



MINISTRY OF FINANCE

P.O.Box MB 40, Ministries, Accra
Digital Address : GA-144-2024

Kindly quote this number and date on all correspondence

My Ref. No. MOF/PIAD/PIPU/PIPGL/23/03

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



Table of Contents

ACRONYMS	II
SECTION 1	1
INTRODUCTION.....	1
15-STEP SIMPLIFIED PIM FLOWCHART FOR MDAS	5
10-STEP SIMPLIFIED PIM FLOWCHART FOR MMDAS.....	7
SECTION 2	9
GUIDELINES FOR PREPARATION AND APPRAISAL OF NEW PROJECTS	9
2.1 BACKGROUND.....	9
2.2 GUIDELINES FOR THE PREPARATION OF A PROJECT CONCEPT NOTE (PCN)	9
2.3 INTEGRATED PROJECT APPRAISAL	10
2.4 PRE-FEASIBILITY STUDY	11
2.5 FEASIBILITY STUDY	11
SECTION 3	12
GUIDELINES FOR THE DEVELOPMENT AND UPDATE OF THE PUBLIC INVESTMENT PLAN	12
3.1 CONSIDERATIONS FOR THE DEVELOPMENT OF THE PIP	12
3.2 GUIDELINES FOR THE DEVELOPMENT OF THE PIP	13
3.3 EXITING PROJECTS FROM THE PIP	14
3.4 CHANGE IN PROJECT SCOPE AND PHASE	14
APPENDIX 1.....	15
APPENDIX 2.....	21
APPENDIX 3.....	27
APPENDIX 4.....	34
APPENDIX 5.....	39

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 programme to improve its investment management. The reform has seen the country develop and put in place necessary legislation 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 (Section 33(5) of Act 921). 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 projects. The Regulations make provision for the establishment of the Integrated Bank of Projects (IBP)⁵, which shall form part of the Public Investment Management (PIM)

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. s

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 listed issues were identified as gaps in Ghana's PIM assessment.

⁴ Principal Spending Officer" in relation to a covered entity, means the Chief Director, Chief Executive, or the most senior administrative head responsible for producing outputs.

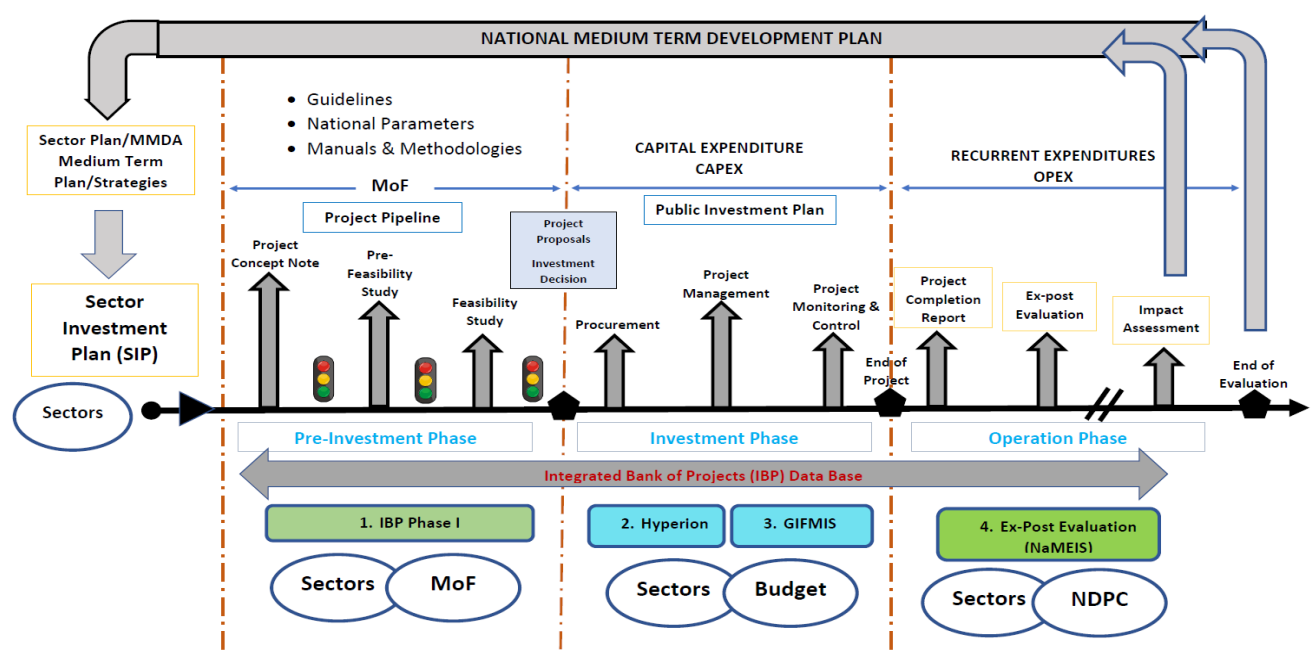
⁵ Integrated Bank of Projects is a web-based software system that ties together the budgeting function with the project development cycle and institutional processes and procedures to enable governments to manage its portfolio of public investment projects centrally and effectively.

Systems within the Ghana Integrated Financial Management Information System (GIFMIS)⁶ to facilitate the three-phased cycle.

Ghana's PIM Lifecycle and Business Flow

- 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. Ghana's integrated PIM system/ framework is clearly represented in Fig. 1

Fig. 1 Ghana's Public Investment Management Framework



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 programmes 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 National Development 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. Ghana's PIM 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
- 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

⁷ National Medium-Term National Development Policy Framework (MTNDPF) seeks to operationalize Article 36, Clause 1 of Ghana's 1992 constitution, which enjoins the government to ensure that the national economy is managed efficiently to maximize the welfare of the citizenry.

⁸ The PIU is a unit in the MDA primarily responsible for the preparation or initiation of projects. The PIU prepares PCN, PFS, and FS and submit to their EPC for approval and further submission to the MoF.

⁹ The EPC, which is headed by the Chief Director of the MDA, is a committee that is responsible for the review and approval of projects prepared by the PIU. After approval, the projects are then sent to MoF for further approval by PIPWC and issuance of the Seal of Quality by the Minister for Finance.

determine the strategic fit¹⁰ of the projects and their financial and economic viability. The Honourable Minister for Finance is expected to issue a Seal of Quality (SoQ) for projects that are deemed financially and economically viable. Projects that have been issued the SoQ will then 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 project procurement can commence.

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 projects¹¹, Value for Money (VfM)¹² 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.

The Operation Phase

- 1.15 This phase, shown in column 4 of Figure 1, involves registering project assets in the national assets register¹³ 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 achieved. Additionally, key lessons learned from project implementation and operation must be

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

¹² VFM audits are independent evidence-based investigations which examine and report on whether economy, effectiveness and efficiency have been achieved in the use of public funds.

¹³ National Asset Register identifies and appropriately describes all assets owned by various MDAs and conducts a valuation of the assets by appropriate professionals using internationally accepted principles.

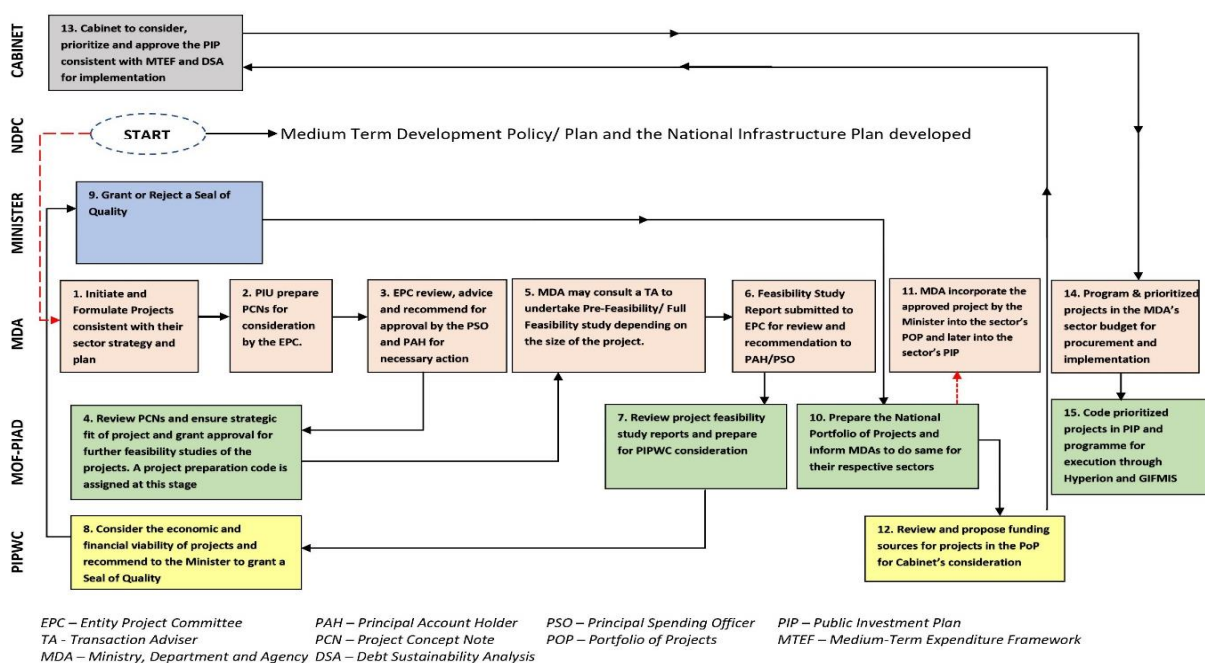
documented to inform future policy planning, project preparation, and implementation. The expected deliverables for this phase are:

- 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



15-Step Simplified PIM Flowchart for MDAs

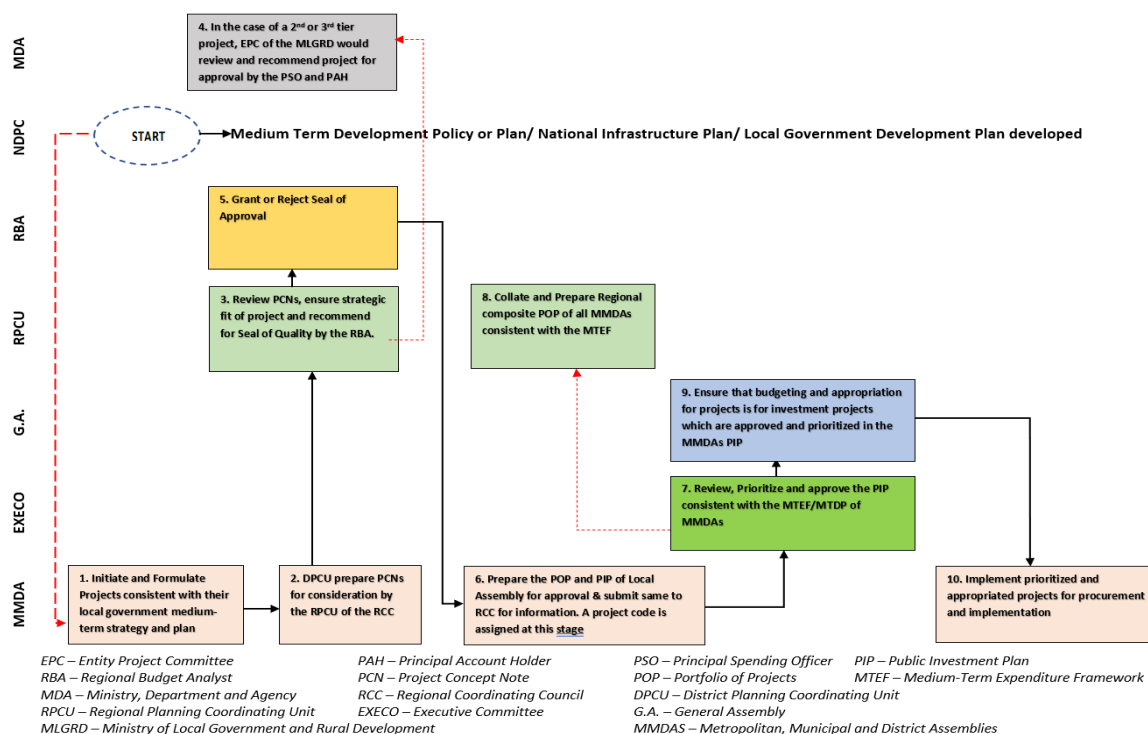
- 1.17 The processes outlined in Figure 2 are to guide stakeholders in PIM to ensure effective project preparation, budgeting, and execution, ultimately leading to improvement in transparency, accountability, and prudent use of public resources. The steps are as follows:
 1. MDAs are to initiate and 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 are expected to prepare Project Concept Notes (PCNs) for proposed projects and submit them to the Entity Project Committees (EPCs) for review.

3. The Entity Project Committee (EPC) may review 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 is expected to review PCNs to ensure the strategic fit of projects and assign projects with a preparation code. MoF may, depending on the size of projects, grant approval for the issuance of an 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 are expected to submit pre-feasibility/feasibility study reports to the EPC for review. The EPC in turn makes 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 is expected to arrange a technical review of projects with the covered entity¹⁴ and other stakeholders and generate a project brief of key issues for the consideration of the Public Investment Program Working Committee (PIPWC)
8. The Public Investment Program Working Committee (PIPWC) is expected to 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 is expected to prepare the national Portfolio of Projects (PoP) and inform MDAs to do same for their respective sectors.
11. MDAs are expected to 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 also expected to propose suitable funding sources for projects in the national PoP. The PoP with identified funding sources is then presented to Cabinet for consideration and approval.
13. Cabinet is expected to consider and approve the proposed PIP, ensuring that it is consistent with the Medium-Term Expenditure Framework (MTEF) and Debt Sustainability Analysis (DSA).

¹⁴ “covered entities” means; (a) the Executive, Legislature and Judiciary; (b) constitutional bodies; (c) Ministries, Departments Agencies and local government authorities; (d) the public service; (e) autonomous agencies; and (f) statutory bodies;

14. MDAs are expected to program the approved projects in their sector PIP, as part of their medium-term CAPEX budget, appropriated by Parliament, for procurement and implementation.
15. PIAD of MoF is then expected to 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 that are not coded should 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, ultimately leading to improvement in transparency, accountability, and prudent use of public resources at the Local Government Authorities:

1. MMDAs are expected to identify and develop projects in alignment with their local government medium-term strategy and plans (Action Plans).
2. As focal officers for project preparation at the MMDA level, planning officers are expected to support the Metropolitan, Municipal and District Planning Coordinating Unit to 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) is expected to review Project Concept Notes (PCNs) to ensure technical and strategic fit of projects. The RPCU may

recommend the project to the Regional Budget Analyst for the issuance of the Seal of Quality.

4. For Second or Third Tier projects, the RPCU may be caused to be prepared, Pre-Feasibility and Feasibility Study Reports, which are forwarded to the Entity Project Committee (EPC) of the Ministry of Local Government and Rural Development to review and recommend the project for approval.
5. The Regional Budget Analyst may approve or reject the issuance of a SoQ based on the recommendation of the RPCU.
6. The MMDA is then expected to update 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 Executive Committee of MMDAs should review, prioritize, and approve the PIP consistent with the MTEF/MTDP.
8. The RPCU of the RCC is expected to collate and prepare the Regional PoP and PIP of all MMDAs, consistent with the MTEF.
9. The General Assemblies of the MMDAs must ensure that appropriation of funds is done for only investment projects that are approved and prioritized in the MMDAs PIP.
10. MMDAs are expected to 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
- v. to enable the identification of risk and possible mitigating measures to improve successful implementation of projects;

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

- 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, may delegate 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, climate, 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 financiers, 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 Covered entities 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 Covered entities 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 Covered entities should ensure that the feasibility study analysis covers all the eight (8) building blocks as listed in 2.3.2.
- 2.5.3 Covered entities 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.

¹⁶ NB: small and mid-sized projects do not have to undergo a pre-feasibility study!

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 Public Financial Management Act 2016 (Act 921), Public Financial Management Regulations, 2019 (L.I. 2378) and the Public Financial Management (Public Investment Management) Regulations, 2020 (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. Covered Entities should consider the following in the development of the PIP:

- Covered entities 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:
 1. detailed designs are completed, and relevant approvals obtained,
 2. land for the investment project has been acquired and the corresponding compensation determined, paid and title to the land obtained,
 3. 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.
- Covered Entities 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.

Guidelines for Preparation and Appraisal of Projects, and the Development of the Public Investment Plan

- 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 that may require approval from parliament to spend from the contingency fund.

3.2 Guidelines for the Development of the PIP

- Covered entities should take stock of all ongoing projects with information on their outstanding balances and status of completion to develop the PoP;
- 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;
- Add new projects that have received SoQ from the Minister for Finance to the PoP;
- Select projects from the PoP for implementation by prioritizing them based on guidelines in 3.2;
- Covered entities 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.
- Funding allocation to projects should be realistic and prudent to ensure that projects get completed before new projects are programmed to commence;
- Covered entities should take note not to exceed the budget ceiling in the allocation of funds;
- 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 Covered entities 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.

3.3 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.

3.4 Change in project scope and phase

Covered entities 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 covered entity 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:		A project name must comprise its; <ul style="list-style-type: none"> <i>Process</i> (What are you going to do?) <i>Object</i> (On what are you going to do it?) <i>Location</i> (Where are you going to do it?) Example, <i>"Second phase of the rehabilitation of the SS-13 sewage system of Tema Metropolitan"</i>		
Type of Project:		<input type="checkbox"/> Greenfield <input type="checkbox"/> Brownfield		
Project Objective:		State the objective as stated in the logical framework		
Estimated Project Cost (GHS/USD):		State the investment cost of the project		
Project Theme:		State the project theme and its code, e.g., 15- energy project		
Project Sub-Theme:		State the sub-theme and its code, e.g., 15/1- geothermal/electricity project		
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:		Project construction and operational life/duration. E.g., 30 years		
Implementing Agency:				
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:		As in the Medium-Term Plan		
Policy Objective:		As in the Medium-Term Plan		
Sustainable Development Goal(s):		Describe and indicate the number of SDGs		
Climate Smart Investment:				
Project Impact towards Climate Commitment		How will the impact the environment? How will it reduce emission?		
Is your project climate resilient?		Demonstrate the resilience of your project to the climate/environmental conditions (climate adaptation)		
Project Impact towards Gender		Indicate how your project will impact gender roles and how it intends to mainstream and address gender related issues.		
Investment Project Threshold:				

Select investment project's category based on their capital expenditure as estimated by the Covered Entity:

- ☐ **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;

Public Financial Management (Public Investment Management) Regulations, 2020 (L.I.2411)

SECTION 2: PROJECT BACKGROUND

Situation Analysis

Provide a background to the project idea:

- Briefly describe the current situation that rationalizes the project.
 - Briefly describe past and on-going interventions to address the situation.
- (Quote official statistics including past trends to support your narrative, where applicable)*

Problem Statement (this falls in line with the Logical Framework)

Provide details of the problem to be addressed in terms of challenges, constraints, and gaps:

- Nature of the problem;
- Scope of the problem (How widespread or the magnitude of the problem);
- State the likely causes and effects of the problem both direct and indirect;

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)

Justify the need for the proposed project by:

- 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;
- 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 the project using readily available information, and demonstrate the linkage between the problem identified and the project;
- Showing the linkage between the project and other ongoing initiatives or interventions in the sector.

SECTION 3: OPTIONS ANALYSIS

In the case of first tier investment projects, include preliminary options analysis by:

- Exploring alternative options by narrowing the analysis to at least 3 alternative strategies to achieve the intended objectives;
- 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;
- Indicate whether your project can be undertaken under a PPP scheme

SECTION 4: LOGICAL FRAMEWORK

(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.

NB: attach problem and solution tree framework as appendix to this document.

a) Project Logical Framework Matrix

Narrative	Indicators	Sources/Mean of verification	Assumptions
Goal (MTNDP/MTDDP) State the goal in the MTNDPF/MTDDP the project intends to achieve.	Define the indicator that will be used to measure success of the project against the goal	Briefly explain how information on this indicator shall be obtained.	

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 5: SCOPE OF THE PROJECT			
<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>			
SECTION 6: INSTITUTIONAL ARRANGEMENTS			
Institutional Mandate			
<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>			
Management of the Project			

*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 implementing team capacity i.e., engineer, financial expert, and legal expert, etc and similar projects that have been carried out before)*

Project Implementation Plan

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

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 Pre-Feasibility Feasibility Report	<input style="width: 20px; height: 20px;" type="checkbox"/> <input style="width: 20px; height: 20px;" type="checkbox"/>	b) Has land been acquired (site readiness)? Yes <input type="radio"/> / No <input type="radio"/> c) Have necessary regulatory approvals been obtained? Yes <input type="radio"/> / No <input type="radio"/> 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> 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> f) Indicate whether the project is a joint (Inter-sectoral) project? Yes <input type="radio"/> / No <input type="radio"/> • If yes, indicate project sponsoring agencies Yes <input type="radio"/> / No <input type="radio"/> • Indicate the lead sponsoring agency of the project Yes <input type="radio"/> / No <input type="radio"/> • 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> g) Attach any Safeguard and Resettlement Action Plan (RAP) documents if available
--	--	--

1. FINANCIAL ANALYSIS

A. Provide a breakdown of estimated total cost of the project

Item	Description	Cost (GHS)	Source of Funding
1	Project preparation cost		
2	Civil Works		
3	Equipment (purchase/installations)		
4	Others		
Total			

Estimated total project cost in USD: US\$.....*(Indicate date and FX rate)*

B. Estimated Annual Project Disbursement Plan (GHS)

FY 1	FY 2	FY 3	FY 4	FY 5
Total (GHC)	Total (GHC)	Total (GHC)	Total (GHC)	Total (GHC)

C. Indicate the proposed financing options for the project

a) Government of Ghana (GoG) only	<input style="width: 20px; height: 20px;" type="checkbox"/>	
b) Development partner only (Grant/Loan)	<input style="width: 20px; height: 20px;" type="checkbox"/>	
c) GoG and Development Partner	<input style="width: 20px; height: 20px;" type="checkbox"/>	
d) Public Private Partnership	<input style="width: 20px; height: 20px;" type="checkbox"/>	

If GOG, State the type of GOG Funding (e.g.: IGF, ABFA, DDF, DACF, GETFund)

In case of Public Private Partnership

i.	Proposed Private Sector Funding %.....
ii.	Proposed GoG Contribution %.....
iii.	Any Other GoG support <i>(guarantees, subsidies, etc)</i>

D. Estimated Annual Operating and Maintenance Cost (GHS)

<i>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)</i>
--

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> <ul style="list-style-type: none"> <i>Process</i> (What are you going to do?) <i>Object</i> (On what are you going to do it?) <i>Location</i> (Where are you going to do it?) <i>Example,</i> <i>“Second phase of the rehabilitation of the SS-13 sewage system of Tema Metropolitan”</i>		
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>		
Climate Smart Investment:				
Project Impact towards Climate Commitment		<i>How will the impact the environment? How will it reduce emission?</i>		
Is your project resilient?		<i>Demonstrate the resilience of your project to the climate/environmental conditions</i>		

Project Impact towards Gender	Indicate how your project will impact gender roles and how it intends to mainstream and address gender related issues.		
<p>Investment Project Threshold: <i>Select investment project's category based on their capital expenditure as estimated by the Covered Entity:</i></p> <p><input type="radio"/> 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><input type="radio"/> 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>			
SECTION 2: PROJECT BACKGROUND			
1. Situation Analysis			
<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>			
2. Problem Statement (this falls in line with the Logical Framework)			
<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>			
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>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>			
SECTION 3: LOGICAL FRAMEWORK			
<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>NB: attach problem and solution tree framework as appendix.</p>			
b) Project Logical Framework Matrix			
Narrative	Indicators	Sources/Mean of verification	Assumptions
<p>Goal (MTNDP/MTDDP)</p> <p>State the goal in the MTNDPF/MTDDP the project intends to achieve.</p>	<p>Define the indicator that will be used to measure success of the project against the goal</p>	<p>Briefly explain how information on this indicator shall be obtained.</p>	

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 implemented using various resources or inputs.</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>
NB: Add additional rows for outcomes, outputs, and activities as necessary			
SECTION 4: SCOPE OF THE PROJECT			
<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>			
SECTION 5: INSTITUTIONAL ARRANGEMENTS			
2. 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>					
<p>3. Management of the Project</p>					
<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 implementing team capacity i.e., engineer, financial expert, and legal expert, etc and similar projects that have been carried out before)</i></p>					
<p>4. Project Implementation/Execution Plan (PEP)</p>					
<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>					
<p>5. Monitoring and Evaluation</p>					
<p><i>Indicate the institutional framework for monitoring project physical progress at the construction and operational level</i></p>					
<p>6. Risk and Mitigation Measures</p>					
<p><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></p>					
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.					
<p>7. Project Sustainability</p>					
<p><i>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)</i></p>					
<p>8. Project Stakeholders and Collaborators</p>					
<p><i>Describe the stakeholders that the project must constantly engage and their level of influence and interest among others.</i></p>					
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? *(If yes, attach documentation)*

Preliminary technical designs

Pre-Feasibility

Feasibility Report

☐
☐
☐

i) Has land been acquired (site readiness)? Yes ☐ / No ☐

j) Have necessary regulatory approvals been obtained? Yes ☐ / No ☐

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?

(Indicate your coordination and communication plan with the relevant agencies)

l) Have you undertaken consultations with other Government agencies to improve synergy and avoid duplication of effort? Yes ☐ / No ☐

(If yes, state the agencies?)

m) Indicate whether the project is a joint (Inter-sectoral) project? Yes ☐ / No ☐

- If yes, indicate project sponsoring agencies Yes ☐ / No ☐

- Indicate the lead sponsoring agency of the project Yes ☐ / No ☐

- Indicate whether any formal arrangements have been made among sponsoring agencies. Yes ☐ / No ☐ *(If yes, attach documentation)*

n) Attach any Safeguard and Resettlement Action Plan (RAP) documents if available

10. FINANCIAL ANALYSIS

E. Provide a breakdown of estimated total cost of the project

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			

Estimated total project cost in USD: US\$..... *(Indicate date and Exchange rate)*

F. Estimated Annual Project Disbursement Plan (GHS)

FY 1	FY 2	FY 3	FY 4	FY 5
Total (GHC)	Total (GHC)	Total (GHC)	Total (GHC)	Total (GHC)

G. Indicate the proposed financing options for the project

e) *Government of Ghana (GoG) only*

f) *Internally Generated Fund (IGF) only*

g) *IGF & GoG*

☐
☐
☐
☐

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 (<i>guarantees, subsidies, etc</i>)	

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		
Climate Smart Investment:				
Project Impact towards Climate Commitment:		How will the impact the environment? How will it reduce emission?		
Is your project climate resilient?		Demonstrate the resilience of your project to the climate/environmental conditions (climate adaptation)		
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 options/alternatives evaluated, key results and recommendations aimed at high-level decision-makers</i>				
SECTION 1: INTRODUCTION				
Project Background: Rational 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 2: PROJECT BACKGROUND (use the information from the PCN)
1. Situation Analysis (This should be consistent with the Project Concept Note)
Provide a background to the project idea: a) Briefly describe the current situation that rationalizes the project. b) Briefly describe past and on-going interventions to address the situation. (Quote official statistics including past trends to support your narrative, where applicable)
SECTION 3: ALTERNATIVES' ANALYSIS (Refer to "Manual For Preparation and Integrated Appraisal of Investment Projects in Ghana" for clarity)
a) Description
Assess a range of alternative options available for addressing the identified problem by: (i) Exploring alternative options by narrowing the analysis to at least 3 alternative strategies to achieve the intended objectives. The alternative design options may be guided by the following: <ul style="list-style-type: none"> Optimized (base case) without-project situation (only for brownfield projects) 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 (ii) Comparing the identified alternatives using qualitative and quantitative listing of advantages and disadvantages using the multi-criteria analysis including demand, technical, environmental, social, legal, and administrative analysis. (iii) Undertaking a cost benefit analysis for the identified alternatives using the economic, financial, risk and distributional analysis. (iv) Assess the option of undertaking the project as a PPP in accordance with relevant Act/ Regulation, if the PPP method is likely to offer better value for money compared to implementing the project under the traditional public procurement method.
b) Potential Alternatives List all potential alternatives for solving the problem identified. Then complete sections 4 to 10 for each alternative:
i. Alternative 1 (Name-of- Alternative)
a) Description 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. (To develop the following sections, secondary sources of information must be used)
ii. Alternative 2 (Name-of- Alternative)
a) Description 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. (To develop the following sections, secondary sources of information must be used)
iii. Alternative 3 (Name-of- Alternative)
a) Description 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. (To develop the following sections, secondary sources of information must be used)

MULTI – CRITERIA ANALYSIS OF ALTERNATIVES				
No.	Criteria	Alternative 1	Alternative 2	Alternative 3
1.	Demand Analysis of the Alternative	<p>Need Analysis:</p> <p>a) Showing the need for the project by analyzing 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 Option 1 alternative</p> <ul style="list-style-type: none"> • Definition of the project study area and its area of influence and their population. • Determination of the current and projected (future) demand for public services. • Determination of the current and projected (future) supply of public services. • Determination of current and projected (future) public services indicators. • Calculation and projection of 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 Option 1 produces</p>	<p>Need Analysis:</p> <p>a) Showing the need for the project by analyzing 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 Option 2 alternative</p> <ul style="list-style-type: none"> • Definition of the project study area and its area of influence and their population. • Determination of the current and projected (future) demand for public services. • Determination of the current and projected (future) supply of public services. • Determination of current and projected (future) public services indicators. • Calculation and projection of 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 Option 2 produces</p>	<p>Need Analysis:</p> <p>a) Showing the need for the project by analyzing 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 Option 3 alternative</p> <ul style="list-style-type: none"> • Definition of the project study area and its area of influence and their population. • Determination of the current and projected (future) demand for public services. • Determination of the current and projected (future) supply of public services. • Determination of current and projected (future) public services indicators. • Calculation and projection of 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 Option 3 produces</p>
2.	Technical or Engineering Analysis of the Alternative	<p>A summary of the proposed 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 Option 1. All necessary and valid evidence indicating the availability of Land (purchased or rented) and permit to use it. • Technical design. Description of work components, 	<p>A summary of the proposed 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 Option 2. All necessary and valid evidence indicating the availability of Land (purchased or rented) and permit to use it. • Technical design. Description of work components, technology adopted and design 	<p>A summary of the proposed 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 Option 3. All necessary and valid evidence indicating the availability of Land (purchased or rented) and permit to use it. • Technical design. Description of work components, technology adopted and design standards and key output indicators.

		<p>technology adopted and design standards and key output indicators.</p> <ul style="list-style-type: none"> • 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 Option 1. 	<p>standards and key output indicators.</p> <ul style="list-style-type: none"> • 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 Option 2. 	<ul style="list-style-type: none"> • 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 Option 3.
3.	Environmental and Social Impact Analysis of the Alternative	<p>Describe and specify the economic effects of environmental norms and possible compensations for ecological damages in Option 1.</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 in going with Option 1? • Is there a way to not incur these Costs in Option 1? • How will the project impact social status and income of businesses and the community as a whole? • What financial contingencies are expected? • What are the non-market cost and benefits (Viability analysis) of Option 1? • Evaluation of environmental impact with and without this Option and technical measures to mitigate? 	<p>Describe and specify the economic effects of environmental norms and possible compensations for ecological damages in Option 2.</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 in going with Option 2? • Is there a way to not incur these Cost in Option 2? • How will the project impact social status and income of businesses and the community as a whole? • What financial contingencies are expected? • What are the non-market cost and benefits (Viability analysis) of Option 2? • Evaluation of environmental impact with and without this Option and technical measures to mitigate? 	<p>Describe and specify the economic effects of environmental norms and possible compensations for ecological damages in Option 3.</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 in going with Option 3? • Is there a way to not incur these Cost in Option 3? • How will the project impact social status and income of businesses and the community as a whole? • What financial contingencies are expected? • What are the non-market cost and benefits (Viability analysis) of Option 3? • Evaluation of environmental impact with and without this Option and technical measures to mitigate?

4.	Human Resources and Administrative Support Analysis of the Alternative	<p>Point out the human resource requirements for implementation and operation in Option 1. This in terms of quantities and specialties; identify the sources of the workforce. Determine the management capacity and the functional structure of the operating entity. Key issues to be addressed (all in Option 1):</p> <ul style="list-style-type: none"> • What are the managerial and labour needs of the project? • Does the organization have the ability to get the managerial skills needed? • What are wage rates for labor 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 Option 2. This in terms of quantities and specialties; identify the sources of the workforce. Determine the management capacity and the functional structure of the operating entity. Key issues to be addressed (all in Option 2):</p> <ul style="list-style-type: none"> • What are the managerial and labour needs of the project? • Does the organization have the ability to get the managerial skills needed? • What are wage rates for labor skills required? <p>Are manpower requirements by category reconciled with availabilities and project timing?</p>	<p>Point out the human resource requirements for implementation and operation in Option 3. This in terms of quantities and specialties; identify the sources of the workforce. Determine the management capacity and the functional structure of the operating entity. Key issues to be addressed (all in Option 3):</p> <ul style="list-style-type: none"> • What are the managerial and labour needs of the project? • Does the organization have the ability to get the managerial skills needed? • What are wage rates for labor skills required? <p>Are manpower requirements by category reconciled with availabilities and project timing?</p>
5.	Institutional and Legal Analysis of the Alternative	<p>This includes the legal restrictions that may obstruct or impede project implementation or operation in Option 1.</p> <ul style="list-style-type: none"> • What are the risks, legal and regulatory obligation or requirement that should be expected before implementation and how it will increase costs or decrease benefit? • Are there penalties/incentives in place to ensure timely and fiscal delivery of project? • 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 requirement? • Are there Critical governance issues that may affect implementation? 	<p>This includes the legal restrictions that may obstruct or impede project implementation or operation in Option 2.</p> <ul style="list-style-type: none"> • What are the risks, legal and regulatory obligation or requirement that should be expected before implementation and how it will increase costs or decrease benefit? • Are there penalties/incentives in place to ensure timely and fiscal delivery of project? • 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 requirement? • Are there Critical governance issues that may affect implementation? 	<p>This includes the legal restrictions that may obstruct or impede project implementation or operation in Option 3.</p> <ul style="list-style-type: none"> • What are the risks, legal and regulatory obligation or requirement that should be expected before implementation and how it will increase costs or decrease benefit? • Are there penalties/incentives in place to ensure timely and fiscal delivery of project? • 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 requirement? • 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 financial leverage method employed in Option 1.</p> <p>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 financial leverage method employed. What are the projections for the Income statement and financial position? What financial component can be adjusted to satisfy each stakeholder? <p>For Social Case</p> <ul style="list-style-type: none"> (qualitative) of the project in Option 1? What is the cost-effectiveness analysis? (How is the Outcome of Option 1 compared to other options?) What is the result of the multi-criteria decision analysis in Option 1? 	<p>Describe the financial cost and benefit of the project and state the financial leverage method employed in Option 2.</p> <p>Key questions:</p> <p>For Commercial Case</p> <ul style="list-style-type: none"> What are the sources and costs of financing? Analysis of financial results from financial leverage method employed. What are the projections for the Income statement and financial position? What financial component can be adjusted 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 Option 2? What is the cost-effectiveness analysis? (How is the Outcome of Option 2 compared to other options?) What is the result of the multi-criteria decision analysis in Option 2? 	<p>Describe the financial cost and benefit of the project and state the financial leverage method employed in Option 3.</p> <p>Key questions:</p> <p>For Commercial Case</p> <ul style="list-style-type: none"> What are the sources and costs of financing? Analysis of financial results from financial leverage method employed. What are the projections for the Income statement and financial position? What financial component can be adjusted 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 Option 3? What is the cost-effectiveness analysis? (How is the Outcome of Option 3 compared to other options?) What is the result of the multi-criteria decision analysis in Option 3?
7.	Economic and Social Evaluation Analysis of the Alternative	<p>Qualitative Economic adjustments from financial data using conversion factors in Option 1;</p> <ul style="list-style-type: none"> Evaluation of externalities including environmental Describe the source of costs and benefits in Option 1? What are the macro-economic growth effects, spillover effects, or distributional impacts of the project? 	<p>Qualitative Economic adjustments from financial data using conversion factors in Option 2;</p> <ul style="list-style-type: none"> Evaluation of externalities including environmental Describe the source of costs and benefits in Option 2? What are the macro-economic growth effects, spillover effects, or distributional impacts of the project? 	<p>Qualitative Economic adjustments from financial data using conversion factors in Option 3;</p> <ul style="list-style-type: none"> Evaluation of externalities including environmental Describe the source of costs and benefits in Option 3? What are the macro-economic growth effects, spillover effects, or distributional impacts of the project?

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 solution in the following table

This table is only meant to provide direction for how the options should be scored. Use the Excel model for multi-criteria analysis to do the scoring

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	5

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 option with the highest Overall Score, as this is the option most likely to solve the problem identified.

~~TORS ON FEASIBILITY STUDY~~

(From the findings of the pre-feasibility study develop terms of reference to guide the feasibility study)

Appendix

Supporting Documentation

Attach any documentation you believe is relevant to the Pre-Feasibility Study, including:

- Market research documents and statistics
- Detailed problem analysis and documentation of requirements
- Pre-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):		Provide email, telephone number, postal and physical address		
Appraising Authority (Sector Ministry (EPC)/RCC):		Sector Ministry (EPC)/RCC		
Thematic Area /Development Dimension (Medium Term Plan):		Medium Term Plan		
Focus Area (Medium Term Plan):		Medium Term Plan		
Policy Objective (Medium Term Plan):		Medium Term Plan		
Sustainable Development Goal(s):		Describe and indicate the number of SDGs		
Climate Smart Investment:				
Project Impact towards Climate Commitment:		How will the impact the environment? How will it reduce emission?		
Is your project climate resilient?		Demonstrate the resilience of your project to the climate/environmental conditions (climate adaptation)		
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				
In this section of the template, describe any key headline information from the components of the feasibility assessment the options evaluated, key results and recommendations.				

<p style="text-align: center;">SECTION 2: INTRODUCTION (This must be consistent with the PCN and Pre-feasibility study)</p>
<p>Describe the following:</p> <ol style="list-style-type: none"> Project Background: Rationale and Genesis Objectives of the feasibility study Approach and methodology of the feasibility study Organization of the feasibility study
<p style="text-align: center;">SECTION 3: MARKET / DEMAND ANALYSIS (This is the market and demand analysis for the preferred Alternative using primary sources of information)</p>
<p>This section assesses the need for public investment which will involve the elements listed below:</p> <ol style="list-style-type: none"> 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 (How widespread or the magnitude of the problem); and State the likely causes and effects of the problem, both direct and indirect. 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; Show the need for the project by analyzing and describing the quantitative indicators of demand for the services or goods to be delivered by project using readily available information. 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 Stakeholders: Identify the key stakeholders that are likely to be affected by the interventions. Demand analysis: Identify the need for public investment by assessing: <ol style="list-style-type: none"> Current demand (based on statistics provided by service suppliers/ regulators/ ministries / national and district statistical offices for the various types of users); Future demand (based on reliable demand forecasting models) in both the scenarios with and without the project; and The factors that constrain demand including government regulations, technological developments etc.
<p style="text-align: center;">SECTION 4: TECHNICAL OR ENGINEERING ANALYSIS (This is the technical or engineering analysis for the preferred Alternative using primary sources of information)</p>
<p>A summary of the proposed project solution shall be presented with the following headings</p> <ol style="list-style-type: none"> 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 beneficiary, who has the full title 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. 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. 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. Costs estimates: Estimation of the financial needs for project realization and operations. Provide the basis for cost estimates.

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 align="center">SECTION 5: ENVIRONMENTAL AND SOCIAL IMPACT ANALYSIS</p> <p align="center"><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 economic effects of environmental norms and possible compensations for ecological damages. Key questions to address:</p> <ol style="list-style-type: none"> What are the likely environmental impacts from undertaking project? 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? What are the costs of permits and approvals required from environmental protection agencies? What contractual provisions are needed to reset the project in cases of environmental effects escalating beyond control? What financial contingencies are expected? What is the cost of resettlement? 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 including job creation prospects?
<p align="center">SECTION 6: HUMAN RESOURCES AND ADMINISTRATIVE SUPPORT ANALYSIS</p> <p align="center"><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 terms of quantities and specialties; identify the sources of the work force. Determine the management capacity and the functional structure of the operating entity. Key issues to be addressed:</p> <ol style="list-style-type: none"> What are the managerial and labour needs of the project? Does the organization have the ability to get the managerial skills needed? What are wage rates for labour skills required? Are manpower requirements by category reconciled with availabilities and project timing?
<p align="center">SECTION 7: INSTITUTIONAL AND LEGAL ANALYSIS</p> <p align="center"><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? Is there a need for changes in the policy and institutional set up? Outside this entity, what changes may be needed in policies of the National and local Governments? What are the legal and regulatory requirements expected before the project is implemented? What are the risks, legal and regulatory obligations that could increase costs or decrease the benefits? Does the institution have requisite skills and capacity in line with the project requirements? Are there suitable incentives or penalties in place to ensure project delivery is on time and within the budget? Are there critical governance issues that may affect implementation?
<p align="center">SECTION 8: FINANCIAL ANALYSIS</p> <p align="center"><i>(This is the Financial analysis for the preferred Alternative using primary sources of information)</i></p>

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

- Integration of financial and technical variables from demand, technical, and management analysis
- Construct cash flow (resource flow) profile of project
- Identify key variables for doing economic and social analysis

Key questions:

For Commercial Case

- What is the relative certainty of financial variables?
- What are the sources and costs of financing?
- What are minimum cash flow requirements for each of the stakeholders?
- What can be adjusted to satisfy each of the stakeholders?
- What is the internal rate of return and net present value?
- What is the minimum net cash flow requirements over the life of the project?
- What are the balance sheet projections?
- What is the projected profit or loss?

For Social Case

- What is the social cost benefit of the project? Are the net benefits of the project to society positive? (This is done by computing the net present value of the total benefits minus the present value of total costs)
- 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)?
- What are the results of the multi-criteria decision analysis?

SECTION 9: ECONOMIC AND SOCIAL EVALUATION ANALYSIS

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

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

- Examines the project using the whole country as the accounting entity
- Evaluation of externalities
- What is the expected value of economic net benefits?
- What are the primary economic costs and benefits of the project?
- Describe the sources of costs and benefits?
- What are the macro-economic growth effects, spills-over effects, or distributional impacts of the project?
- What is the net present value of economic benefits? (GHS.)
- What is the Economic Rate of return?
- What is the Economic Internal Rate of return?

SECTION 10: DISTRIBUTIONAL ANALYSIS

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

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:

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

Key Questions

- In what ways does project generate beneficial and cost impacts on stakeholders?
- What stakeholders could the project impact?
- Who benefits and who pays the costs?
- What are the basic needs of the society that are relevant in the country?
- What impact will the project have on basic needs?
- What alternative ways are there to generate desirable social impacts?

Is project relatively cost effective in generation of desirable social impacts?

SECTION 11: RISK ANALYSIS

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

Risk analysis is important for several reasons including reducing the likelihood of undertaking a “bad” project while failing to accept a “good” project. It would be easy to avoid “bad” projects simply by making very 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 Appraisal of Investment Projects” for further clarification)



MINISTRY
OF
FINANCE

P.O.Box MB 40, Ministries, Accra
Digital Address : GA-144-2024

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]