- Setting affordable user charges and tariff structures.

6. Environmental, Climate and Social Safeguards

The Government shall ensure that PPP activities conform to the environmental laws of Ghana and the highest standards of environmental, climate and social safeguards.

Furthermore, all PPP Projects shall be governed in accordance with the following:

1. Clear objectives and output requirements

PPP projects shall take into account the expected outputs of each project, allowing for optimal risk transfer to the private party and thereby ensure greater value for money for the public sector.

2. Accountability

As a means of good governance PPP projects must ensure accountability:

- Every stage of the PPP arrangement shall follow laid-down procedures and regulations;
- Decisions must be objective and in consonance with law and government policies; and
- Public sector entities undertaking PPPs must follow prescribed processes for decision-making within their organisations.

3. Transparency

- There must be a well-defined procurement process for the PPP. Instructions to the bidders must be clear and unambiguous to prevent manipulation or abuse of the process. The bid conditions and evaluation criteria must lead to the attainment of value for money, economy and efficiency and must be made available to all interested private sector parties;

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PPP Project Steering Committee Members visit Kumasi Railway Station and Site for Boankra Inland Port



Steering Committee members visit the Kumasi Railway Station



The Administrative Block of the Boankra Inland Port

Members of the PPP Project Steering Committee have visited the Kumasi Central Railway station and the Boankra Inland Port to familiarise themselves with the current state of the proposed Boankra Inland Port and the Eastern Railway Line, and the preparations being made for the PPP project on the two facilities.

The Ministry of Transport, the Ghana Railway Development Authority, the Ghana Railway Company Ltd and the Ghana Shippers Authority are responsible for the project.

The Kumasi Railway Station is in a deplorable state with over 800 meters of the railway lines virtually taken over by traders who are aware that Government had plans to reactivate and rehabilitate the existing station and the railway lines.

A walk through the congested area revealed that some of the existing lines had been cut off and others destroyed as a result of the trading activities.

The Steering Committee advised that an elaborate stakeholder sensitisation programme on the Project

be started as soon as possible to prepare the traders fully for the new development.

The Eastern Railway Line will start from Tema in the Greater Accra Region and terminate in Kumasi, in the Ashanti Region.

At the Boankra Inland Port Site, which is over 1,000 square hectares, members were informed that the land had been duly acquired and appropriate compensations paid to the owners of the land. Two school blocks that were on the site had to be relocated and so the Ghana Shippers Authority (GSA), the Government Agency responsible for this aspect of the Project, has constructed two school blocks at separate locations for the affected communities.

A representative from the GSA made a presentation on the plans for the Boankra site and highlighted the various components of the Project including container terminals, offices, railway stations and other relevant components of the proposed Inland Port.

Please see page 5 for feature article on the Project.

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- Where a decision is taken to consider an unsolicited bid, there must be clear and objective reasons supporting the decision which shall be in conformity with this policy;
- The process shall be accessible to the public to the extent allowed by law except where national security would be prejudiced; and
- Equal opportunity and access to information must be given to all interested bidders.

4. Competition

As much as feasible, all PPP projects should be subjected to a competitive process so as to obtain value for money and efficiency.

5. Contracting Authority, ownership and commitment

Contracting Authorities shall have the primary responsibility for managing the process and implementing the project.

6. Stakeholder Consultation Process

Contracting Authorities shall ensure adequate stakeholder consultation, understanding and support in advance of entering into a PPP arrangement and shall endeavour to identify relevant stakeholders and undertake comprehensive consultation and awareness of PPP projects under consideration.

Boankra Inland Port and The Eastern Railway Line Project

Project Description

More than 20 years after the idea to develop the first inland port in Ghana was mooted, there appears to be a substantive movement on the project now.

Developing an inland port near Kumasi in the Ashanti Region to serve importers and exporters in the northern half of the country and to reduce congestion at the Tema and Takoradi harbours has been on the drawing board since the 1980s. The port is also intended to make Ghana a major transshipment point for many of the landlocked West African countries.

In furtherance of the Ghana Trade and Investment Gateway (GHATIG) Programme, the Government of Ghana (GoG) through the Ministry of Transport (MoT) and in collaboration with the Ministry of Finance (MoF) is desirous of developing the Boankra Inland Port and the Eastern Railway Line Project to provide faster, safer and more efficient integrated transport and logistics system for the movement of freight from the Tema Port to the Northern part of Ghana and the other landlocked countries of Burkina Faso, Niger and Mali.

The project involves the reconstruction of an existing dilapidated and defunct 320 km stretch of a narrow gauged rail line to a standard gauge corridor from Tema port in the South to Kumasi in the Ashanti region, where a 400 acre plot of land at Boankra, 27 km from Kumasi, is to be developed to an inland port.

In line with Government's Policy to develop all critically needed infrastructure and services through Public Private Partnerships (PPPs) and following the PPP framework of the Ministry of Finance (MoF), the MoT registered the project with the MoF to be considered under PPP financing. In this regard and in line with PPP guidelines, the MoT in collaboration with the Public Investment Division (PID) of MoF and with funding by the World Bank has procured Messrs PricewaterhouseCoopers (PwC) as Transaction Advisors (TA) to advise on the PPP option and to manage the process for the engagement of a Private Sector investor to partner Government for the execution of the Project.

Project Scope

The Project scope involves the engagement of strategic Private Sector investor by the TA to indicate their interest, capacity, experience and capability in

obtaining concessions or otherwise to invest in the project.

The project is one of an integrated, transport and logistics and would incorporate the following components:

a) With respect to the inland port:

- Container handling and storage depot
- Custom-bonded and open warehouses
- Custom-bonded sheds
- Devanning yard
- Railway marshalling yard
- Light industrial zone
- Truck parking areas

b) With respect to the railway line:

- Reconstruct the rail line to a standard gauge (1435 mm);
- Construct bridges and stations at vantage locations;
- Provide signal and telecommunications system required for operations; and
- Provide rolling stock.

To achieve these objectives, the following specific tasks would be undertaken by the TA:

- Review all related work done to date by the Ministry and its agencies;
- Undertake pre-feasibility and feasibility studies to establish the overall viability of the project by undertaking Project risk analysis, Business risk analysis, Financial risk analysis, Legal and Regulatory risk analysis etc;
- Identify various PPP options and shareholding structures;
- Recommend the most commercially and technically viable transaction structure;
- Market the project to potential investors/operators;
- Develop a procurement plan, bidding documents and invite bids;
- Evaluate potential bids from investors and assist in the selection of the preferred investors;
- Assist in the negotiation and signing of PPP contract; and
- Facilitate in the financial closure process.

Project History and Development as PPP Project

As part of Government's plans to ease congestion at the ports and to facilitate international trade, particularly with our landlocked neighbours of Burkina Faso, Mali and Niger, the Ministry of Transport represented by the Ghana Shippers' Authority (GSA) acquired and paid compensation for a 400 acre plot of land at Boankra, 27 km from Kumasi in the Ashanti Region to be developed to an inland port.

As part of a phased development of the Project, GSA has completed an Administration Block which is intended to house various agencies that would operate in the inland port. Utilities such as water, electricity and telecommunication have also been provided at the project site, while preliminary works for the construction of roads and drains have commenced.

Efforts to engage a strategic investor to develop the Project, started as far back as 2007, but faced some challenges as unsolicited proposals by various investors have shown the project to be non-viable without the rail connectivity from the ports.

Consequently, due to the interdependency of the two (2) individual stand-alone projects, the Ministry repackaged the two (2) Projects within the framework of the Government's PPP Policy to develop the project under a PPP arrangement and therefore recommended the procurement of Transactions Advisory services for the project.

Project Goals & Objectives

It is expected that the combined Boankra Inland Port and The Eastern Railway Line when implemented would provide a corridor that could be leveraged to bring immense socio-economic benefits to the entire economy of Ghana.

The benefits among others include the following:

- Ease congestion at the seaports of Tema and Takoradi to enhance operational efficiency of both ports.
- Create job opportunities for the people in and around Boankra.
- Reduce the aggregate transport cost of international cargo to importers and exporters from the middle and northern parts of Ghana.
- Facilitate the use of Ghana's Transit Trade corridor by the landlocked countries of Burkina Faso, Mali and Niger.
- Promote the establishment of export processing zones in the vicinity of the inland port; enhance and facilitate customs examination, duty payment and cargo clearance.
- Provide efficient and safer alternative corridor to the road network, which is already congested.



An old Kumasi Railway line

On completion of the project, inland port component would provide depot, warehousing and other storage facilities and services for freight that moves directly and safely from Tema on the railway corridor and to ensure that both projects complement each other.

Project Development Stages

The Project Preparation commenced on 23rd July, 2014 with a kick-off meeting and an Inception Report was submitted on 8th August, 2014. The Project development stages are detailed as follows:

- 1. Inception Report Stage:** kick-off activities including kick-off meetings, Preliminary meetings with relevant stakeholder institutions and individuals.
- 2. Pre-Feasibility Report:** Undertake preliminary market analysis, determine technical, operational and regulatory parameters of the Project, and determine financial and economic parameters to enable preparation of pre-feasibility report.
- 3. Full-Feasibility Report and Financial Models:** Involves conducting detailed market analysis, option analysis, Project due diligence, viability assessment, value for money assessments, market testing, development of management and 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 to invest in the Project.



The Administrative Block of the Boankra Inland Port

5. **Preparation and Procurement:** Involves the preparation of data room, development of bid documents, undertaking competitive bidding and evaluation, and preparation of bid evaluation report.
6. **Agreements, Negotiations and Contract Signing:** The TA would assist in negotiations, preparation of final legal documents, assisting MoT in Contract signing, financial closure, preparation of close-out report, PPP project summary and 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.

At every project development stage, the necessary and requisite institutional approvals would be sought, sometimes at Cabinet, and final approval from Parliament.

The Project preparation is estimated to be completed by the end of 2015, by which time it is

estimated that a Private Sector Partner would have been procured to partner Government to execute the Boankra Inland Port & Eastern Rail Line Project.

Stakeholder Perceptions and Community Buy-in

Various meetings with stakeholders including chiefs, parliamentarians and people along the corridor have been sensitized on the need and immense potential benefits of the Project, including employment opportunities likely to be created by the Project and have therefore lent their support.

Other stakeholders including freight forwarders, shippers, transporters, and cross-border traders from the landlocked Countries of Burkina Faso, Niger and Mali have all embraced and bought into the project and have therefore encouraged its early implementation.

The general perception of the public is one of anticipation and this effort (PPP arrangement) provides an avenue for the realization of this long standing project for the benefit of Ghanaians.



A run-down Railway line in the Eastern Region

Ghana PPP Programme – Mid-Term Review



Government Ministers and other Officials meet with Mr Ahmad (2nd left) and Mr Haldea (3rd left)

The Government of Ghana, in consultation with the World Bank, has appointed Mr Gajendra Haldea to assist in the review of the Ghana PPP Project in its mid-term.

Mr. Haldea is a graduate of the University of Rajasthan with a wealth of experience in PPP and Infrastructure Planning. His extensive experience in several sectors of the economy places him

in a unique position to contribute to the evolution of the framework and policies for private participation in infrastructure and social sectors.

Mr Haldea visited Ghana in February on a fact finding mission to interact with various officials and groups involved in the Ghana PPP Project to discuss the work done so far and the challenges being faced on the Programme.

He met with the relevant management and staff at the Ministry of Finance as well as with Ministries, Departments and Agencies (MDAs) and Metropolitan, Municipal and District Assemblies (MMDAs) with pipeline and on-going PPP projects. He was accompanied by a World Bank team led by the Ghana PPP Project Team Task Leader, Mr Aijaz Ahmad.

Workshop: Port, Rail and Road infrastructure: Developing PPPs in Ghana



Participants at the Workshop

The Ministry of Finance in collaboration with the World Bank and the Agence Francaise de Developpement (AFD) have organised a five-day national Workshop at Akosombo on good practises on building Public Private Partnerships (PPPs) in the port, rail and road sectors.

The Workshop dealt with PPP framework and governance, project finance, procurement process, project implementation, environmental management and case studies.

The objective was to provide critical ingredients that would enhance and strengthen capacities of participants to be able to identify, prepare, negotiate,

implement and monitor various PPP projects in the transport sector.

A Deputy Minister of Finance, Mr Ato Cassiel Forson, opened the Workshop, which had international experts on PPPs as facilitators. More than 30 officials from both public and private sector organisations working on PPPs participated in the programme.

The Workshop was open and interactive and a participant described it as “very useful because it provided insights into how other countries are dealing with issues arising out of their PPP projects and ... will enable us to prepare our projects better.”

BY GHANA WATER COMPANY LTD

The Nungua Water Desalination Plant Project - Background and Summary of Project Details



Background

In April 2010, Messers Befesa Ghana, a privately owned company and a subsidiary company of Messrs ABENGOA Water, a Spanish company, submitted an unsolicited proposal to the Ghana Water Company Limited, (GWCL), for the development of a 60,000m³/day Sea Water Reverse Osmosis (SWRO) desalination plant to supply water mainly to Teshie, Nungua and their environs on an Engineering Procurement Construction/Build, Own, Operate, Transfer (EPC/BOOT) basis. These areas have been experiencing acute water shortage for the past 25 years. The Project is about converting salty sea water into drinkable potable water for use in the Teshie-Nungua and surrounding areas.

The objective of the project was to supplement the shortfall in water production in the Accra Tema Metropolitan Area (ATMA). By virtue of their geographical location, the Teshie-Nungua locality and its environs fall at the tail end of the distribution networks for both the Weija and Kpong treatment plants. This implies that the project area is the very last to receive water supply under the current ATMA production and distribution system.

GWCL considered that a project to supply 60,000m³/day of potable water was commendable, especially as it could be achieved relatively more quickly with the desalination plant.

The option of drilling and mechanising boreholes for the area was not recommended because all boreholes already drilled in the locality have high salinity and are of low yield.

In pursuit of the proposed project, the Ministry of Water Resources, Works and Housing (MWRWH) constituted a team to work on developing a relevant Water Purchase Agreement to regulate the Build, Own, Operate and Transfer (BOOT) contract. GWCL appraised the Draft Water Purchase Agreement (WPA) from Messrs Befesa Ghana in November, 2010. GWCL's comments on the WPA culminated in joint contract negotiation meetings which were held in the same month. The government was represented at the negotiations by the Ministry of Finance, MWRWH, The Attorney-General's Department and GWCL.

The issues agreed upon at the negotiation meetings constituted the final Water Purchase Agreement.

The WPA was jointly amended subsequently by the Parties, GWCL and Befesa Ghana, and the resulting Addendum to the WPA was signed in February, 2012.

Earlier in June 2010, Messrs Befesa Ghana Ltd requested for Public Utility Regulatory Commission's (PURC's) approval for tariffs for the desalination plant project.

Messers Befesa proposed a bulk water tariff of \$1.716/m³ but this was reviewed in October of the same year by the PURC to \$1.37/m³. Also PURC indicated that the final tariff would be subject to verification of the actual cost incurred upon the execution of the project.

In May 2011, the company obtained a permit for the operation of a desalination plant from the Ghana Maritime Authority. This was followed by a letter of comfort and a Government Guarantee in October, 2011 and April, 2012 respectively issued by the MoF.

In all, the following under-listed permits and approvals were obtained:

1. Environmental Protection Agency (EPA) Permit;
2. Ghana Maritime Authority Permit;
3. Ghana Investment Promotion Centre Permit;
4. Public Utility Regulatory Commission's approved tariff of US\$1.37/m³;
5. Public Procurement Authority Single Sourcing approval;
6. Building Permit for the construction of the plant;
7. Parliamentary Approval on Water Purchase Agreement;
8. \$72.8million Tax Waiver Exemptions;
9. Government of Ghana Guarantee for all obligations under the WPA; and
10. Executive Instrument (E.I. 86) for Acquisition of the land for the plant.

Project Scope

The project's scope covers the following:

- a. Detailed Engineering Designs;
- b. Construction and laying of sea intake line and sea outfall pipeline;
- c. Supply and installation of 60,000m³/day desalination plant;
- d. Construction of 2.4km transmission pipeline from treatment plant and connection thereof to GWCL distribution network and an elevated tank;

- e. Construction of working offices at the site; and
- f. Operation of the 60,000m³/day desalination plant for 25 years under a Build, Own, Operate and Transfer (BOOT) arrangement.

Payments for Water Delivered

Payments for volumes delivered by the company shall be made by GWCL within sixty (60) days from the date of the invoice for the quantity of water delivered for a period in accordance with the PURC approved tariffs and the WPA.

Financing Details

The project is being financed solely by Messrs Befesa Ghana at a cost of US\$ 115,000,000.00 (One Hundred and Fifteen Million United States Dollars).

Delivery of Water

The project is designed to deliver 60,000m³/day (13 million gallons per day) at full capacity.

Contract Duration/Concession Period

The Contract duration/Concession Period is twenty-five (25) years subject to extension of time that may become necessary as a result of the execution of the project.



THE PPP PROCESSES

Source: Public Investment Division, Ministry of Finance

The Ministry of Finance, through the Public Investment Division, has outlined a number of steps that a public agency (Contracting Authority) should go through when it intends to engage in a PPP project. These steps provide a clear and transparent process to assist all public institutions to successfully implement PPP projects. Details of the Process are as follows:

NO.	PROCESS	DESCRIPTION
1	Identify a Project	MDAs/MMDAs - also referred to as the Contracting Authorities of PPP Projects – usually have a pool of projects they want to implement. It is the responsibility of the MDA/MMDA to identify or select a project they consider implementing through a PPP arrangement.
2	Develop Concept Note and Submit to MoF-PID	The MDAs/MMDAs have to prepare a document describing the nature and broad scope of the project and submit it to MoF-PID for registration.
3	Register Project	MoF-PID maintains a register of all projects proposed for implementation by public institutions.
4	Recruit Transaction Advisor (TA)/ Technical/Legal/Financial	A Transaction Advisor is essentially a consultant who has significant experience in the concerned sector and in preparing projects for implementation through PPP arrangements.
5	Conduct Pre-Feasibility Studies	A Pre-Feasibility Study is necessary to provide some details on the scope and rough estimates of the project. It helps to identify key technical and safeguards issues that may affect the implementation of the project. It may be prepared with the assistance of the Transaction Advisor.
6	Approval 1	This is the approval of the report on the Pre-Feasibility Study. The approval is given by the Project Management Unit of the MDA/MMDA.
7	Conduct Full-Feasibility Studies	The Full-Feasibility Study is a detailed study on all factors that would influence the scope, duration and cost of the project. It is based on the output of this study that procurement documentation is prepared to recruit a sponsor. It may be prepared with the assistance of the Transaction Advisor.
8	Approval 2	This is the approval of the Full-Feasibility Study. This is done by MoF-PID.
9	Prepare and Submit Procurement Documentation	The MDA/MMDA – may with the assistance of a Transaction Advisor – prepare bidding documents and all relevant procurement documentation for the recruitment of a sponsor to implement the project. These documents must be submitted for due approval.
10	Approval 3a	This is approval of the procurement documents and the procurement process chosen. This approval is given by the PPP Approval Committee, Cabinet, or the MMDA – depending on the scope and cost of the project.

NO.	PROCESS	DESCRIPTION
11	Issue Procurement Documentation and Evaluate Proposals	Following the requisite approval, the procurement documentation is advertised/shared with potential sponsors for them to prepare and submit proposals. The proposals are evaluated by the MDA/MMDA and the report is submitted for approval.
12	Approval 3b	This is the approval of the report on the evaluation of proposals from the potential project sponsors. This approval is given by the PPP Approval Committee, Cabinet or the MMDA –depending on the scope and cost of the project.
13	Draft Contract	Based on the outcome of the evaluation, a preferred sponsor is selected and a contract is drafted for the attention of the appropriate approving authority.
14	Approval 4	This is the approval for the PPP agreement. It is done by the PPP Approval Committee, Cabinet, Parliament, or the MMDA – depending on the scope and cost of the project.
15	Award Contract to Project Sponsor	After obtaining Approval 4, the contract is awarded to the selected sponsor to implement the project.
16	Commence PPP Project	The MDA/MMDA is responsible for managing the contract with the project sponsor until the time of transfer to the Government.

MDA - Ministries, Department and Agencies | MMDA - Metropolitan, Municipal and District Assemblies | MoF - Ministry of Finance | PID - Public Investment Division | PMU - Project Management Unit | TA - Transaction Advisor

PPP - Important Points to Note

1. Policy

The National PPP Policy was launched by Government in October 2011

2. Definition of PPP

A PPP is a contractual arrangement between a public entity and a private sector party, with clear agreement on shared objectives and risk-sharing for the provision of public infrastructure and services traditionally provided by the public sector

3. Objective

To enable 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.

4. Benefits

Accelerated delivery of needed infrastructure and public services;

- Increased Economic growth and wider employment possibilities;
- Improved operation and maintenance of public infrastructure; and
- Ensuring good quality public services and their wider availability.

5. Oversight

The Ministry of Finance, through the Public Investment Division (PID), is responsible for developing the legal, institutional, and regulatory framework for the PPP programme and also for the effective management of PPP projects.

Journalists in the Central and Western Regions benefit from PPP Training



Participants at the Workshop

The MoF-PID has organised a three-day residential training Workshop for journalists and media practitioners in the Western and Central regions at Cape Coast.

The Workshop formed part of the MoF-PID's capacity building initiative and was one of a series organised around the country for the media. Journalists in the Greater Accra, Ashanti, Eastern, Brong Ahafo, Volta, Northern, Upper East and Upper West regions have already participated in similar Workshops.

The main objective of the Workshop was to create awareness, improve knowledge and understanding on PPPs, and to attract advocacy for PPPs on a national level.

The Director of MoF-PID, Mrs Magdalene Apenteng, in her Welcome Statement said, "Generally, we see the PPP Programme as necessary and good for the country. It has worked for many countries, both in the developed and developing world – Britain, USA, Canada, India, Brazil, South Africa and many others and we must make it work for us here. A comprehensive campaign of public information and education to raise the awareness of the Ghana PPP Programme and develop a more positive public image for reform is what we are counting on you as key partners to do in this national assignment".

41 journalists from both the public and private media houses attended the Workshop.

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 Gambia PPP Team Visits Ghana on Study Tour

A delegation from the Gambia PPP Department led by their Director, Mr Mustapha Samateh, has visited Ghana on a one week study tour.

The purpose of the visit was to learn from Ghana's PPP framework development, project implementation experiences and other PPP related issues.

PPPs were introduced in the Gambia in 2014 and the team chose to come to Ghana because they believed the two countries



share similarities in challenges and histories.

Mr Samateh said, "We have learnt a lot, for example, the importance of project preparation before it goes to the market. This

is critical. Going forward, we will spend more time in preparing projects to ensure successful PPPs. There is no cutting corners in PPPs".

PPP Sensitisation for Heads of MDAs



Participants at the Meeting

The Public Investment Division at the Ministry of Finance (MoF-PID) has in collaboration with the Civil Service Training Centre (CSTC) organised a sensitisation briefing on PPPs for Heads of Ministries, Departments and Agencies (MDAs) in Accra on 17th April, 2015.

The objective was to train the public sector officials to become proficient in PPP matters.

The event took place at the first quarterly meeting of Heads of Departments of Ministries, Departments and Agencies (MDAs), which was dedicated to the sensitisation on PPPs. The Head of the Civil Service, Nana K Dwamena, noted, "PPP is an important enterprise that all Heads should understand and know

that we're at a point where we have to think of other creative ways to get infrastructure provided".

He charged participants to form PPP Project teams in their various units, inform MoF-PID about them and see how they can be supported with technical direction.

Present at the meeting were the Chief Director, Office of the Head of the Civil Service, Mrs Cynthia Bediako, and the Principal of CSTC, Mrs Dora Dei-Tumi.

The Director of MoF-PID, Mrs Magdalene Apenteng and a PPP Analyst at MoF-PID, Mr Ekow Coleman, made presentations to the Heads on various aspects of the national PPP programme.

BY MICHAEL D. SHEAR

Public Problems, Private Dollars: Obama Seeks Infrastructure Repair Money



Edited version of an article culled from the New York Times, USA, July 17, 2014

WASHINGTON — How can a president fix more roads and bridges without any new money to spend?

President Obama's answer on Thursday was to announce new initiatives to encourage private-sector investment in the nation's infrastructure, including the creation of a "one-stop shop" at the Department of Transportation to forge partnerships between state and local governments, and public and private developers and investors.

Stymied by Republican lawmakers who refuse to go along with Mr. Obama's call for vast new spending on the nation's infrastructure, the President is spending the week trying to demonstrate that he can still find ways to stop big things from crumbling.

The executive actions the President announced aim to "turbocharge private investment in our roads, rails, highways and bridges," said Jeffrey Zients, the director of his National Economic Council. "If we don't act, we could lose our competitive edge in infrastructure. It's a no-brainer – we need to make these investments."

Mr. Obama arrived in Delaware with empty pockets, but armed with what his advisers said were creative ways that similar problems can be fixed.

"None of the steps we are taking should be seen as a substitute for adequate public financing, because there isn't a substitute for that," Secretary of Transportation Anthony Foxx told reporters in a conference call with Mr. Zients and Treasury Secretary Jacob J. Lew to detail the plan.

But Mr. Foxx said he hoped local and state leaders would take advantage of the new Build America Transportation Investment Center Mr. Obama is creating at the Transportation Department – designed

to help the government seek partnerships with private companies to get projects underway using existing federal credit programs – and to "reimagine" how to meet their infrastructure needs.

"We have a huge opportunity in front of us if we just seize it," Mr. Foxx said.

Lawmakers from both parties have acknowledged the need to address the deteriorating roads, bridges, railways, ports and sewer systems across the country. But few agree on how to pay for it.

Mr. Obama announced his intention to create the Build America Investment Initiative, which aims to focus all of the federal government's agencies on the task of investing in infrastructure.

Officials said the initiative would help the government seek partnerships with private companies to get projects underway, using existing federal credit programs. To do that, the first step will be the creation of a Build America Transportation Investment Center in the Department of Transportation.

"This center will serve as a one-stop shop for state and local governments, public and private developers and investors seeking to utilize innovative financing strategies for transportation infrastructure projects," the fact sheet said.

The White House will also create a Build America Interagency Working Group that officials said would "expand and increase" private investment and collaboration by addressing "barriers" to private investment in the transportation area. The Treasury Department will also host an Infrastructure Investment Summit.

The federal highway trust fund pays for much of the road repairs and construction around the country, and is financed mostly by the gas tax, which has been declining as fuel efficiency improves.

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