



REPUBLIC OF GHANA

MINISTRY OF FINANCE

Indicative Contents of Initial Business Case

Public Private Partnerships (PPP) Office
Ministry of Finance
May 2021



Indicative Contents of Initial Business Case

Notes

- This guide specifies indicative contents of an Initial Business Case that proponents should provide. The proponent may add headings or content as appropriate, but topics stated in this guide should be covered to enable Contracting Authorities (CAs) to review the Initial Business Case.
- In using the Initial Business Case to develop the Pre-Feasibility Report and the PPP Feasibility Report, the CA should verify the analyses in Sections marked with an * in this guide and supplement them with additional information or analysis as needed. CA may provide additional guidance or instructions on what details the proponent should include or not include in these sections.

A.1 Background

Describe:

- Company Profile
- Company Experience
- The problem the project addresses
- Objectives of the project
- How the project aligns with the Government's strategic plans and priorities
- The history and origin of the project, and whether there are similar projects undertaken so far in Ghana or elsewhere.

A.2 Technical Information

Describe:

A.2.1 Project location

Describe the proposed location of the project.

A.2.2 Scope of the project

Describe the scope of the project including information on the service the project will provide and technical components of the project.

A.2.3 Technical options

Specify the technical or design options the proponent has considered to provide the service.

A.2.4 PPP concept

Describe the type of PPP contract the proponent envisages with an indicative allocation of roles and responsibilities.



A.2.5 Output specifications

Specify:

- The outputs that the proponent expects to provide in the project
- The performance indicators to measure performance against those outputs.

A.2.6 Payment mechanism

- Describe how the proponent expects to be remunerated for services it provides. Specifically, whether the proponent expects availability payments or user charges or a combination of both
- Specify if government contributions are expected.

A.3 Legal and Regulatory Analysis

Comment on the preliminary legal feasibility of the project focusing on:

- Whether the project requires use of public assets or land acquisition
- Whether the existing laws and regulations allow charging users for services (if user fee is envisaged).

A.4 Financial Analysis*

Provide a preliminary financial model from the project company's perspective. The financial model should provide estimates of the level of user charges or government payments or a combination of both, required to remunerate the proponent based on:

- Estimates of the yearly capital costs, over the life of the project
- Estimates of the operating and maintaining costs yearly, in real terms, over the life of the project
- Expected sources of financing
- Expected cost overruns
- Revenue projections over the life of the project.

The model should calculate the:

- Proponent's breakeven requirements
- Basic financial ratios
- Level of viability gap funding if any, expected from the government.

The model should demonstrate the project's financial viability and explain the assumptions in detail.

A.5 Risk Analysis*

List the risks applicable to the project, describe them in detail and provide a proposed preliminary risk allocation between the parties. Should the project move forward, the CA may revisit the risk allocation and make changes.



A.6 Environmental and Social Impact Considerations*

Describe the environmental and social impact that the project may have, strategies to mitigate them and need to study them further if at all.

A.7 Stakeholder Considerations*

Identify relevant stakeholders stating how the project will impact them and what their concerns are if known.

A.8 Project Implementation Plan*

- State how long this business case estimates are valid
- Provide an indicative timeline for completing construction and beginning operations (if applicable).

