



MINISTRY OF FINANCE

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Date. 20th MARCH 2023

CIRCULATION OF GUIDELINES FOR THE PREPARATION AND APPRAISAL OF PROJECTS AND DEVELOPMENT OF THE PUBLIC INVESTMENT PLAN

Pursuant to Section 101 (I) of the Public Financial Management Act, 2016 (Act 921) and Regulation 5 (c) of the Public Financial Management (Public Investment Management) Regulations, 2020 (L. I. 2411), we forward for the attention of Honourable Sector Ministers, MMDCES, Heads of Institutions, Chief Directors and members of the Entity Project Committees and Public Investment Units, Guidelines for the Preparation and Appraisal of Projects and Development of the Public Investment Plan.

2. The country has recently embarked on a rigorous reform program to improve the efficiency of its public investment management. The reform has seen the development and implementation of legislative instruments such as the Public Financial Management Act, 2016 (Act 921), Public Private Partnership Act, 2020 (Act 1039), Public Financial Management Regulations, 2019 (L.I. 2378) and Public Financial Management (Public Investment Management) Regulations, 2020 (L.I. 2411) as the legal frameworks to strengthen the entire public investment management cycle.
3. As stipulated in Act 921 and L.I. 2411 under reference, the Ministry is issuing these Guidelines with detailed instructions on processes and procedures for the preparation and appraisal of public investment projects, as well as the development of the Public Investment Plan (PIP). All are expected to adhere to the guidelines as communicated.
4. As part of the activities towards development of the PIP, Public Investment Programme Working Committee (PIPWC) meetings will be organized quarterly to review selected projects of all covered entities in line with the regulations and appropriate appendices of the Guidelines.
5. In the case where particular projects are selected to be reviewed by the PIPWC, invitations will be extended to the respective MDAs who will be required to attend Committee meetings with related parties. Projects that are deemed to be viable and shovel-ready would be recommended for the issuance of the Seal of Quality, resulting in their inclusion in the Portfolio of Projects, pending budget allocation. The PIP of MDAs, MMDAs and SOEs would then be prepared, taking into consideration the Medium-Term Ceilings.
6. Honourable Ministers and MMDCEs are urged to lead the development of their respective PIPs. The Public Investment Plans formally signed off by Principal Spending Officers, will be uploaded unto the GIFMIS, which will form the basis for budget execution and release of funds to projects. By implication, projects that do not get prioritized in the MDAs' PIP, in line with the Capital Expenditure Ceiling, will not be funded, and thus will not receive any budget release for payments.

7. To ensure a coordinated process, Principal Spending Officers are entreated to adhere to the procedures in these Guidelines and facilitate a timely submission of relevant project documents to piu@mofep.gov.gh prior to your respective project-related engagements.

8. Counting on your usual corporation.



KEN OFORI-ATTA
MINISTER

ALL SECTOR MINISTERS
ALL REGIONAL MINISTERS
HEADS OF INSTITUTIONS
ALL CHIEF EXECUTIVES (MMDAs)

Cc: Sec. to H. E. The President, Jubilee House
Sec. to H. E. The Vice President, Jubilee House
The Chief of Staff, Jubilee House
The Hon. Deputy Ministers, MoF
The Director-General, NDPC
The Head of Civil Service, OHCS
The Auditor-General, GAS
The Dir.-Gen., Internal Audit Agency
The Controller and Acct.-General, CAGD
The Head of Local Govt. Service, OHLGS
All Chief Directors
The Ag. Director of Budget, MoF
All Heads of Departments / Agencies
All Regional Coordinating Directors
All Regional Budget Analysts
All Regional Econ. Planning Officers
All District Coordinating Directors
All District Budget Officers



REPUBLIC OF GHANA

MINISTRY OF FINANCE

GUIDELINES FOR PREPARATION AND APPRAISAL OF PROJECTS

AND

DEVELOPMENT OF THE PUBLIC INVESTMENT PLAN



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ACRONYMS

FS	Feasibility Studies
GoG	Government of Ghana
GIFMIS	Ghana Integrated Financial Management Information System
IBP	Integrated Bank of Projects
LFA	Logical Framework Approach
LFM	Logical Framework Matrix
LLCR	Loan Life Coverage Ratio
MDA	Ministries, Departments and Agencies
M&E	Monitoring and Evaluation
MOF	Ministry of Finance
MTNDPF	Medium-Term National Development Policy Framework
NDPC	National Development Planning Commission
NPC	Net Present Cost
NPV	Net Present Value
PAH	Principal Account Holder
PCN	Project Concept Note
PFS	Pre-Feasibility Studies
PIM	Public Investment Management
PIP	Public Investment Plan
PoP	Portfolio of Projects
PMF	Project Management Framework
PP	Project Proposal
PPA	Public Procurement Authority
PPP	Public-Private Partnership
PSO	Principal Spending Officer

PSP	Public Sector Procurement
ROI	Return on Investment
SDR	Social Discount Rate
SOE	State-Owned Enterprises
SoQ	Seal of Quality
VAT	Value-Added Tax
VfM	Value for Money

SECTION 1

INTRODUCTION

- 1.1 In recent times, Ghana has embarked on a rigorous reform program to improve its investment management. The reform has seen the country develop and put in place necessary legislative instruments such as the Public Financial Management Act, 2016 (Act 921), Public Private Partnership Act, 2020 (Act 1039), Public Financial Management Regulations, 2019 (L.I. 2378), Public Financial Management (Public Investment Management) Regulations, 2020 (L.I. 2411)¹, as the legal frameworks to strengthen the entire cycle of public investment management.
- 1.2 Prior to the passage of the laws and regulations, the management of public investment was fragmented with several challenges. Key among these challenges included the poor flow of funds to projects, ambiguities in roles and responsibilities of stakeholders, processes, and procedures leading to duplication of resources and efforts. Project selection and prioritization was done without a well-developed logical framework². Data on public investment remained dispersed with the absence of an integrated system to deliver a holistic functional relationship for effective planning, preparation, evaluation, and execution of these investment projects. The cumulative effects of these challenges on macroeconomic performance include a lack of readily available data on public investment for effective planning and decision making, poor project preparation, low project completion rates, cost overruns and excessive addition of unplanned projects to the annual budget.³
- 1.3 Under the Public Financial Management Act, 2016 (Act 921), a Principal Spending Officer (PSO)⁴ can only commit the Government to an investment project after an expert assessment of the project is undertaken and justification for the project by way of its efficiency has been advanced (s.33(5)). The operationalization of this provision has been elaborated in the Public Financial Management (Public Investment Management) Regulations, 2020 (L.I. 2411).
- 1.4 The object of the Regulation is to prescribe the method for the preparation, evaluation, and execution of investment projects. The requirement of the Regulation is encapsulated in a three-phased cycle consisting of Pre-investment, Investment and Operational phases of

¹ All legislations can be found on the [Ministry of Finance website](#)

² Logical Framework Analysis is a management tool for effective planning and implementation of developmental projects. It provides clear, concise, and systematic information about a project through a framework that can be found in the PCN.

³ A Public Investment Management Assessment (PIMA) was carried out by the International Monetary Fund (IMF) in 2016 to enhance the effectiveness of Public Investment Management in Ghana. The issues listed y g t g " k f g p v k h k g f " as es\$ment. r u " k p " I j c p c ø u " R K

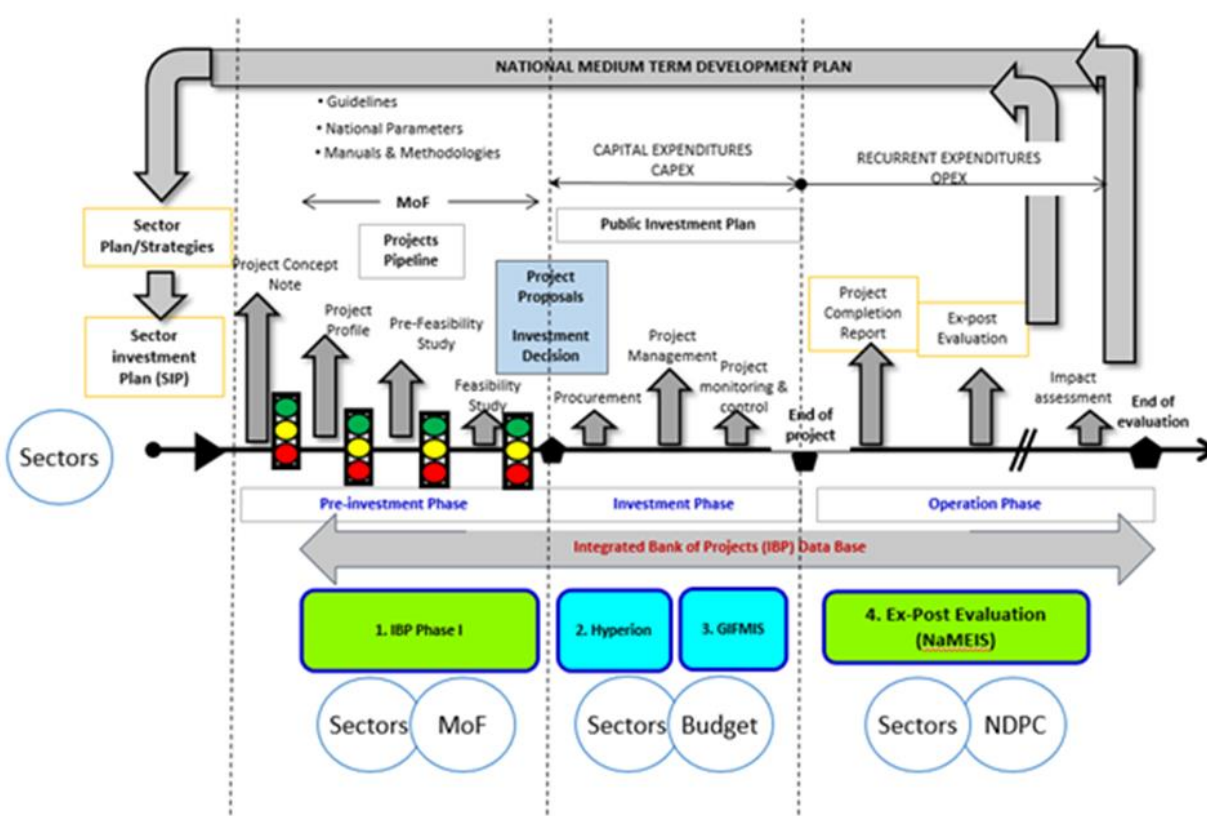
⁴ R t k p e k r c n " U r g p f k p i " Q h h k e g t ö " k p " t g n c v k Executive, or the most s p r i o g a t i n g i n f s t a t i v e p h a d v { . " o g c p u " responsible for producing outputs.

projects. The Regulations will establish the Integrated Bank of Projects (IBP)⁵, which shall form part of the Public Investment Management (PIM) Systems within the Ghana Integrated Financial Management Information System (GIFMIS)⁶ to facilitate the three-phased cycle.

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- 1.5 The life cycle of an investment project entails a rigorous process of identifying, screening, and selecting projects. An integrated PIM system comprises several stages that aid in facilitating the investment project decision-making process. I j c p integrated PIM system/ framework is clearly represented in Fig. 1

Fig. 1 Ghana's Public Investment Management Framework



⁵ Integrated Bank of Projects is a web-based software system that ties together the budgeting function with the project development cycle and institutional processes and procedures to enable governments to centrally and effectively manage its portfolio of public investment projects

⁶ GIFMIS is a public financial management system with the objective of improving budget comprehensiveness and transparency, consolidated cash management, monitoring and control of outstanding commitments, and payroll management.

The Planning Stage

- 1.6 Ghana's public investment or infrastructure planning is closely linked to the National Medium-Term Development Plan⁷. MDAs, MMDAs, and SOEs are expected to initiate projects and programs that align with the Medium-Term National Development Policy Framework (MTNDPF) and the Ghana Infrastructure Plan (GIP), both produced by the National Development Planning Commission (NDPC). The Medium-Term Policy Framework aims to "create an optimistic, self-confident, and prosperous nation through the creative exploitation of our human and natural resources and operate within a democratic, open, and fair society in which mutual trust and economic opportunities exist for all."
- 1.7 The planning process, as depicted in column 1 of Figure 1, involves formulating National Development Policy Frameworks, issuing planning guidelines, preparing development plans at the sector and district levels, budgeting and implementing them, and then monitoring and evaluating their progress.
- 1.8 The delivery of public investment projects in Ghana follows a systematic process to ensure adequate planning, preparation, appraisal, execution, monitoring, and evaluation of all projects. The project delivery process involves three main phases: Pre-Investment, Investment and Operation. At each phase of the process, the necessary approvals and expected outcomes must be accurately measured, and the entity responsible for the project must be held accountable for ensuring its effective delivery in terms of timelines, cost, and efficiency.

The Pre-investment Phase

- 1.9 The Pre-investment phase, shown in column 2 of Figure 1, involves the formulation, preparation, and appraisal of project documentation by Public Investment Units (PIUs)⁸, Entity Project Committees (EPCs)⁹, and an independent review committee at MoF (i.e., PIPWC). The documents that need to be prepared and reviewed during this phase are as follows:
 - a. Project Concept Note
 - b. Pre-Feasibility Study Report
 - c. Feasibility Study Report

⁷ National Medium-Term National Development Policy Framework (MTNDPF) seeks to "create an optimistic, self-confident, and prosperous nation through the creative exploitation of our human and natural resources and operate within a democratic, open, and fair society in which mutual trust and economic opportunities exist for all." Enclosure 58 to the 1992 constitution, which enjoins the government to ensure that the national economy is managed efficiently to maximize the welfare of the citizenry.

⁸ PIUs can be found in the Public Financial Management (Public Investment Management) Regulations, 2020 L.I. 2411

⁹ EPCs can be found in the Public Financial Management (Public Investment Management) Regulations, 2020 L.I. 2411

- 1.10 Once the project documents have been reviewed and approved in accordance with L.I. 2411 and the guidelines outlined in Appendices 1-4, the decision-making process can proceed to determine the strategic fit¹⁰ of the projects and their financial and economic viability. The Honourable Minister for Finance is then expected to issue a Seal of Quality (SoQ) for projects that are deemed viable. Projects that have been issued the SoQ will become part of the Portfolio of Projects (PoP) and will compete for funding in the Medium-Term budget for implementation. It's worth noting that this phase must be completed before the project commencement certificate¹¹ would be issued for procurement to begin.

The Investment Phase

- 1.12 The investment phase, shown in column 3 of Figure 1, starts with project prioritization and selection from the PoP to form the PIP based on the Medium-Term Budget Ceiling and allocation to MDAs. Procurement of consultants, contractors, developers, etc., may be done at this stage in accordance with the Public Procurement Act, 2003 (Act 663) as amended by (Act 914). In the case of non-competitive single-sourced projects¹², Value for Money (VfM)¹³ audits must be carried out.
- 1.13 During this phase, MDAs are also expected to monitor the progress of work to ensure that projects are performing as planned and that project cashflows are being expended appropriately.
- 1.14 The following deliverables are expected at this phase:
- a. The approved Public Investment Plan (PIP),
 - b. PPA approval for Consultants/Contractors/Developers,
 - c. VfM Audit Reports,
 - d. Project Contracts
 - e. Project Execution and Monitoring Plan
 - f. Project Monitoring Report
 - g. Project Completion Reports.

¹⁰ Strategic fit is the review that ensures that an investment project is aligned with the Medium-Term Development Plan of the covered entity, consistent with the Medium-Term National Development Policy Framework and the National Infrastructure Plan.

¹¹ E q o o g p e g o g p v " E g t v k h k e c v g " k u " c " n g v v g t " d { " v j g " O k p k u v g t " t i n g t " H k p c p e g " v q payments for IPCs that are raised on projects.

¹² Refer to the Public Procurement Act 2003, (ACT 663) for details about non- competitive single sourced projects.

¹³ VFM audit is an independent evidence-based investigation which examines and reports on whether economy, effectiveness and efficiency have been achieved in the use of public funds.

The Operation Phase

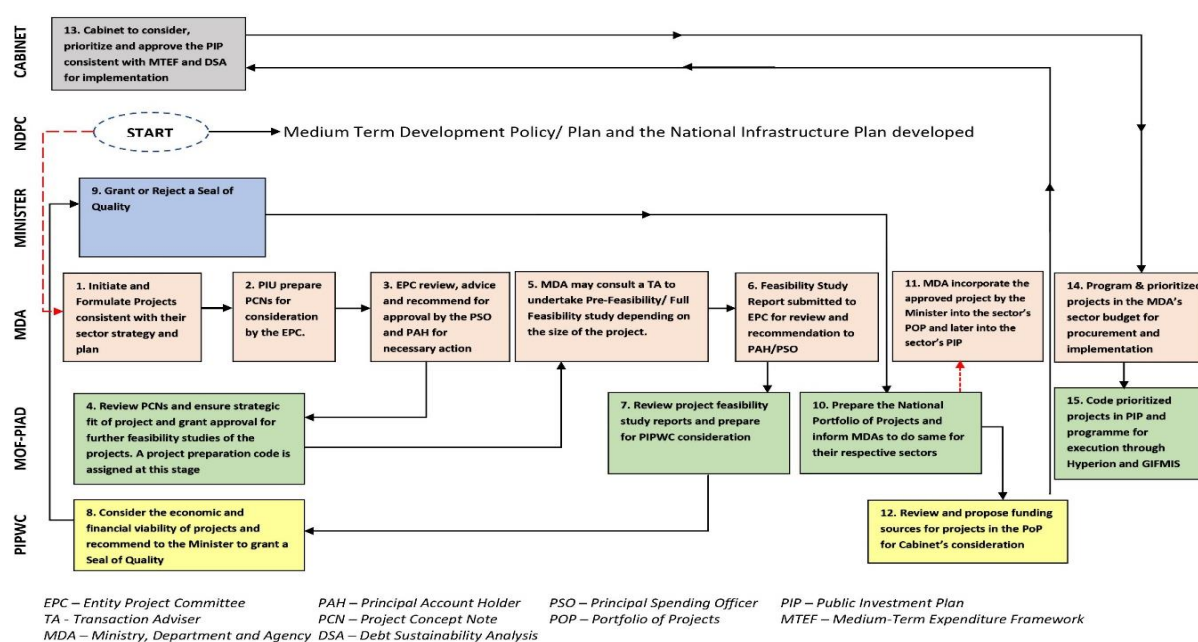
1.15 This phase, shown in column 4 of Figure 1, involves registering project assets in the national assets register¹⁴ and maintaining assets produced by the project. During this phase, the project delivers public goods and services to address social and economic challenges, as anticipated in the pre-investment phase. Monitoring and evaluation (M&E) must be conducted at this phase to determine whether the project's expected outcomes are being achieved. Additionally, key lessons learned from project implementation and operation must be documented to inform future policy planning, project preparation, and implementation. The expected deliverables for this phase are:

- a. The Assets Register
- b. Financial Statements
- c. Ex-post M&E Report

PIM Workflow for Implementing Agencies

1.16 To support MDAs, MMDAs and SOEs to transform their respective Medium-Term Development Plans into Public Investment Plans, Figures 2 and 3 below highlight the business processes that must be followed by MDAs and MMDAs respectively to prepare, appraise and select projects in the pre-investment phase.

Figure 2: Flowchart of the PIM Process for MDAs – Pre-Investment Phase



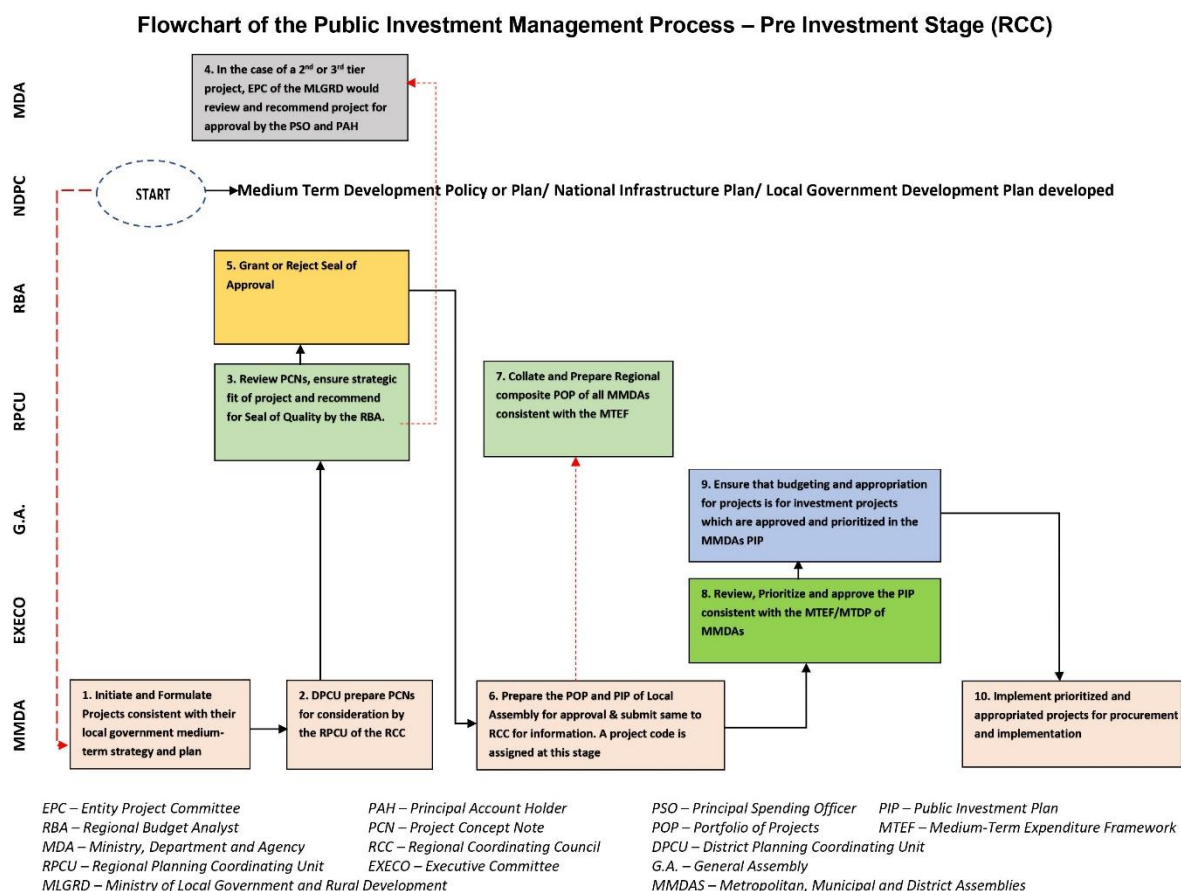
¹⁴ National Asset Register, established by the Ministry of Finance to identify and appropriately describe all assets owned by various MDAs and to conduct a valuation of the assets by appropriate professionals using internationally accepted principles.

15-Step Simplified PIM Flowchart for MDAs

- 1.17 The processes outlined in Figure 2 are to guide stakeholders in PIM to ensure effective project preparation, budgeting, and execution, and ultimately leading to improvement in transparency, accountability, and prudent use of public resources. The steps are as follows:
1. MDAs are to initiate and formulate projects that align with sector strategy and plans, the Medium-Term Development Policy, and the National Infrastructure Plan.
 2. The Public Investment Units (PIUs) of MDAs should prepare Project Concept Notes (PCNs) for proposed projects and submit them to the Entity Project Committees (EPCs).
 3. The Entity Project Committee (EPC) should review, advise, and recommend PCNs for approval by the Principal Spending Officer (PSO) and Principal Account Holder (PAH) for submission to the Ministry of Finance (MoF).
 4. Ministry of Finance should review PCNs and ensure the strategic fit of projects and assign a project preparation code. MoF may, depending on the size of projects, grant approval for the issuance of the SoQ, or recommend for pre-feasibility/ feasibility studies to be carried out by MDAs.
 5. MDAs may consult a Transaction Adviser (TA) to undertake pre-feasibility/ feasibility study, in cases where the MDA does not have the capacity to undertake the study.
 6. MDAs should submit pre-feasibility/ feasibility study reports to the EPC for review, who would in turn make a recommendation to the Principal Spending Officer/ Principal Account Holder (PSO/PAH) for approval and submission to MoF.
 7. The Public Investment Programs Unit (PIPU) of MoF should prepare and submit pre-feasibility/ feasibility study reports to the Public Investment Program Working Committee (PIPWC) for review.
 8. The Public Investment Program Working Committee (PIPWC) should then consider the technical, legal, environmental and social safeguards, as well as financial and economic viability of projects and recommend to the Minister to grant or deny a Seal of Quality.
 9. The Minister for Finance may grant or reject the issuance of a Seal of Quality based on the recommendation of the PIPWC.

10. The Public Investment and Assets Division (PIAD) of MoF should prepare the national Portfolio of Projects (PoP) and inform MDAs to do the same for their respective sectors.
11. MDAs should incorporate the approved project with SoQ into the sector's PoP and later into the sector's PIP based on the medium-term budget ceiling.
12. The PIPWC of MoF is responsible for reviewing and proposing funding sources for projects in the national PoP. Once the funding sources have been proposed, the PoP is presented to Cabinet for consideration as the proposed PIP. Key departments in MoF should be guided by the decisions of the PIPWC when issuing mandate letters to development partners, lenders, creditors, etc., in the case of debt financing for projects. It is worth noting that value-for-money audits for noncompetitive single-source projects should only be carried out after the issue of SoQ.
13. Cabinet should consider and approve the proposed PIP, ensuring that it is consistent with the Medium-Term Expenditure Framework (MTEF) and Debt Sustainability Analysis (DSA).
14. MDAs should program the approved projects in their sector PIP, as part of their medium-term CAPEX budget, appropriated by Parliament, for procurement and implementation.
15. The PIAD of MoF should ensure that all prioritized projects in the national PIP are coded and programmed for execution through the Integrated Bank of Projects (IBP), Hyperion, and Ghana Integrated Financial Management Information System (GIFMIS). Projects which have not been coded would not be executed as part of the PIP

Figure 3: Flowchart of the PIM Process for MMDAs – Pre-Investment Phase



10-Step Simplified PIM Flowchart for MMDAs

1.17 The processes outlined in this flowchart are to ensure effective public investment preparation, budgeting, and execution, and ultimately leading to improvement in transparency, accountability, and prudent use of public resources at the Local Government Authorities:

1. MMDAs should identify and develop projects in alignment with their local government medium-term strategy and plans.
2. The Metropolitan, Municipal and District Planning Coordinating Unit of the MMDA should prepare Project Concept Notes (PCNs) for all investment projects to be considered by the Regional Planning Coordinating Unit (RPCU) of the Regional Coordinating Council (RCC).
3. The Regional Planning Coordinating Unit (RPCU) should review Project Concept Notes (PCNs) to ensure technical and strategic fit of projects and recommend to the Regional Budget Analyst, who is delegated by the Minister for Finance, to issue the Seal of Quality.

4. For Second or Third Tier projects, the RPCU should forward Pre-Feasibility and Feasibility Study Reports to the Entity Project Committee (EPC) of the Ministry of Local Government and Rural Development to review and recommend the project for approval by the Principal Spending Officer (PSO) or Principal Account Holder (PAH).
5. The Regional Budget Analyst may approve or reject the issuance of a SoQ based on the recommendation of the RPCU.
6. The MMDA should develop the Portfolio of Projects (PoP) and Public Investment Plan (PIP) of the Local Assembly, consistent with the Medium-Term Expenditure Framework (MTEF), and submit it to the Regional Coordinating Council (RCC) for inclusion in the Regional Composite PoP and PIP.
7. The RPCU of the RCC should collect and prepare the Regional PoP and PIP of all MMDAs, consistent with the MTEF.
8. The Executive Committee of MMDAs should review, prioritize, and approve the PIP consistent with the MTEF/MTDP.
9. The General Assemblies of the MMDAs should ensure that budgeting and appropriation of funds should be done for only investment projects that are approved and prioritized in the MMDAs PIP.
10. The MMDA should select prioritized and appropriated investment projects for procurement and implementation.

SECTION 2

GUIDELINES FOR PREPARATION AND APPRAISAL OF NEW PROJECTS

2.1 Background

- 2.1.1 The entry of new unplanned investment projects into the budget has been identified as one of the main weaknesses in the Ghana Public Financial Management System. This has necessitated the strengthening of the pre-investment phase (project identification, preparation, and appraisal) of the project cycle by introducing gradualism¹⁵ in the approval process. As a result, these guidelines have been prepared to guide public officers in the preparation and review of various project documents to aid the decision-making process of admitting projects into the budget.

2.2 Guidelines for the preparation of a Project Concept Note (PCN)

- 2.2.1 The first step in the pre-investment phase of the public investment framework is the preparation of the PCN in accordance with guidelines highlighted in the attached documents, namely, **Appendix 1** (PCN Template for Tier 1 Projects), and **Appendix 2** (PCN Template for Tier 2 and 3 projects).

- 2.2.2 The main objectives of the PCN are:

- i. To highlight the project profile;
- ii. to ensure project ideas are consistent with the national strategic priorities as specified in the National Development Plan, Sector Strategic Plans/Strategies and Sector Investment Plans (SIPs);
- iii. to enable MDAs to design and logically analyze options to solving identified problems through the logical framework Analysis and the completion of the Logical Framework Matrix;
- iv. to enable the identification of key stakeholders and their vital roles in ensuring project success and avoid the duplication of resources and interventions within sectors; and

¹⁵ a policy of gradual reform rather than sudden change or revolution.

- v. to enable the identification of risk and possible mitigating measures to improve successful implementation of projects;
- 2.2.3 The PCN prepared at the national level, mostly for mid-sized and big project (second and third-tier investment projects), should be co-signed by the head of the Public Investment Unit (PIU) of the implementing agency and the Principal Spending Officer of the mother ministry. The completed PCN should be submitted together with the following documents to MoF for appraisal, approval and assigning of a unique project preparation code:
- i. a forwarding letter from the covered entity;
 - ii. the approval of the Sector Ministry in the case of public corporations/ SOEs; and
 - iii. any other document as may be necessary.
- 2.2.4 The PCN initiated or prepared at the local government authority level, mostly for small projects (first-tier investment projects), should be submitted to the Regional Planning Coordinating Unit (RPCU) of the Regional Coordinating Council (RCC) for appraisal, approval, and issuance of the SoQ. The Minister for Finance, per L.I. 2411, has delegated the issuance of the SoQ for first-tier investment projects to the Regional Budget Officer.

2.3 Integrated Project Appraisal

- 2.3.1 To ensure public resources are allocated to the most productive investment projects that have positive impact on national welfare, government has adopted the Integrated Project Appraisal (IPA) Approach to appraise projects. This approach allows all new projects above second-tier project threshold (US\$ 5 million) to be subjected to pre-feasibility and a feasibility study per Regulation 19 of L.I. 2411.
- 2.3.2 The pre-feasibility and feasibility study reports should be developed based on the following building blocks, which should be used to generate relevant information for the analytical modules that constitute investment project appraisal:
- ◁ Demand Analysis.
 - ◁ Technical or Engineering Analysis.
 - ◁ Environmental and Social Impact Analysis.
 - ◁ Human Resources and Administrative Support Analysis.
 - ◁ Institutional and Legal Analysis.
 - ◁ Financial Analysis.
 - ◁ Economic and Social Evaluation.
 - ◁ Risk Assessment and Mitigation.

- 2.3.3 The studies are crucial for assessing the viability of investment projects, supporting negotiations with potential donors, and informing budgetary allocation and funding decisions. Where MDAs do not have the capacity to prepare the pre-feasibility or feasibility study reports, a transaction advisor/consultant may be procured to undertake the studies.

2.4 Pre-feasibility study

- 2.4.1 MDAs shall undertake a pre-feasibility study for big projects¹⁶ whose PCN has been approved by MoF. The objective of the pre-feasibility study is to identify and appraise the available alternative interventions that can be undertaken to achieve the project objectives. The pre-feasibility study may rely on secondary data and should be prepared in accordance with guidelines/templates attached as **Appendix 3** (Pre-feasibility Study Template)

- 2.4.2 Appraising options at this pre-feasibility stage shall be at two levels:

- i. The first level shall be to decide on whether the project objectives are best achieved through the traditional Public Sector Procurement (PSP) or the Public-Private Partnerships (PPP) modality. Where a project is best suited for implementation as a PPP, it shall be forwarded to the PPP Office to be appraised in line with the Public Private Partnership Act, 2020 (Act 1039).
- ii. Secondly, projects that are deemed to be best implemented as a PSP should be subjected to further options analysis, which should be based on good practice. The options may arise from variations in locations, size or scale, timing, technical specifications, environmental considerations, etc. MDAs should design not less than three (3) options and ensure that each option is analysed based on the eight (8) building blocks listed in 2.3.2.

2.5 Feasibility Study

- 2.5.1 MDAs should undertake a detailed feasibility study for mid-sized and big projects whose PCN and pre-feasibility study report is approved by MoF. The feasibility study should rely on primary data and be prepared in accordance with guidelines/templates attached as **Appendix 4** (Feasibility Study Template).
- 2.5.2 MDAs should ensure that the feasibility study analysis covers all the eight (8) building blocks as listed in 2.3.2.

¹⁶Small and mid-sized projects do not have to undergo a pre-feasibility study

- 2.5.3 MDAs are encouraged to take ownership of projects within their sector by sponsoring the feasibility study. MoF does not endorse the sponsorship of project studies by contractors, financiers, or investors, as this could compromise the impartiality and accuracy of the study. By assuming responsibility for the feasibility study, MDAs can ensure that the project is thoroughly evaluated and aligned with their goals and priorities.

SECTION 3

GUIDELINES FOR THE DEVELOPMENT AND UPDATE OF THE PUBLIC INVESTMENT PLAN

3.1 Considerations for the development of the PIP

Covered entities are required to budget for investment projects in accordance with the provisions of the PFM Act 2016, Act 921, PFM Regulations, 2019 (L.I. 2378) and the PFM (PIM) Regulations, L.I.2411. MDAs must plan the cost of developing an investment project, including the preparation of Pre-Feasibility and Feasibility Study Reports, and budget appropriately for the preliminary studies as part of their annual budget. The PIP shall form the basis for capital budget discussions at the budget policy and technical hearings. MDAs should consider the following in the development of the PIP:

- ◁ MDAs should only budget for investment project that are part of the approved PIP in the Hyperion
- ◁ The PIP consistent with the Medium-Term Fiscal Framework and Medium-Term Expenditure Framework should be approved by the Executive Committee in the case of a local government authority, and Cabinet in the case of MDAs for multi-year expenditure budgeting and commitments with respect to investment projects.
- ◁ Principal Spending Officers of MDAs should certify that the following requirements are met before an investment project is selected and factored into the PIP and the budget:
 - a. detailed designs are completed, and relevant approvals obtained,
 - b. land for the investment project has been acquired and the corresponding compensation determined, paid and title to the land obtained,
 - c. social and environmental safeguards have been dealt with, and stakeholder consultations have been conducted.
- ◁ For PPP arrangements, projects with preliminary designs may qualify to be included in the PoP, the PIP, and budget.
- ◁ MDAs should ensure that all projects, irrespective of their funding source, receive the SoQ by the Minister for Finance, and are included in the PoP before commencement.
- ◁ Counterpart funding requirements of an investment project which is funded by a development partner should also be considered in the development of the PIP for approval and budgeted for accordingly.
- ◁ Commercial and financing agreement should only be signed and executed for investment projects that are in the approved PIP.

- ◁ The Minister, a Principal Account Holder, and a Principal Spending Officer should ensure that budget allocation is not made to an investment project that does not form part of the approved PIP.
- ◁ In emergency situations, the Minister may seek the approval of Parliament to use the Contingency Fund for a project that is not included in the PIP.
- ◁ MoF should conduct a cost-effectiveness analysis of the investment project in collaboration with the covered entity in respect of an emergency situation that may require approval from parliament to spend from the contingency fund.

3.2 Guidelines for the Development of the PIP

1. MDAs should take stock of all ongoing projects with information on their outstanding balances and status of completion to develop the PoP;
2. Identify new projects within the sector that have gone through the project preparation process, and which are likely to be ready for execution before the passage of the budget by Parliament;
3. Add new projects that have received SoQ from the Minister for Finance to the PoP;
4. Select projects from the PoP for implementation by prioritising them based on guidelines in 3.2;
5. MDAs should allocate funding to selected prioritized projects based on the CAPEX ceiling communicated in the Budget Preparation Guidelines to prepare the PIP for consideration by MoF;
6. Funding allocation to projects should be realistic and prudent to ensure that projects get completed before new projects are programmed to commence;
7. MDAs should take note not to exceed the budget ceiling in the allocation of funds;
8. Projects that are not programmed as part of the PIP would not receive budget release for implementation.

3.3 Project Prioritization in the PIP

3.3.1 MDA/MMDAs seeking to select projects in their PoP for funding within their medium-term expenditure ceilings should do so based on the following criteria:

- ◁ Prioritize projects that are aligned to the national and sector development plans.
- ◁ Prioritize projects that are 100% complete but have outstanding payment balances.
- ◁ Prioritize projects that are 85% complete or more.
- ◁ Prioritize projects that require counterpart funding to support development partner-funded projects, and

- ◁ Prioritize projects that require complementary works, equipment supply, and some expansion work to become functional and fit for purpose.

3.4 Exiting projects from the PIP

A project may be removed from the PIP upon reaching its completion date or upon the recommendation of the PIPWC, RPCU, or DPCU. If it becomes clear that the planned activities cannot be completed within the project's established timeline, the implementing agency must notify MoF in writing and request an extension by the end of the last financial year of implementation. Upon exiting the PIP, PIUs/MMDA Planning Officers must cause to be prepared for submission to MoF, a project completion report detailing key achievements, challenges, and lessons learned during implementation.

3.5 Change in project scope and phase

MDAs/MMDAAs are prohibited from altering the scope of a project or extending it into another phase without the approval of the MoF and/or the relevant authority at the local government level. If a change to the project scope is necessary, the MDA/MMDA must formally request approval from MoF and/or the relevant authority at the local government level, which will consider and accept the proposed change if deemed appropriate. This is to ensure that projects stay aligned with national and sectoral priorities, and that resources are used efficiently and effectively. Additionally, this helps minimize the risk of delays and cost overruns associated with unplanned changes to the project scope.

APPENDIX 1

PROJECT CONCEPT NOTE TEMPLATE FOR FIRST-TIER INVESTMENT PROJECTS**PFM (Public Investment Management) Regulations 23**

Project ID:	<i>System generated number (to be completed by MoF)</i>
Date of Receipt:	<i>To be completed by MoF</i>

SECTION 1: PROJECT PROFILE				
Project Name:		<i>A project name must comprise its;</i> < Process (What will be done?) < Object (What will it be done on?) < Location (Where will it be done?) <i>Example,</i> “Rehabilitation of Sewage Systems at Tema Metropolitan Area”		
Type of Project:		<input type="checkbox"/> Greenfield <input type="checkbox"/> Brownfield		
Project Objective:		<i>State the objective as stated in the logical framework</i>		
Estimated Project Cost (GHS/USD):		<i>State the investment cost of the project</i>		
Project Theme:		<i>State the project theme and its code, e.g., 15- energy project</i>		
Project Sub-Theme:		<i>State the sub-theme and its code, e.g., 15/1- geothermal/electricity project</i>		
Project Geographic Location including geo-spatial information i.e., GPS Coordinates (Insert additional rows as required for investment projects with multi locations)				
No.	Region	District	City/Town/Village	GPS Coordinates
1.				
2.				
Project expected start date:				
Project expected end date:				
Project Life:		<i>Project construction and operational life/duration. E.g., 30 years</i>		
Implementing Agency:				
Principal Spending Officer:		<i>Chief Director, Chief Executive Officer, or the most senior administrative head responsible for producing outputs. Public Financial Management Act, 2016(ACT 921)</i>		
Official Contact Details:		<i>Provide email, telephone number, postal and physical address</i>		
Appraising Authority:		<i>Sector Ministry (EPC/RCC)</i>		
Thematic Area /Development:		<i>Dimension (Medium Term Plan)</i>		
Focus Area:		<i>As in the Medium-Term Plan</i>		
Policy Objective:		<i>As in the Medium-Term Plan</i>		
Sustainable Development Goal(s):		<i>Describe and indicate the number of SDGs</i>		
Project Impact towards Gender:		<i>Indicate how your project will impact gender roles and how it intends to mainstream and address gender related issues.</i>		
Investment Project Threshold:				

<p><i>Select investment project's category based on</i></p> <p>○ First tier: investment projects considered small projects with a capital expenditure threshold of up to the Ghana cedi equivalent of Two Million United States Dollars;</p> <p><i>Public Financial Management (Public Investment Management) Regulations, 2020 (L.I.2411)</i></p>
<p align="center">SECTION 2: PROJECT BACKGROUND</p>
<p>Situation Analysis</p> <p>Provide a background to the project idea:</p> <p>a) Briefly describe the current situation that rationalizes the project.</p> <p>b) Briefly describe past and on-going interventions to address the situation.</p> <p><i>(Quote official statistics including past trends to support your narrative, where applicable)</i></p>
<p>Problem Statement (this falls in line with the Logical Framework)</p> <p>Provide details of the problem to be addressed in terms of challenges, constraints, and gaps:</p> <p>a) Nature of the problem;</p> <p>b) Scope of the problem (How widespread or the magnitude of the problem);</p> <p>c) State the likely causes and effects of the problem both direct and indirect;</p>
<p>Relevance of the Project Idea (Indicate the sector's policy objectives for the Medium-Term National Development Policy Framework (MTNDPF) that specify the key policy objectives and strategies)</p> <p>Justify the need for the proposed project by:</p> <p>a) Linking the project to the Medium Term National / District Development Plan, the Policy Objective and strategic goals that the proposed project is expected to contribute to;</p> <p>b) Linking the proposed project to Sector strategic objectives and strategies by describing the sector outcomes that the project is expected to contribute to;</p> <p>c) Showing the need for the project by analysing and describing the quantitative indicators of demand for the services or goods to be delivered by the project using readily available information, and demonstrate the linkage between the problem identified and the project;</p> <p>d) Showing the linkage between the project and other ongoing initiatives or interventions in the sector.</p>
<p align="center">SECTION 3: OPTIONS ANALYSIS</p>
<p>In the case of first tier investment projects, include preliminary options analysis by:</p> <p>a) Exploring alternative options by narrowing the analysis to at least 3 alternative strategies to achieve the intended objectives;</p> <p>b) Comparing the identified alternatives using qualitative and quantitative listing of advantages and disadvantages using a multi-criteria analysis including technical, environmental, social, legal, and administrative analysis;</p> <p>c) Indicate whether your project can be undertaken under a PPP scheme</p>
<p align="center">SECTION 4: LOGICAL FRAMEWORK</p>
<p><i>(This section shows the result chain in a logical manner with a detailed description of the project goal, objectives, outcomes, outputs, and inputs). Also identify in the assumptions column, conditions that must exist for the achievement of the next level objective/outcome.</i></p> <p><i>NB: attach problem and solution tree framework as appendix to this document.</i></p>
<p>a) Project Logical Framework Matrix</p>

Narrative	Indicators	Sources/Mean of verification	Assumptions
Goal (MTNDP/MTDDP) <i>State the goal in the MTNDPF/MTDDP the project intends to achieve.</i>	<i>Define the indicator that will be used to measure success of the project against the goal</i>	<i>Briefly explain how information on this indicator shall be obtained.</i>	
Objectives / Outcomes <i>Define the project objectives and the corresponding outcomes. These include the effects that will follow from the utilization of products or services (outputs) delivered by the project. These could be the eventual benefits to society that the project interventions are intended to achieve and are reflected in terms of what people will be able to do better, faster, or more efficiently, or what they could never do before.</i>	<i>For each project outcome identified, define at least one indicator that will be used to measure performance of the project against the relevant outcome</i>	<i>Briefly explain how information on this indicator (s) shall be obtained</i>	<i>Identify conditions that must exist for the achievement of the overall goal</i>
Output <i>Describe the direct outputs that the project is expected to deliver. Outputs are the immediate and concrete consequences of the implemented activities and resources used</i>	<i>For each project output identified, define at least one indicator that will used to track progress</i>	<i>Briefly explain the means of verification</i>	<i>Identify conditions that must exist for the achievement of the outcome.</i>
Key Activities <i>For each output identified describe the major activities that should be implemented together with the inputs or resources required to deliver the planned results. To obtain the results of a project, a number of activities have to be</i>	<i>For each activity identified, define at least one indicator that will used to track progress</i>	<i>Briefly explain how information on this indicator (s) shall be obtained</i>	<i>Identify conditions that must exist for the achievement of the output.</i>

implemented using various resources or inputs.			
NB: Add additional rows for outcomes, outputs, and activities as necessary			
SECTION 5: CLIMATE SMART INVESTMENT			
<p>1. R t q l g e v " k o r c e v " v q y c t f u " I j c p c ø u " P c v commitments to reduce, remove or avoid greenhouse gas emissions, per its latest submission to the United Nations Framework Convention on Climate Change (UNFCCC):</p> <ul style="list-style-type: none"> - <i>State whether the project is carbon neutral or whether it would add tonnes of carbon dioxide (tCO₂e) emissions to the environment. State in tCO₂e the greenhouse gas emissions the project would reduce, remove, or avoid, if this is the case. Provide the calculation and assumptions used to reach that number.</i> 			
<p>2. R t q l g e v " k o r c e v " v q y c t f u " I j c p c ø u " u { u v g climate change, per its NDC and per its National Adaptation Plan (NAP)</p> <ul style="list-style-type: none"> - <i>how would the project ameliorate the impacts of climate change in Ghana?</i> - <i>what metrics will you use to measure the i</i> - <i>how have the impacts of climate change on women, youth and at-risk communities been considered? Have the ameliorating interventions been discussed with the intended beneficiaries?</i> - <i>How will the project contribute to providing green and sustainable jobs?</i> 			
<p>3. Project climate resilience considerations</p> <ul style="list-style-type: none"> - <i>Is the project climate resilient?</i> - <i>What climate risks is your project likely to face?</i> - <i>How has the project been designed to withstand these risks?</i> 			
SECTION 6: SCOPE OF THE PROJECT			
<p><i>Describe the scope of the project by defining the boundaries of the project in terms of the deliverables of the project or the work that needs to be accomplished to deliver the product, service or result required. Here the project scope must be specific. To be clearer, you may also state what is excluded from the scope. All the deliverables must be identified. (In the case of PPPs, indicate the role of the private party) ***.</i></p>			
SECTION 7: INSTITUTIONAL ARRANGEMENTS			
Institutional Mandate			
<p><i>Describe how the project is linked to the mandate of the institution. (Any established legislature that mandate the institution to carry out this project)</i></p>			
Management of the Project			
<p><i>Demonstrate the technical, managerial, and financial capacity of the implementing agency to deliver the project. This can also be better expressed by showing previous experience in handling projects of the same magnitude. (Agency ' s i m p l e m e n t i n g t e a m c a p a c i t y i . e . , e n g projects that have been carried out before)</i></p>			
Project Implementation Plan			
<p><i>Describe the sequence of activities overtime which should set clear benchmarks and timelines that can be used to track the overall project from project preparation to execution. What is your forecast in terms of the pre-investment phase</i></p>			

Monitoring and Evaluation					
Indicate the institutional framework for monitoring project physical progress at the construction and operational level					
Risk and Mitigation Measures					
Describe the potential risks that can derail the project, the likelihood of occurrence, the impact of such risks and strategies for mitigating them (preliminary)					
NO	Identified Risk	Risk allocation (Public/Private /Shared)	Likelihood of occurrence (Likely/Less Likely)	Impact on project (High/Moderate / Low)	Mitigation measure(s)
1					
2.					
3.					
4.					
Project Sustainability					
Describe how the project will continue providing the intended services and benefits to the beneficiaries after the project is completed. Describe how ownership will be fostered among stakeholders. Include anticipated annual operations and maintenance costs and the source of financing. (After assets are built, indicate what plans are in place to sustain its operation and maintenance)					
Project Stakeholders and Collaborators					
Describe the stakeholders that the project must constantly engage and their level of influence and interest among others.					
No .	Identified Stakeholder	Role/Contribution to the project (In favour/Against/Neutral)	Level of Influence (High/low)	Potential Impact on project (High/low)	Intervention Measure
1					
2.					
3.					
4.					
Project Readiness (implementing agency should provide information before start of project)					
A) Describe how prepared the implementing agency is to deliver the project by providing the following information:					
a) Does the project have the following? (If yes, attach documentation)					
Preliminary technical designs <input type="checkbox"/>					
Pre-Feasibility <input type="checkbox"/>					
Feasibility Report <input type="checkbox"/>					

<p>b) Has land been acquired (site readiness)? Yes <input type="radio"/> / No <input type="radio"/></p> <p>c) Have necessary regulatory approvals been obtained? Yes <input type="radio"/> / No <input type="radio"/></p> <p>d) What government agencies and stakeholders will be involved in the preparation of the Project and what roles will they play in project development and approval? <i>(Indicate your coordination and communication plan with the relevant agencies)</i></p> <p>e) Have you undertaken consultations with other Government agencies to improve synergy and avoid duplication of effort? Yes <input type="radio"/> / No <input type="radio"/> <i>(If yes, state the agencies?)</i></p> <p>f) Indicate whether the project is a joint (Inter-sectoral) project? Yes <input type="radio"/> / No <input type="radio"/></p> <div style="margin-left: 20px;"> <p>◁ If yes, indicate project sponsoring agencies Yes <input type="radio"/> / No <input type="radio"/></p> <p>◁ Indicate the lead sponsoring agency of the project Yes <input type="radio"/> / No <input type="radio"/></p> <p>◁ Indicate whether any formal arrangements have been made among sponsoring agencies. Yes <input type="radio"/> / No <input type="radio"/> <i>(If yes, attach documentation)</i></p> </div> <p>g) Attach any Safeguard and Resettlement Action Plan (RAP) documents if available</p>																								
1. FINANCIAL ANALYSIS																								
A. Provide a breakdown of estimated total cost of the project																								
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Item</th> <th style="width: 45%;">Description</th> <th style="width: 20%;">Cost (GHS)</th> <th style="width: 25%;">Source of Funding</th> </tr> </thead> <tbody> <tr> <td>1</td> <td><i>Project preparation cost</i></td> <td></td> <td></td> </tr> <tr> <td>2</td> <td><i>Civil Works</i></td> <td></td> <td></td> </tr> <tr> <td>3</td> <td><i>Equipment (purchase/installations)</i></td> <td></td> <td></td> </tr> <tr> <td>4</td> <td><i>Others</i></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Item	Description	Cost (GHS)	Source of Funding	1	<i>Project preparation cost</i>			2	<i>Civil Works</i>			3	<i>Equipment (purchase/installations)</i>			4	<i>Others</i>			Total			
Item	Description	Cost (GHS)	Source of Funding																					
1	<i>Project preparation cost</i>																							
2	<i>Civil Works</i>																							
3	<i>Equipment (purchase/installations)</i>																							
4	<i>Others</i>																							
Total																								
<p>Estimated total project cost in USD: US\$.....<i>(Indicate date and FX rate)</i></p>																								

Illustrative Example of a Cashflow Statement			2020	2021	2022	2023	2024	2025	2026
INFLOWS									
Inflow from Production									
Incremental Revenue from Sale of Product	Million LC		-	350	700	1,050	1,400	1,400	1,400
Incremental Change in AR	Million LC		-	-	-	-	-	-	-
Grants									
Government grant to project	Million LC		469	469	469	469	-	-	-
Cost of irrigation system maintenance	Million LC		-	14	21	28	28	28	-
Donor Grant	Million LC		109	109	109	109	-	-	-
Residual Value of Investment									
Residual value of irrigation system development	Million LC		-	-	-	-	-	-	545
Total Inflows	Million LC		578	942	1,299	1,656	1,428	1,428	1,944
OUTFLOWS									
Investment Cost									
Investment cost of irrigation system development	Million LC		469	469	469	469	-	-	-
Cost of irrigation system maintenance	Million LC		-	14	21	28	28	28	-
Training of farmers	Million LC		109	109	109	109	-	-	-
Inputs (Operating Costs)									
Incremental Input Costs	Million LC		110	269	428	588	637	637	198
Incremental growth of irrigation water fee	Million LC		8	15	26	30	30	30	-
Total Labour Cost	Million LC		(41)	(79)	(117)	(156)	(154)	(154)	8
Working Capital									
Incremental Change in AP	Million LC		-	-	-	-	-	-	-
Incremental Change in CB	Million LC		97	105	107	112	21	21	(350)
Total Outflows	Million LC		751	902	1,040	1,180	562	562	(143)
Net Cash Flows	Million LC		(173)	40	259	476	865	865	2,088
Financial Discount Rate	12%		Cost of Production per Unit of Output, incremental						
Project FNPV	3,817.00	Million LC	Total Production Costs - incremental						
Project FIRR	124%		Total Output - incremental Maize Production						
Project MIRR	49%		Cost of Production per Unit of Output						
							223,495	LC	
							13,995	MT	
							15.97	LC/Kg	

B. Estimated Annual Project Disbursement Plan (GHS)

FY 1	FY 2	FY 3	FY 4	FY 5
V q v c n " *	V q v c n " *	V q v c n " *	V q v c n " * I J	V q v c n " *

C. Indicate the proposed financing options for the project

a) Government of Ghana (GoG) only ☐

b) Development partner only (Grant/Loan) ☐

c) GoG and Development Partner ☐

d) Public Private Partnership ☐

If GOG, State the type of GOG Funding
GETFund)

In case of Public Private Partnership

i. Proposed Private Sector Funding %.....

ii. Proposed GoG Contribution %.....

iii. Any Other GoG support (guarantees, subsidies, etc)

D. Estimated Annual Operating and Maintenance Cost (GHS)

Provide estimated average annual personnel cost, annual maintenance cost, operation cost and revenues where applicable. (This should be attached as an annex to this PCN)

Prepared by:

(Head, Public Investment Unit /DPCU/RPCU)

Signature:

Date:

(DD/MM/YYYY)

Appraised by:

(Head, Appraising Authority/RPCU/Sector Ministry)

Signature:

Date:

(DD/MM/YYYY)

APPENDIX 2

PROJECT CONCEPT NOTE TEMPLATE FOR SECOND TIER AND THIRD TIER INVESTMENT PROJECTS

Public Financial Management (Public Investment Management) Regulation 23

Project ID:	<i>System generated number (to be completed by MoF)</i>
Date of Receipt:	<i>To be completed by MoF</i>

SECTION 1: PROJECT PROFILE				
Project Name:	<i>A project name must comprise its;</i> < Process (What will be done?) < Object (What will it be done on?) < Location (Where will it be done?) <i>Example,</i> “Rehabilitation of Sewage Systems at Tema Metropolitan Area”			
Type of Project:	<input type="checkbox"/> Greenfield <input type="checkbox"/> Brownfield			
Project Objective:	<i>State the objective as stated in the logical framework</i>			
Estimated Project Cost (GHS/USD):	<i>State the investment cost of the project</i>			
Project Theme:	<i>State the project theme and its code, e.g., 15- energy project</i>			
Project Sub-Theme:	<i>State the sub-theme and its code, e.g., 15/1- geothermal/electricity project</i>			
Project Geographic Location including geo-spatial information i.e., GPS Coordinates <i>(Insert additional rows as required for investment projects with multi locations)</i>				
No.	Region	District	City/Town/Village	GPS Coordinates
1.				
2.				
Project expected start date:				
Project expected end date:				
Project Life:	<i>Project construction and operational life/duration. E.g., 30 years</i>			
Implementing Agency:	<i>Initiating institution of the project</i>			
Principal Spending Officer:	<i>Chief Director, Chief Executive Officer, or the most senior administrative head responsible for producing outputs. Public Financial Management Act, 2016(ACT 921)</i>			
Official Contact Details:	<i>Provide email, telephone number, postal and physical address</i>			
Appraising Authority:	<i>Sector Ministry (EPC/RCC)</i>			
Thematic Area /Development Dimension:	<i>As in the Medium-Term Plan</i>			
Focus Area:	<i>As in the Medium-Term Plan</i>			
Policy Objective:	<i>As in the Medium-Term Plan</i>			
Sustainable Development Goal(s):	<i>Describe and indicate the number of SDGs</i>			
Project Impact towards Gender:	<i>Indicate how your project will impact gender roles and how it intends to mainstream and address gender related issues.</i>			

<p>Investment Project Threshold: <i>Select investment project's category based on</i></p> <p>Second tier: investment projects considered mid-size projects with a capital expenditure threshold of above Ghana Cedi equivalent of Two Million United States Dollars and up to Ghana Cedi equivalent of Five Million United States Dollars; s.19(1)</p> <p>Third tier: investment projects, considered big projects with a capital expenditure threshold of above Ghana Cedi equivalent of Five Million United States. s.19(1)</p>			
<p>SECTION 2: PROJECT BACKGROUND</p>			
<p>1. Situation Analysis</p>			
<p>Provide a background to the project idea:</p> <p>c) Briefly describe the current situation that rationalizes the project;</p> <p>d) Briefly describe past and on-going interventions to address the situation. <i>(quote official statistics including past trends to support your narrative, where applicable)</i></p>			
<p>2. Problem Statement (this falls in line with the Logical Framework)</p>			
<p>Provide details of the problem to be addressed in terms of challenges, constraints, and gaps:</p> <p>d) Nature of the problem;</p> <p>e) Scope of the problem (How widespread or the magnitude of the problem);</p> <p>f) State the likely causes and effects of the problem both direct and indirect;</p>			
<p>3. Relevance of the Project Idea (Indicate the sector's policy objectives for the Medium-Term National Development Policy Framework (MTNDPF) that specify the key policy objectives and strategies)</p>			
<p>Justify the need for the proposed project by:</p> <p>e) Linking the project to the Medium Term National / District Development Plan, the Policy Objective and strategic goals that the proposed project is expected to contribute to;</p> <p>f) Linking the proposed project to Sector strategic objectives and strategies by describing the sector outcomes that the project is expected to contribute to;</p> <p>g) Showing the need for the project by analysing and describing the quantitative indicators of demand for the services or goods to be delivered by the project using readily available information, and demonstrate the linkage between the problem identified and the project;</p> <p>h) Showing the linkage between the project and other ongoing initiatives or interventions in the sector.</p>			
<p>SECTION 3: LOGICAL FRAMEWORK</p>			
<p><i>(This section shows the result chain in a logical manner with a detailed description of the project goal, objectives, outcomes, outputs, and inputs). Also identify in the assumptions column, conditions that must exist for the achievement of the next level objective/outcome.</i></p> <p><i>NB: attach problem and solution tree framework as appendix.</i></p>			
<p>b) Project Logical Framework Matrix</p>			
Narrative	Indicators	Sources/Mean of verification	Assumptions
Goal (MTNDP/MTDDP)	Define the indicator that will be used to measure success	Briefly explain how information on	

<i>State the goal in the MTNDPF/MTDDP the project intends to achieve.</i>	<i>of the project against the goal</i>	<i>this indicator shall be obtained.</i>	
Objectives / Outcomes <i>Define the project objectives and the corresponding outcomes. These include the effects that will follow from the utilization of products or services (outputs) delivered by the project. These could be the eventual benefits to society that the project interventions are intended to achieve and are reflected in terms of what people will be able to do better, faster, or more efficiently, or what they could never do before.</i>	<i>For each project outcome identified, define at least one indicator that will be used to measure performance of the project against the relevant outcome</i>	<i>Briefly explain how information on this indicator (s) shall be obtained</i>	<i>Identify conditions that must exist for the achievement of the overall goal</i>
Output <i>Describe the direct outputs that the project is expected to deliver. Outputs are the immediate and concrete consequences of the implemented activities and resources used</i>	<i>For each project output identified, define at least one indicator that will be used to track progress</i>	<i>Briefly explain the means of verification</i>	<i>Identify conditions that must exist for the achievement of the outcome.</i>
Key Activities <i>For each output identified describe the major activities that should be implemented together with the inputs or resources required to deliver the planned results. To obtain the results of a project, a number of activities have to be implemented using various resources or inputs.</i>	<i>For each activity identified, define at least one indicator that will be used to track progress</i>	<i>Briefly explain how information on this indicator (s) shall be obtained</i>	<i>Identify conditions that must exist for the achievement of the output.</i>
NB: Add additional rows for outcomes, outputs, and activities as necessary			

SECTION 4: CLIMATE SMART INVESTMENT
<p>1. R t q l g e v " k o r c e v " v q y c t f u " I j c p c ø u " P c v commitments to reduce, remove or avoid greenhouse gas emissions, per its latest submission to the United Nations Framework Convention on Climate Change (UNFCCC):</p> <ul style="list-style-type: none"> - <i>State whether the project will reduce, remove, or avoid greenhouse gas emissions (or is the project carbon neutral).</i> <p>2. R t q l g e v " k o r c e v " v q y c t f u " I j c p c ø u " u { u v g climate change, per its NDC and per its National Adaptation Plan (NAP)</p> <ul style="list-style-type: none"> - <i>how would the project ameliorate the impacts of climate change in Ghana?</i> - <i>what metrics will you use to measure the i</i> - <i>how have the impacts of climate change on women, youth and at-risk communities been considered? Have the ameliorating interventions been discussed with the intended beneficiaries?</i> - <i>How will the project contribute to providing green and sustainable jobs?</i> <p>3. Project climate resilience considerations</p> <ul style="list-style-type: none"> - <i>Is the project climate resilient?</i> - <i>What climate risks is your project likely to face?</i> <p><i>How has the project been designed to withstand these risks?</i></p>
SECTION 5: SCOPE OF THE PROJECT
<p><i>Describe the scope of the project by defining the boundaries of the project in terms of the deliverables of the project or the work that needs to be accomplished to deliver the product, service or result required. Here the project scope must be specific. To be clearer, you may also state what is excluded from the scope. All the deliverables must be identified. (In the case of PPPs, indicate the role of the private party)</i></p>
SECTION 6: INSTITUTIONAL ARRANGEMENTS
2. Institutional Mandate
<p><i>Describe how the project is linked to the mandate of the institution.</i> <i>(Any established legislature that mandate the institution to carry out this project)</i></p>
3. Management of the Project
<p><i>Demonstrate the technical, managerial, and financial capacity of the implementing agency to deliver the project. This can also be better expressed by showing previous experience in handling projects of the same magnitude.</i> <i>(A g e n c y ' s i m p l e m e n t i n g t e a m c a p a c i t y i . e . , e n g projects that have been carried out before)</i></p>
4. Project Implementation/Execution Plan (PEP)
<p><i>Describe the sequence of activities overtime which should set clear benchmarks and timelines that can be used to track the overall project from project preparation to execution. What is your forecast in terms of the pre-investment phase</i></p>
5. Monitoring and Evaluation
<p><i>Indicate the institutional framework for monitoring project physical progress at the construction and operational level</i></p>

6. Risk and Mitigation Measures					
<i>Describe the potential risks that can derail the project, the likelihood of occurrence, the impact of such risks and strategies for mitigating them (preliminary)</i>					
NO	Identified Risk	Risk allocation (Public/Private /Shared)	Likelihood of occurrence (Likely/Less Likely)	Impact on project (High/Moderate / Low)	Mitigation measure(s)
1					
2.					
3.					
4.					
7. Project Sustainability					
<i>Describe how the project will continue providing the intended services and benefits to the beneficiaries after the project is completed.</i>					
<i>Describe how ownership will be fostered among stakeholders.</i>					
<i>Include anticipated annual operations and maintenance costs and the source of financing.</i>					
<i>(After assets are built, indicate what plans are in place to sustain its operation and maintenance)</i>					
8. Project Stakeholders and Collaborators					
<i>Describe the stakeholders that the project must constantly engage and their level of influence and interest among others.</i>					
No.	Identified Stakeholder	Role/Contribution to the project (In favour /Against / Neutral)	Level of Influence (High/low)	Potential Impact on project (High/low)	Intervention Measure
1					
2.					
3.					
4.					
9. Project Readiness (implementing agency should provide information before start of project)					
A) Describe how prepared the implementing agency is to deliver the project by providing the following information:					
h) Does the project have the following? <i>(If yes, attach documentation)</i>					
Preliminary technical designs <input type="checkbox"/>					
Pre-Feasibility <input type="checkbox"/>					
Feasibility Report <input type="checkbox"/>					

<p>i) Has land been acquired (site readiness)? Yes <input type="radio"/> / No <input type="radio"/></p> <p>j) Have necessary regulatory approvals been obtained? Yes <input type="radio"/> / No <input type="radio"/></p> <p>k) What government agencies and stakeholders will be involved in the preparation of the Project and what roles will they play in project development and approval? <i>(Indicate your coordination and communication plan with the relevant agencies)</i></p> <p>l) Have you undertaken consultations with other Government agencies to improve synergy and avoid duplication of effort? Yes <input type="radio"/> / No <input type="radio"/> <i>(If yes, state the agencies?)</i></p> <p>m) Indicate whether the project is a joint (Inter-sectoral) project? Yes <input type="radio"/> / No <input type="radio"/></p> <div style="margin-left: 20px;"> <p>◁ If yes, indicate project sponsoring agencies Yes <input type="radio"/> / No <input type="radio"/></p> <p>◁ Indicate the lead sponsoring agency of the project Yes <input type="radio"/> / No <input type="radio"/></p> <p>◁ Indicate whether any formal arrangements have been made among sponsoring agencies. Yes <input type="radio"/> / No <input type="radio"/> <i>(If yes, attach documentation)</i></p> </div> <p>n) Attach any Safeguard and Resettlement Action Plan (RAP) documents if available</p>																								
10. FINANCIAL ANALYSIS																								
E. Provide a breakdown of estimated total cost of the project																								
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Item</th> <th style="width: 45%;">Description</th> <th style="width: 20%;">Cost (GHS)</th> <th style="width: 25%;">Source of Funding</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Project preparation cost</td> <td></td> <td></td> </tr> <tr> <td>2</td> <td>Civil Works</td> <td></td> <td></td> </tr> <tr> <td>3</td> <td>Equipment (purchase/installations)</td> <td></td> <td></td> </tr> <tr> <td>4</td> <td>Others</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Item	Description	Cost (GHS)	Source of Funding	1	Project preparation cost			2	Civil Works			3	Equipment (purchase/installations)			4	Others			Total			
Item	Description	Cost (GHS)	Source of Funding																					
1	Project preparation cost																							
2	Civil Works																							
3	Equipment (purchase/installations)																							
4	Others																							
Total																								
<p>Estimated total project cost in USD: US\$..... <i>(Indicate date and Exchange rate)</i></p>																								

Illustrative Example of a Cashflow Statement				2020	2021	2022	2023	2024	2025	2026
INFLOWS										
Inflow from Production										
	Incremental Revenue from Sale of Product	Million LC		-	350	700	1,050	1,400	1,400	1,400
	Incremental Change in AR	Million LC		-	-	-	-	-	-	-
Grants										
	Government grant to project	Million LC		469	469	469	469	-	-	-
	Cost of irrigation system maintenance	Million LC		-	14	21	28	28	28	-
	Donor Grant	Million LC		109	109	109	109	-	-	-
Residual Value of Investment										
	Residual value of irrigation system development	Million LC		-	-	-	-	-	-	545
Total Inflows										
				578	942	1,299	1,656	1,428	1,428	1,944
OUTFLOWS										
Investment Cost										
	Investment cost of irrigation system development	Million LC		469	469	469	469	-	-	-
	Cost of irrigation system maintenance	Million LC		-	14	21	28	28	28	-
	Training of farmers	Million LC		109	109	109	109	-	-	-
Inputs (Operating Costs)										
	Incremental Input Costs	Million LC		110	269	428	588	637	637	198
	Incremental growth of irrigation water fee	Million LC		8	15	26	30	30	30	-
	Total Labour Cost	Million LC		(41)	(79)	(117)	(156)	(154)	(154)	8
Working Capital										
	Incremental Change in AP	Million LC		-	-	-	-	-	-	-
	Incremental Change in CB	Million LC		97	105	107	112	21	21	(350)
Total Outflows										
				751	902	1,040	1,180	562	562	(143)
Net Cash Flows										
				(173)	40	259	476	865	865	2,088
Financial Discount Rate				12%						
Project FNPV				3,817.00	Million LC			223,495	LC	
Project FIRR				124%				13,995	MT	
Project MIRR				49%				15.97	LC/Kg	
Cost of Production per Unit of Output, incremental										
Total Production Costs - Incremental										
Total Output - Incremental Maize Production										
Cost of Production per Unit of Output										

F. Estimated Annual Project Disbursement Plan (GHS)				
FY 1	FY 2	FY 3	FY 4	FY 5
Total * I J	V q v c n " *	V q v c n " *	V q v c n " * I J	V q v c n " *

G. Indicate the proposed financing options for the project	
e) Government of Ghana (GoG) only	<input type="checkbox"/>
f) Internally Generated Fund (IGF) only	<input type="checkbox"/>
g) IGF & GoG	<input type="checkbox"/>
h) Development partner only (Grant/Loan)	<input type="checkbox"/>
i) GoG and Development Partner	<input type="checkbox"/>
j) SoE Borrowing	<input type="checkbox"/>
k) Public Private Partnership	<input type="checkbox"/>

In case of Public Private Partnership	
iv. Proposed Private Sector Funding %
v. Proposed GoG Contribution %
vi. Any Other GoG support (guarantees, subsidies, etc)	

Prepared by:

(Head, Public Investment Unit /DPCU/RPCU)

Signature:

Date:

(DD/MM/YYYY)

Appraised by:

(Head, Appraising Authority/RPCU/Sector Ministry)

Signature:

Date:

(DD/MM/YYYY)

APPENDIX 3

PRE-FEASIBILITY STUDY TEMPLATE (SPECIFIC TO THIRD TIER INVESTMENT PROJECTS) IN LINE WITH PUBLIC FINANCE MANAGEMENT (PUBLIC INVESTMENT MANAGEMENT) REGULATIONS, 2020 (L.I. 2411)

PFM (Public Investment Management) Regulations 24

This template enables the Ministry of Finance to obtain assurances that the project sponsors have considered and compared an adequate range of options available and that the alternative that offers the greatest benefit to society is being proposed for implementation.

SECTION 1: PROJECT PROFILE <i>(use the information from the PCN)</i>				
Project ID:		IBP Code		
Project Name:		Same as in project concept note		
Date of Approval of the PCN:				
Type of Project:		<input type="checkbox"/> Greenfield <input type="checkbox"/> Brownfield		
Project Objective:		As indicated in the logical framework Matrix		
Estimated Project Cost (GHS/USD):				
Project Geographic Location including geo-spatial information i.e., GPS Coordinates <i>(Insert additional rows as required for investment projects with multi locations)</i>				
No.	Region	District	City/Town/Village	GPS Coordinates
1.				
2.				
Planned expected start date:				
Planned expected end date:				
Implementing Agency:		Initiating institution of the project		
Principal Spending Officer:		Chief Director, Chief Executive Officer, or the most senior administrative head responsible for producing outputs. Public Financial Management Act, 2016(ACT 921)		
Official Contact Details:		Provide email, telephone number, postal and physical address		
Appraising Authority:		Sector Ministry (EPC)/RCC		
Thematic Area /Development Dimension:		Medium Term Plan		
Focus Area:		Medium Term Plan		
Policy Objective:		Medium Term Plan		
Sustainable Development Goal(s):		Describe and indicate the number of SDGs		
Project Impact towards Gender:		Indicate how your project will impact gender roles and how it intends to mainstream and address gender related issues.		
EXECUTIVE SUMMARY				
<i>This section of the report summaries the key headline information from the components of the pre-feasibility assessment, the alternatives evaluated, key results and recommendations aimed at high-level decision-makers</i>				
SECTION 2: INTRODUCTION				
Project Background:				

<ul style="list-style-type: none"> ◁ Rationale for the proposed Project <i>(This should be consistent with the Project Concept Note)</i> ◁ Objectives/aims of the pre-feasibility study ◁ Approach and methodology of the pre-feasibility study ◁ Structure of the pre-feasibility study
SECTION 3: PROJECT BACKGROUND
1. Situation Analysis <i>(This should be consistent with the Project Concept Note)</i>
<p>a) Briefly describe the current situation that rationalizes the project.</p> <p>b) Briefly describe past and on-going interventions to address the situation.</p> <p><i>(Quote official statistics including past trends to support your narrative, where applicable)</i></p>
SECTION 4: A L T E R N A T I V E S ' A N A L Y S I S
<i>(Refer to "Methodologies For Preparation and Integrated Appraisal of Investment Projects in Ghana" for clarity)</i>
a) Description
<p>Assess a range of alternatives available for addressing the identified problem by:</p> <ul style="list-style-type: none"> (i) Exploring alternatives by narrowing the analysis to at least 3 alternative strategies to achieve the intended objectives. The design (ii) alternatives may be guided by the following: <ul style="list-style-type: none"> ◁ Optimized base case with minimal improvements to existing projects <i>(brownfield projects)</i> ◁ Alternative location, size and scale, time (when to start and end), technology, materials, etc. ◁ Alternative design out of complimentary components identified from the logical framework, that could optimize your project. (iii) Comparing the identified alternatives using qualitative and quantitative listing of advantages and disadvantages using the multi-criteria analysis including demand, technical/engineering, environmental, social, legal, and administrative analysis. (iv) Undertaking a cost benefit analysis for the identified alternatives using the economic, financial, risk and distributional analysis. (v) Assess the option of undertaking the project as a PPP in accordance with the PPP Act, 2020 (Act 1039), if the PPP method is likely to offer better value for money compared to implementing the project under the traditional public procurement method. (vi) Based on this section, complete sections 5 and 6 for each alternative.
SECTION 5 : Alternatives Description
i. Alternative 1 <i>(Name-of- Alternative)</i>
<p>a) Description</p> <p>Provide a detailed description of the alternative and list its core components. Describe the purpose of the alternative and explain how it can address the problem identified.</p>
ii. Alternative 2 <i>(Name-of- Alternative)</i>
<p>a) Description</p> <p>Provide a detailed description of the alternative and list its core components. Describe the purpose of the alternative and explain how it can address the problem identified.</p>
iii. Alternative 3 <i>(Name-of- Alternative)</i>
<p>a) Description</p> <p>Provide a detailed description of the alternative and list its core components. Describe the purpose of the alternative and explain how it can address the problem identified.</p>

SECTION 6: MULTI – CRITERIA ANALYSIS OF ALTERNATIVES

(For this section, secondary sources of information may be used)

No.	Criteria	Alternative 1	Alternative 2	Alternative 3
1.	Demand Analysis of the Alternative	<p>Need Analysis:</p> <p>a) Show the need for the project by analysing and describing the quantitative indicators of demand for the services or goods to be delivered using readily available information and demonstrate the linkage between the problem identified and this alternative.</p> <ul style="list-style-type: none"> ◁ Define the project study area and its area of influence and their population. ◁ Determine the current and projected (future) demand for public services. ◁ Determine the current and projected (future) supply of public services. ◁ Determine current and projected (future) public services indicators. ◁ Calculate and project the deficit or gap. <p>b) The outcome of this module is the number of beneficiaries/users/clients, the revenues that can be obtained and other benefits that this alternative can produce.</p>	<p>Need Analysis:</p> <p>a) Show the need for the project by analysing and describing the quantitative indicators of demand for the services or goods to be delivered using readily available information and demonstrate the linkage between the problem identified and this alternative.</p> <ul style="list-style-type: none"> ◁ Define the project study area and its area of influence and their population. ◁ Determine the current and projected (future) demand for public services. ◁ Determine the current and projected (future) supply of public services. ◁ Determine current and projected (future) public services indicators. ◁ Calculate and project the deficit or gap. <p>b) The outcome of this module is the number of beneficiaries/users/clients, the revenues that can be obtained and other benefits that this alternative can produce.</p>	<p>Need Analysis:</p> <p>a) Show the need for the project by analysing and describing the quantitative indicators of demand for the services or goods to be delivered using readily available information and demonstrate the linkage between the problem identified and this alternative.</p> <ul style="list-style-type: none"> ◁ Define the project study area and its area of influence and their population. ◁ Determine the current and projected (future) demand for public services. ◁ Determine the current and projected (future) supply of public services. ◁ Determine current and projected (future) public services indicators. ◁ Calculate and project the deficit or gap. <p>b) The outcome of this module is the number of beneficiaries/users/clients, the revenues that can be obtained and other benefits that this alternative can produce.</p>
2.	Technical or Engineering Analysis of the Alternative	<p>A summary of the proposed project alternative shall be presented with the following headings.</p> <ul style="list-style-type: none"> ◁ Location: Provide the geographical coordinates (Physical map) of the location of the project in Alternative 1. All necessary and valid evidence indicating the availability of Land 	<p>A summary of the proposed project alternative shall be presented with the following headings.</p> <ul style="list-style-type: none"> ◁ Location: Provide the geographical coordinates (Physical map) of the location of the project in Alternative 1. All necessary and valid evidence indicating the availability of Land 	<p>A summary of the proposed project alternative shall be presented with the following headings.</p> <ul style="list-style-type: none"> ◁ Location: Provide the geographical coordinates (Physical map) of the location of the project in Alternative 1. All necessary and valid evidence indicating the availability of Land (purchased or rented) and permit to use it. (if any)

		<p>(purchased or rented) and permit to use it. (if any)</p> <ul style="list-style-type: none"> ◁ Technical design: Description of work components, technology adopted and design standards and key output indicators. ◁ Production Plan: Description of the infrastructure capacity and expected utilization rate and justifying the project scope and size using the expected demand for the project. ◁ Implementation timing: Provide a realistic schedule to show the implementation plan of the project. ◁ Cost Estimates. The estimation of the detailed cost structure (CAPEX and OPEX) of the project in this Alternative. 	<p>(purchased or rented) and permit to use it. (if any)</p> <ul style="list-style-type: none"> ◁ Technical design: Description of work components, technology adopted and design standards and key output indicators. ◁ Production Plan: Description of the infrastructure capacity and expected utilization rate and justifying the project scope and size using the expected demand for the project. ◁ Implementation timing: Provide a realistic schedule to show the implementation plan of the project. ◁ Cost Estimates. The estimation of the detailed cost structure (CAPEX and OPEX) of the project in this Alternative. 	<ul style="list-style-type: none"> ◁ Technical design: Description of work components, technology adopted and design standards and key output indicators. ◁ Production Plan: Description of the infrastructure capacity and expected utilization rate and justifying the project scope and size using the expected demand for the project. ◁ Implementation timing: Provide a realistic schedule to show the implementation plan of the project. <p>Cost Estimates. The estimation of the detailed cost structure (CAPEX and OPEX) of the project in this Alternative.</p>
3.	Environmental and Social Impact Analysis of the Alternative	<p>Describe and specify the socio-economic and environmental effects/ impacts as a result of the project alternative and indicate possible mitigations for ecological and other damages in this Alternative.</p> <p>Key questions to address:</p> <ul style="list-style-type: none"> ◁ What is the cost involved in mitigating negative impact, resettlement, permits, and approvals related to this Alternative? Is there a way to avoid the Costs in this Alternative? ◁ How will the project impact social status, societal norms, income of businesses and the community as a whole? ◁ What financial contingencies are expected? ◁ What are the non-market costs and benefits (Viability analysis) of this Alternative? ◁ What are the environmental impacts with and without this Alternative and 	<p>Describe and specify the socio-economic and environmental effects/ impacts as a result of the project alternative, and indicate possible mitigations for ecological and other damages in this Alternative.</p> <p>Key questions to address:</p> <ul style="list-style-type: none"> ◁ What is the cost involved in mitigating negative impact, resettlement, permits, and approvals related to this Alternative? Is there a way to avoid the Costs in this Alternative? ◁ How will the project impact social status, societal norms, income of businesses and the community as a whole? ◁ What financial contingencies are expected? ◁ What are the non-market costs and benefits (Viability analysis) of this Alternative? ◁ What are the environmental impacts with and without this Alternative and 	<p>Describe and specify the socio-economic and environmental effects/ impacts as a result of the project alternative, and indicate possible mitigations for ecological and other damages in this Alternative.</p> <p>Key questions to address:</p> <ul style="list-style-type: none"> ◁ What is the cost involved in mitigating negative impact, resettlement, permits, and approvals related to this Alternative? Is there a way to avoid the Costs in this Alternative? ◁ How will the project impact social status, societal norms, income of businesses and the community as a whole? ◁ What financial contingencies are expected? ◁ What are the non-market costs and benefits (Viability analysis) of this Alternative? ◁ What are the environmental impacts with and without this Alternative and what are the technical measures to mitigate it?

		<p>what are the technical measures to mitigate it?</p> <ul style="list-style-type: none"> Does the project reduce, remove, or avoid greenhouse gas emissions, or is it carbon neutral according to Ghana's latest submission to the UNFCCC? How does the project help Ghana adapt to and withstand the impacts of climate change and what metrics will be used to gauge its success? Have considerations for women, youth, and at-risk communities affected by climate change been addressed, and have they been consulted regarding the interventions? How does the project contribute to creating environmentally friendly jobs? 	<p>what are the technical measures to mitigate it?</p> <ul style="list-style-type: none"> Does the project reduce, remove, or avoid greenhouse gas emissions, or is it carbon neutral according to Ghana's latest submission to the UNFCCC? How does the project help Ghana adapt to and withstand the impacts of climate change and what metrics will be used to gauge its success? Have considerations for women, youth, and at-risk communities affected by climate change been addressed, and have they been consulted regarding the interventions? How does the project contribute to creating environmentally friendly jobs? 	<ul style="list-style-type: none"> Does the project reduce, remove, or avoid greenhouse gas emissions, or is it carbon neutral according to Ghana's latest submission to the UNFCCC? How does the project help Ghana adapt to and withstand the impacts of climate change and what metrics will be used to gauge its success? Have considerations for women, youth, and at-risk communities affected by climate change been addressed, and have they been consulted regarding the interventions? How does the project contribute to creating environmentally friendly jobs?
4.	Human Resources and Administrative Support Analysis of the Alternative	<p>Point out the human resource requirements for implementation and operation in this Alternative in terms of quantities, specialties, and sources of the workforce. Determine the management capacity and the functional structure of the operating entity.</p> <p>Key issues to be addressed:</p> <ul style="list-style-type: none"> What are the labour needs of the project? Does the organization have the labour skills needed? What are wage rates for labour skills required? Are manpower requirements by category reconciled with availabilities and project timing? 	<p>Point out the human resource requirements for implementation and operation in this Alternative in terms of quantities, specialties, and sources of the workforce. Determine the management capacity and the functional structure of the operating entity.</p> <p>Key issues to be addressed:</p> <ul style="list-style-type: none"> What are the labour needs of the project? Does the organization have the labour skills needed? What are wage rates for labour skills required? Are manpower requirements by category reconciled with availabilities and project timing? 	<p>Point out the human resource requirements for implementation and operation in this Alternative in terms of quantities, specialties, and sources of the workforce. Determine the management capacity and the functional structure of the operating entity.</p> <p>Key issues to be addressed:</p> <ul style="list-style-type: none"> What are the labour needs of the project? Does the organization have the labour skills needed? What are wage rates for labour skills required? Are manpower requirements by category reconciled with availabilities and project timing?
5.	Institutional and Legal Analysis of the Alternative	<p>This includes the legal restrictions that may obstruct or impede project implementation or operation in this Alternative. Key issues to be addressed:</p>	<p>This includes the legal restrictions that may obstruct or impede project implementation or operation in this Alternative. Key issues to be addressed:</p>	<p>This includes the legal restrictions that may obstruct or impede project implementation or operation in this Alternative. Key issues to be addressed:</p>

		<ul style="list-style-type: none"> What are the risks, legal and regulatory obligations or requirements that should be expected before implementation and how will they increase cost or decrease benefits? Are there penalties/incentives in place to ensure timely delivery of this project alternative? Is there a need for changes in the policy and institutional setup? Does the institution have requisite skills and capacity in line with the project requirements? Are there Critical governance issues that may affect implementation? 	<ul style="list-style-type: none"> What are the risks, legal and regulatory obligations or requirements that should be expected before implementation and how will they increase cost or decrease benefits? Are there penalties/incentives in place to ensure timely delivery of this project alternative? Is there a need for changes in the policy and institutional setup? Does the institution have requisite skills and capacity in line with the project requirements? Are there Critical governance issues that may affect implementation? 	<ul style="list-style-type: none"> What are the risks, legal and regulatory obligations or requirements that should be expected before implementation and how will they increase cost or decrease benefits? Are there penalties/incentives in place to ensure timely delivery of this project alternative? Is there a need for changes in the policy and institutional setup? Does the institution have requisite skills and capacity in line with the project requirements? Are there Critical governance issues that may affect implementation?
6.	Financial Analysis of the Alternative	<p>Describe the financial cost and benefit of the project and state the project evaluation method employed in this alternative. Key questions:</p> <p>For Commercial Case</p> <ul style="list-style-type: none"> What are the expected sources and costs of financing? Analysis of financial results from project evaluation method employed. What are the cashflow projections for the project alternative? What financial component can be adjusted to satisfy each stakeholder? <p>For Social Case</p> <ul style="list-style-type: none"> What is the social cost-benefit (qualitative) of the project in this alternative? Has the cost-effectiveness analysis been conducted? What is the Outcome of the analysis for this alternative compared to other alternatives? 	<p>Describe the financial cost and benefit of the project and state the project evaluation method employed in this alternative. Key questions:</p> <p>For Commercial Case</p> <ul style="list-style-type: none"> What are the expected sources and costs of financing? Analysis of financial results from project evaluation method employed. What are the cashflow projections for the project alternative? What financial component can be adjusted to satisfy each stakeholder? <p>For Social Case</p> <ul style="list-style-type: none"> What is the social cost-benefit (qualitative) of the project in this alternative? Has the cost-effectiveness analysis been conducted? What is the Outcome of the analysis for this alternative compared to other alternatives? 	<p>Describe the financial cost and benefit of the project and state the project evaluation method employed in this alternative. Key questions:</p> <p>For Commercial Case</p> <ul style="list-style-type: none"> What are the expected sources and costs of financing? Analysis of financial results from project evaluation method employed. What are the cashflow projections for the project alternative? What financial component can be adjusted to satisfy each stakeholder? <p>For Social Case</p> <ul style="list-style-type: none"> What is the social cost-benefit (qualitative) of the project in this alternative? Has the cost-effectiveness analysis been conducted? What is the Outcome of the analysis for this alternative compared to other alternatives?

		<p>What is the result of the multi-criteria decision analysis in this alternative?</p>	<p>What is the result of the multi-criteria decision analysis in this alternative?</p>	<p>What is the result of the multi-criteria decision analysis in this alternative?</p>
7.	Economic and Distributive Analysis of the Alternative	<p>Qualitative Economic adjustments from financial data using conversion factors¹⁷ in this alternative.</p> <p>Key issues:</p> <ul style="list-style-type: none"> Has the evaluation of externalities (including environmental impacts) been conducted? Describe the economic costs and benefits in this alternative. What are the macro-economic growth and spillover effects, or stakeholder distributional impacts of the project? 	<p>Qualitative Economic adjustments from financial data using conversion factors¹⁸ in this alternative.</p> <p>Key issues:</p> <ul style="list-style-type: none"> Has the evaluation of externalities (including environmental impacts) been conducted? Describe the economic costs and benefits in this alternative. What are the macro-economic growth and spillover effects, or stakeholder distributional impacts of the project? 	<p>Qualitative Economic adjustments from financial data using conversion factors¹⁹ in this alternative.</p> <p>Key issues:</p> <ul style="list-style-type: none"> Has the evaluation of externalities (including environmental impacts) been conducted? Describe the economic costs and benefits in this alternative. What are the macro-economic growth and spillover effects, or stakeholder distributional impacts of the project?

¹⁷ [National Parameters \(mofep.gov.gh\)](http://mofep.gov.gh)

¹⁸ [National Parameters \(mofep.gov.gh\)](http://mofep.gov.gh)

¹⁹ [National Parameters \(mofep.gov.gh\)](http://mofep.gov.gh)

PRE-FEASIBILITY RANKING OF THE ALTERNATIVES**a) Ranking Criteria**

List the criteria used to rank the identified options and describe the scoring/weighting mechanism used to produce an overall result.

b) Ranking Scores

List the criteria, scores, weights, and total scores for each alternative in the following table

This table is only meant to provide direction for how the alternatives should be scored. Use the Excel model for multi-criteria analysis to do the scoring (based on Section 6)

Item 1 illustrates an example of the scoring for an alternative based on the excel model for multicriteria analysis

Item 1:**A. Intervention logic and strategic priorities**

Sub-Criteria / Indicators	Pre-Score	Weighted Score
Problem identification. The problem or opportunity to be addressed is clearly demonstrated and the way in which the project will help solve the problem or respond to the opportunity is explained and makes sense.	Weight	5
The project uses a log frame approach to present the solutions (yes/no)	1	
Project rationale and justification (yes/no)	0	1
Consistency with national, sector and governorate-level development goals/strategies/territorial/sector master plans (yes/no)	0	

Criteria

Sub-criteria

Indicators

Pre-score = 0/1

Weight = 5

Weighted Score (Pre-score * weight) = 1 * 5

c) Pre-Feasibility Result

Based on the table above, identify the alternative with the highest overall Score, as this is the alternative most likely to solve the problem identified.

Appendix

Attach any supporting documentation relevant to the Pre-Feasibility Study, including:

- ◁ Market research documents and statistics
- ◁ Detailed problem analysis and documentation of requirements
- ◁ Financial analysis model
- ◁ Risk assessment reports
- ◁ Other relevant information or correspondence

APPENDIX 4

**FEASIBILITY STUDY TEMPLATE (SPECIFIC TO SECOND AND THIRD TIER INVESTMENT PROJECTS)
IN LINE WITH PUBLIC FINANCE MANAGEMENT (PUBLIC INVESTMENT MANAGEMENT)
REGULATIONS, 2020 (L.I. 2411)**

PFM (Public Investment Management) Regulations 25

*NB: This template is referential and only meant to serve as a guide for the preparation of the Feasibility study.
Do not limit your study to the content of this template.*

SECTION 1: PROJECT PROFILE				
Project ID:		IBP Code		
Project Name:		Same as in PCN and PFS		
Date of Approval of the Pre-Feasibility:				
Type of Project:		<input type="checkbox"/> Greenfield <input type="checkbox"/> Brownfield		
Project Objective:		As stated in PCN and PFS		
Estimated Project Cost (GHS/USD):		State the revised investment cost of the project		
Project Geographic Location including geo-spatial information i.e., GPS Coordinates (Insert additional rows as required for projects with multi locations)				
No.	Region	District	City/Town/Village	GPS Coordinates
1.				
2.				
Planned expected start date:		Project planned execution start date		
Planned expected end date:		Project planned execution end date		
Implementing Agency:		The initiating institution		
Principal Spending Officer:		Chief Director, Chief Executive Officer, or the most senior administrative head responsible for producing outputs. Public Financial Management Act, 2016(ACT 921)		
Official Contact Details:		Provide email, telephone number, postal and physical address		
Appraising Authority:		Sector Ministry (EPC)/RCC		
Thematic Area /Development Dimension:		Medium Term Plan		
Focus Area:		Medium Term Plan		
Policy Objective:		Medium Term Plan		
Sustainable Development Goal(s):		Describe and indicate the number of SDGs		
Project Impact towards Gender:		Indicate how your project will impact gender roles and how it intends to mainstream and address gender related issues.		
EXECUTIVE SUMMARY				
Summarize and present key headline information from each component of the feasibility assessment, the alternatives evaluated, key results and recommendations.				
SECTION 1: INTRODUCTION				
(This must be consistent with the PCN and Pre-feasibility study)				
Describe the following: <ol style="list-style-type: none"> Project Background: Rationale and origin of the problem. Objectives of the feasibility study. Approach and methodology of the feasibility study. Organization/ structure of the feasibility study. 				

SECTION 2: PROJECT ALTERNATIVES ANALYSIS
<p>Provide a brief report on the project alternatives that were considered prior to the decision on the desired project alternative.</p> <ul style="list-style-type: none"> ◁ Provide a brief description of each alternative and list their core components. ◁ Describe the purpose of each alternative and explain how they can address the problem identified. ◁ Provide a justification for the selection of the preferred project alternative.
SECTION 3: MARKET / DEMAND ANALYSIS
<p><i>(This is the market and demand analysis for the preferred Alternative using primary sources of information)</i></p>
<p>This section assesses the need for the public investment which will involve the elements listed below:</p> <ol style="list-style-type: none"> a) Problem Statement: Describe the problem to be addressed in terms of challenges, constraints and gaps giving the <ul style="list-style-type: none"> ◁ Nature of the problem. ◁ Scope of the problem (the magnitude of the problem or how widespread it is); and ◁ State the likely causes and effects of the problem, both direct and indirect. b) Relevance of the Project Idea: Justify the need for the proposed project by: <ul style="list-style-type: none"> ◁ Linking the project to the medium term National / District Development Plan strategic goals and objectives that the proposed project is expected to contribute to; ◁ Linking the proposed project to Sector strategic objectives and strategies by describing the sector outcomes that the project is expected to contribute to; ◁ Showing the need for the project by analysing and describing the quantitative indicators of demand for the services or goods to be delivered by project using readily available information. c) Proposed Project Interventions: Describe the project investments / outputs that need to be undertaken to address the problem as per recommendations of the pre-feasibility study d) Stakeholders: Identify the key stakeholders that are likely to be affected by the interventions. e) Demand analysis: Identify the need for the public investment by assessing: <ol style="list-style-type: none"> 1. Current demand of each stakeholder (based on statistics provided by service suppliers/ regulators/ ministries / national and district statistical offices for the various types of users); 2. Future demand of each stakeholder (based on reliable demand forecasting models) in both scenarios <i>with</i> and <i>without</i> the project; and 3. The factors that constrain demand including government regulations, technological developments etc.
SECTION 4: TECHNICAL OR ENGINEERING ANALYSIS
<p><i>(This is the technical or engineering analysis for the preferred Alternative using primary sources of information)</i></p>
<p>A summary of the proposed project solution shall be presented with the following headings.</p> <ol style="list-style-type: none"> a) Location: provide the geographical coordinates of the location of the project including a graphical illustration (map). Availability of land is a key aspect: evidence should be provided that the land is owned (or can be accessed) by the sponsor, who has the full title and permit to use it, or has to be purchased (or rented) through an acquisition process. In the latter case, the conditions of acquisition should be described. The administrative process and the availability of the relevant permits to carry out the works should also be explained. b) Technical design: description of the main works components, technology adopted, design standards and specifications. Key output indicators, defined as the main physical quantities produced (example kilometres of pipeline, number of overpasses, number of trees planted, etc.), should be provided. c) Production plan: description of the infrastructure capacity and the expected utilization rate. These elements describe the service provision from the supply side. Project scope and size should be justified in the context of the forecasted demand. d) Costs estimates: Estimation of the financial needs for project realization and operations. Provide the basis for the cost estimates.

<p>e) Implementation timing: a realistic project timetable together with the implementation schedule should be provided including, for example, a Gantt chart (or equivalent) with the works planned. A reasonable degree of detail is needed to enable an assessment of the proposed schedule.</p>
<p align="center">SECTION 5: ENVIRONMENTAL AND SOCIAL IMPACT ANALYSIS <i>(This is the environmental and social impact analysis for the preferred Alternative using primary sources of information)</i></p>
<p>Describe and specify the socio-economic and environmental effects/ impacts as a result of the project and indicate possible mitigations for ecological and other damages.</p> <p>Key questions to address:</p> <ol style="list-style-type: none"> What are the likely environmental impacts from undertaking the project? Would the project reduce, remove, or avoid greenhouse gas emissions, or is it carbon neutral according to Ghana's latest submission to the United Nations Framework Convention on Climate Change (UNFCCC)? <ul style="list-style-type: none"> ◁ How would the project ameliorate the impacts of climate change in Ghana? ◁ Y j c v " o g v t k e u " y k n n " { q w " w u g " v q " o g c u w t g " v j g " k ◁ How have the impacts of climate change on women, youth and at-risk communities been considered? Have the ameliorating interventions been discussed with the intended beneficiaries? ◁ How will the project contribute to providing green and sustainable jobs? How does the project help Ghana adapt to and withstand the impacts of climate change? What metrics will be used to gauge its success? What is the cost of reducing or mitigating the negative impacts? Evaluation of the environmental impacts and risks with and without the project. What technical measures are taken to reduce these impacts? Are there alternative ways of delivering the required service or the good without incurring these environmental costs? What are the costs of these alternatives? What is the cost of an environmental impact assessment? <ul style="list-style-type: none"> ◁ What are the costs of permits and approvals required from environmental protection agencies ◁ What is the cost of resettlement? ◁ What financial contingencies are expected? What contractual provisions are needed to reset the project in cases of environmental effects escalating beyond control? What are the non-market costs and benefits that need to be considered in the viability analysis? How will the project impact Small and Micro Enterprises, local community income, health, land value and social welfare? How would the project contribute to creating environmentally friendly jobs? Has the project considered and addressed issues on women, youth, and at-risk communities affected by climate change? Have they been consulted regarding the interventions?
<p align="center">SECTION 6: HUMAN RESOURCES AND ADMINISTRATIVE SUPPORT ANALYSIS <i>(This is the human resources and administrative support analysis for the preferred Alternative using primary sources of information)</i></p>
<p>Point out the human resource requirements for implementation and operation in this Alternative in terms of quantities, specialties, and sources of the workforce. Determine the management capacity and the functional structure of the operating entity.</p> <p>Key issues to be addressed:</p> <ul style="list-style-type: none"> ◁ What are the labour needs of the project? Does the organization have the labour skills needed? ◁ What are the wage rates for the required labour skills? ◁ Are manpower requirements by category reconciled with availabilities and project timing? ◁ What are the staff labour requirements during operation post project delivery and what are their wage rates
<p align="center">SECTION 7: INSTITUTIONAL AND LEGAL ANALYSIS <i>(This is the institutional and legal analysis for the preferred Alternative using primary sources of information)</i></p>
<p>This studies the legal restrictions that may obstruct or impede project implementation or operation. Factors to consider include;</p> <ol style="list-style-type: none"> What are the legal or regulatory issues that could be detrimental or assist the project? Is the entity that is supposed to manage the project properly organized and its management adequately equipped to handle the Project? Are the capabilities and facilities being properly utilized?

- c) Is there a need for changes in the policy and institutional set up?
- d) Outside this entity, what changes may be needed in policies of the National and local Governments?
- e) What are the legal and regulatory requirements expected before the project is implemented?
- f) What are the risks, legal and regulatory obligations that could increase costs or decrease the benefits?
- g) Does the institution have requisite skills and capacity in line with the project requirements?
- h) Are there suitable incentives or penalties in place to ensure project delivery is on time and within the budget?
- i) Are there critical governance issues that may affect implementation?

SECTION 8: FINANCIAL ANALYSIS

(This is the Financial analysis for the preferred Alternative using primary sources of information)

Describe the financial costs and benefits at market prices and state alternative financial methods;

- a) Integration of financial and technical variables from demand, technical, and management analysis
- b) Construct cash flow (resource flow) profile of project
- c) Identify key variables for doing economic and social analysis
- d) What is the cost benefit of the project? Are the net benefits of the project to society positive? (This is done by computing the present value of the total benefits minus the present value of total costs)

Key questions:

For Commercial Case

- i. What is the relative certainty of financial variables?
- ii. What are the sources and costs of financing?
- iii. What are minimum cash flow requirements for each of the stakeholders?
- iv. What can be adjusted to satisfy each of the stakeholders?
- v. What is the minimum net cash flow requirements over the life of the project?
- vi. What is the projected profit or loss?
- vii. What are the balance sheet projections?
- viii. What is the Internal Rate of Return (IRR) and Net Present Value (NPV)?

For Social Case

- ix. What is the cost-effectiveness analysis? (How do the cost of outcomes (effects) of two or more courses of action compare? How do the net costs of a project or service compare to the outcomes (benefits) generated)?
- x. What are the results of the multi-criteria decision analysis?

SECTION 9: ECONOMIC AND SOCIAL ANALYSIS

(This is the economic and social analysis for the preferred Alternative using primary sources of information)

Economic adjustments from financial data using conversion factors²⁰; after that costs and benefits are appraised from the point of view of the entire economy.

- a) Examines the project using the whole country as the accounting entity
- b) Evaluation of externalities
- c) What is the expected value of economic net benefits?
- d) What are the primary economic costs and benefits of the project?
- e) Describe the sources of costs and benefits?
- f) What are the macro-economic growth effects, spills-over effects, or distributional impacts of the project?
- g) What is the Net Present Value of economic benefits (ENPV)? (GHS)
- h) What is the Economic Internal Rate of Return (EIRR)?

SECTION 10: DISTRIBUTIONAL ANALYSIS

(This is the Distributional analysis for the preferred Alternative using primary sources of information)

²⁰ [National Parameters \(mofep.gov.gh\)](http://mofep.gov.gh)

The project is appraised from the point of view of stakeholders receiving economic benefits or costs. Economic externalities must be calculated and distributed among different actors (stakeholders)

What is done:

- a) Identification and quantification of extra-economic impacts of project
- b) Distributive Appraisal
- c) Income, Cost, and Fiscal Impacts on various stakeholders
- d) Poverty Alleviation and Political Necessities
- e) Basic Needs: Evaluate the impact of project on achieving basic needs objectives.

Key Questions

- a) In what ways does project generate beneficial and cost impacts on stakeholders?
- b) What stakeholders could the project impact?
- c) Who benefits and who pays the costs?
- d) What are the basic needs of the society that are relevant in the country?
- e) What impact will the project have on basic needs?
- f) What alternative ways are there to generate desirable social impacts?
- g) Is the project relatively cost effective in generation of desirable social impacts?

Stakeholders: Identify the key stakeholders that are likely to be affected by the interventions.

SECTION 11: RISK ANALYSIS

(This is the risk analysis for the preferred Alternative using primary sources of information)

conservative assumptions about the values of the key variables and then accepting only those projects that still have a positive NPV. One of the ways to reduce uncertainty is to gather more data and information to the extent feasible, about the key project variables to narrow their likely range and to determine more precisely the appropriate probability distribution.

To face the problem of the uncertainty inherent in the relevant variables in the calculation of the profitability of a project, the sponsoring agency can use three main methods:

1. Sensitivity Analysis
2. Scenario Analysis
3. Monte Carlo Simulation
4. Use Monte Carlo Simulation to perform what-if Analysis (Stress-testing the project)

(Refer to "Manual for Integrated Preparation and



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APPENDIX 5

PUBLIC INVESTMENT PLAN TEMPLATE

MDA:

Funding Source:

Budget Ceiling:

Year 1 Ceiling	Year 2 Ceiling	Year 3 Ceiling	Year 4 Ceiling
Allotment Based on the MTEF (Year 1-Year 4)			

[illegible]