

PROJECT CONCEPT NOTE TEMPLATE FOR FIRST-TIER INVESTMENT PROJECTS

PFM (Public Investment Management) Regulations 23

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

SECTION 1: PROJECT PROFILE				
Project Name:		<i>A project name must comprise its;</i> <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>		
<i>Project Geographic Location including geo-spatial information i.e., GPS Coordinates (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:				
Principal Spending Officer:		<i>Chief Director, Chief Executive Officer, or the most senior administrative head responsible for producing outputs. Public Financial Management Act, 2016(ACT 921)</i>		
Official Contact Details:		<i>Provide email, telephone number, postal and physical address</i>		
Appraising Authority:		<i>Sector Ministry (EPC/RCC)</i>		
Thematic Area /Development:		<i>Dimension (Medium Term Plan)</i>		
Focus Area:		<i>As in the Medium-Term Plan</i>		
Policy Objective:		<i>As in the Medium-Term Plan</i>		
Sustainable Development Goal(s):		<i>Describe and indicate the number of SDGs</i>		
Climate Smart Investment:				
Project Impact towards Climate Commitment		<i>How will the impact the environment? How will it reduce emission?</i>		
Is your project climate resilient?		<i>Demonstrate the resilience of your project to the climate/environmental conditions (climate adaptation)</i>		

Project Impact towards Gender	<i>Indicate how your project will impact gender roles and how it intends to mainstream and address gender related issues.</i>
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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:

- 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)

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:

- a) *Nature of the problem;*
- b) *Scope of the problem (How widespread or the magnitude of the problem);*
- c) *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:

- a) *Linking the project to the Medium Term National / District Development Plan, the Policy Objective and strategic goals that the proposed project is expected to contribute to;*
- b) *Linking the proposed project to Sector strategic objectives and strategies by describing the sector outcomes that the project is expected to contribute to;*
- c) *Showing the need for the project by analysing and describing the quantitative indicators of demand for the services or goods to be delivered by the project using readily available information, and demonstrate the linkage between the problem identified and the project;*
- d) *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:

- a) *Exploring alternative options by narrowing the analysis to at least 3 alternative strategies to achieve the intended objectives;*
- b) *Comparing the identified alternatives using qualitative and quantitative listing of advantages and disadvantages using a multi-criteria analysis including technical, environmental, social, legal, and administrative analysis;*
- c) *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/Means of verification	Assumptions
<p>Goal (MTNDP/MTDDP)</p> <p><i>State the goal in the MTNDPF/MTDDP the project intends to achieve.</i></p>	<p><i>Define the indicator that will be used to measure success of the project against the goal</i></p>	<p><i>Briefly explain how information on this indicator shall be obtained.</i></p>	
<p>Objectives / Outcomes</p> <p><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></p>	<p><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></p>	<p><i>Briefly explain how information on this indicator (s) shall be obtained</i></p>	<p><i>Identify conditions that must exist for the achievement of the overall goal</i></p>
<p>Output</p> <p><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></p>	<p><i>For each project output identified, define at least one indicator that will used to track progress</i></p>	<p><i>Briefly explain the means of verification</i></p>	<p><i>Identify conditions that must exist for the achievement of the outcome.</i></p>
<p>Key Activities</p> <p><i>For each output identified describe the major activities that should be implemented together with the inputs or resources required to deliver the planned results. To obtain the results of a project, a number of activities have to be</i></p>	<p><i>For each activity identified, define at least one indicator that will used to track progress</i></p>	<p><i>Briefly explain how information on this indicator (s) shall be obtained</i></p>	<p><i>Identify conditions that must exist for the achievement of the output.</i></p>

<i>implemented using various resources or inputs.</i>			
NB: Add additional rows for outcomes, outputs, and activities as necessary			

SECTION 5: SCOPE OF THE PROJECT

*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) ***.*

SECTION 6: INSTITUTIONAL ARRANGEMENTS

Institutional Mandate

*Describe how the project is linked to the mandate of the institution.
(Any established legislature that mandate the institution to carry out this project)*

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

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

c) Have necessary regulatory approvals been obtained? Yes / No

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?

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

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

(If yes, state the agencies?)

f) 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)*

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)

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

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
- b) Development partner only (Grant/Loan)
- c) GoG and Development Partner
- d) Public Private Partnership

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 (guarantees, subsidies, etc)

D. Estimated Annual Operating and Maintenance Cost (GHS)

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

Prepared by:

(Head, Public Investment Unit /DPCU/RPCU)

Signature:

Date:

(DD/MM/YYYY)

Appraised by:

(Head, Appraising Authority/RPCU/Sector Ministry)

Signature:

Date:

(DD/MM/YYYY)