

THE PPP INITIATIVE IN GHANA

**Accra-Takoradi Highway
Takoradi Port Expansion
Boankra Inland Port & Eastern Railway Line
Sports & Residential/Camping Facilities
Makola Market (31st Dec. Makola Market)**

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Country Facts



GHANA



Land Area: 238,533 sq. km (2010 census)

Income Level: Lower Middle Income

Population: 25.36 m (2012 est.)


Population Growth: 2.5%

GDP: 4.2% (2014)

Outline of Presentation

1. Policy & Regulatory Environment
 2. Takoradi Port Expansion Project
 3. Accra - Takoradi Highway Project
 4. Boankra Inland Port and Eastern Railway Line
 5. Sports & Residential/Camping Facilities at the National Sports College, Winneba
 6. Development of Makola Market (31st Dec. Makola Market)
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Policy & Regulatory Environment

- Institutional arrangements – MoF; MDAs, MMDAs Private sector entities
 - On-going capacity building and training (MDAs/MMDAs/Private
 - Regulatory environment – National Policy on PPP; draft PPP bill & regulations
 - Draft standardised documents
 - Project preparation process –pipeline PPP projects (identification & preparation)
 - Development of Project Development Facility (PDF) & Viability Gap Scheme (VGS)
 - Robust communication activities – website, newsletter, brochures, etc
 - Active stakeholder consultation processes – beneficiaries, private sector entities, media etc
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Takoradi Port Expansion Project

Project Profile:

- Ghana's 2nd deep-water port.
- Handles 62% of national exports, 30% of maritime cargo & main exports (cocoa, bauxite, timber & manganese).
- Provides and supports exploration & production activities for oil and gas fields in the Western region.

Objective/Significance: Since 1998, increased growth in port activities; Need to meet future demands and requirements of port users.

Project Scope: Private parties design, finance, rehabilitate, develop and/or operate identified Business Units.



Takoradi Port Expansion Project

Sector: Ports sub sector

Implementing Entity: Ministry of Transport/GPHA

Ministry of Transport responsible for:

- creating an integrated, cost effective, safe, secure & sustainable transportation system;
- establishing Ghana as a transport hub of West Africa;
- providing leadership & guidance through effective policy formulation, market regulation, asset management & service provision for development of the transport sector.

GPHA responsible for:

- building, planning, developing, managing, maintaining, operating & controlling ports in Ghana
- negotiating the concession agreement



Business Units

1. Dedicated Dry Bulk Terminal:

- 3 main dry bulk commodities - manganese, bauxite & clinker.
- PPP potential include: huge volumes; significant local mining industry & potential to combine handling of bauxite, manganese and cement.

2. Dedicated Liquid Bulk Terminal:


With construction of new refinery & tank farms in Takoradi – expected significant increases that require a dedicated and separate facility.

3. Multipurpose Terminal:

Combine containers, other general cargo, RoRo and dry bulk commodities that are not included in the dry bulk terminal, e.g. wheat and cocoa in bulk.

4. Offshore Supply (private stevedore):

Operational activities to be generally allocated to the private sector under the landlord model, to bring specific expertise and equipment for the handling of cargo for the OSB.



Dry Bulk Terminal-Business Unit 1

Project Preparation:

- Transaction Advisor appointed with scheduled timeline as follows:
 - Pre-feasibility report approval: Jul 2015
 - Feasibility study (Dry Bulk): Oct 2015
 - Start /issuance RfEol: Dec 2015
 - Contract finalization (Dry Bulk Business Unit 1): April 2016

• **Estimated Cost:**

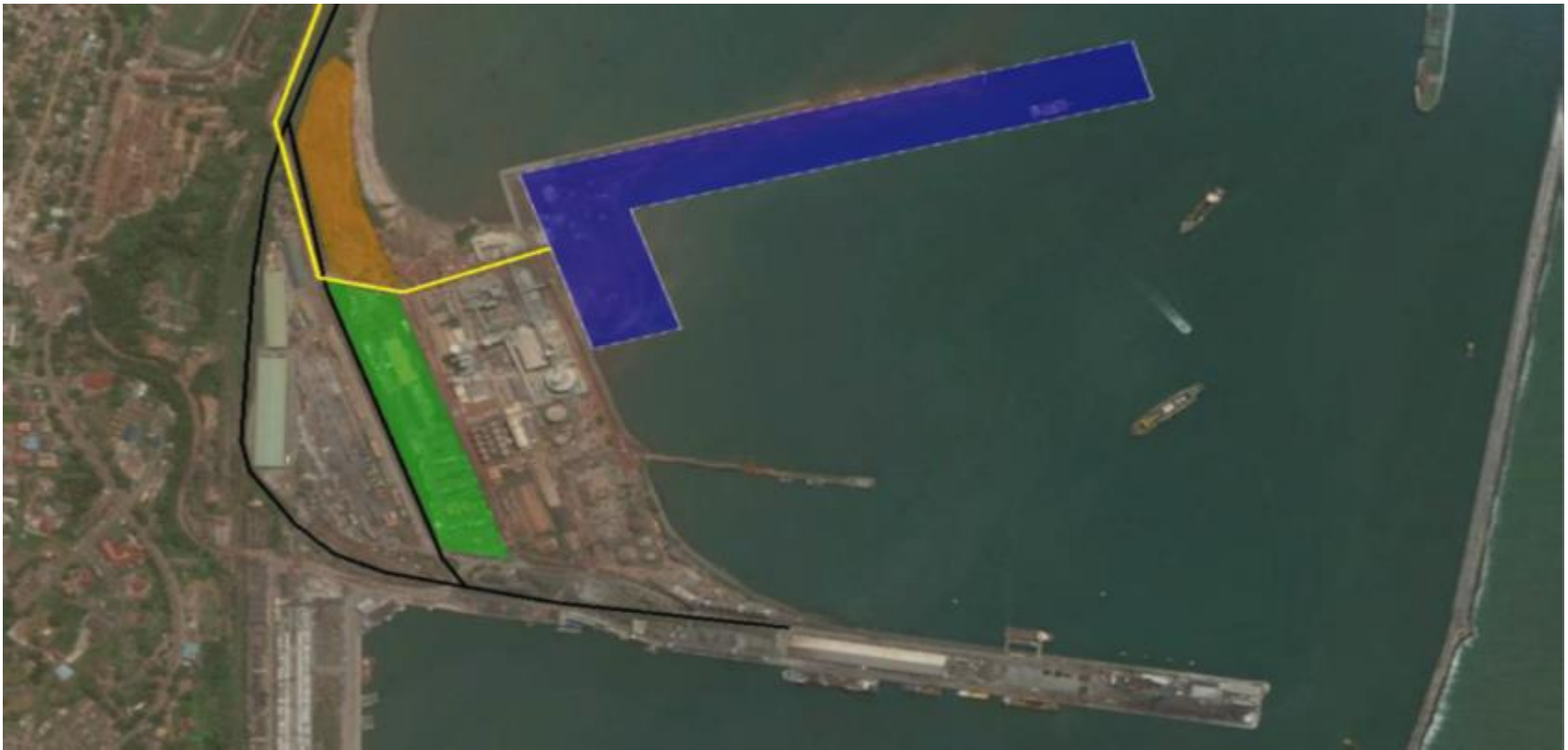
- US\$357m: Private Operator (US\$56m), GPHA (US\$301m for infrastructure, equipment, superstructure)
- Project IRR: Private Operator (23.6%), GPHA (10.7%)
- WACC: Private Operator (12.34%)

Dry Bulk Terminal-Business Unit 1

Description

- Projected at the northern side of the expanded port
- Up to 3 dry bulk berths
- Specialized bulk equipment
- Export of manganese, bauxite and alumina and import of clinker and coal

Terminal Area



Accra - Takoradi Highway Project

Project Profile:

- 245km Trans West African Coastal highway (National Route N1 including bypass to Axim)
- enhance movement of goods (agric produce & export commodities)

Objective/Significance:

- Connects & serves major towns with direct impact on over 4 million inhabitants, and on the productivity & capacity of the Takoradi Port

Project Scope:

- Private party to design, finance, construct or expand, operate & maintain the road, toll plazas & collect toll revenues



Accra - Takoradi Highway Project

Sector: Roads sub sector

Implementing Entity: Ministry of Roads & Highways/GHA

Ministry of Roads & Highways

responsible for:

- formulating policies for the road transport sector
- establishing regulatory framework for road transport operations & investments
- development of an integrated road transport system which is modally complementary.

Ghana Highway Authority

responsible for:

- the administration, control, development & maintenance of the country's trunk road network and related facilities
- negotiating concession agreements



Accra - Takoradi Highway Project

Project Preparation:

- Transaction Advisor appointed with scheduled timeline as follows:
 - Pre-feasibility report: approved 2015
 - Full feasibility study underway: Mar 2016
 - Start/issuance RfEol: Apr 2016
 - Contract finalization: Dec 2016




Technical Description - Options for Development:

Sections	Option 1 (minimum)	Option 2 (Desirable)	Option 3 (ideal)
High traffic	6 lane dual with partial access control	6 lane dual carriageway with full access control	Elevated carriageway with full access control
Medium traffic	4 lane dual with partial access control	4 lane dual carriageway with full access control	4 lane dual carriageway with full access control
Light traffic	Alignment and cross section improvements	4 lane dual carriageway with partial access control	4 lane dual carriageway with full access control
Major Intersections	Simple overpass/underpass	Interchanges in highly trafficked intersections	Interchanges in highly trafficked intersections



PROJECT STRUCTURING

Structuring:

- PPP on a project finance basis;
 - Sources of finance (limited recourse, debt, equity, etc.);
 - Possible government support: to ensure that government bears risks which it can manage better than private investors; to supplement projects which are economically but not financially viable
 - **Estimated Cost** (to be confirmed):
 - **2 approaches :**
 - **BOT**
 - **DBFMO**
 - **Technical Options costs:**
 - Option 1 - US\$340 million
 - Option 2 - US\$502 million
 - Option 3 - US\$629 million
 - Project IRR - 21.43%
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Boankra Inland Port & Eastern Railway Line Project

Sector: Transport Implementing Entity: Ministry of Transport/GSA/GRDA

Ghana Shippers Authority

(GSA):

- Protect, promote interests of Ghanaian shippers on port, ship and inland transport issues
- Ensure safe, reliable and cost effective cargo handling.

Ghana Railway Development Authority (GRDA):

- Promote the development of railways and railways services
- Hold, administer and improve the railway assets and
- Promote the development and management of sub-urban railway



Boankra Inland Port and Eastern Railway Line Project

Project Profile : Two projects packaged together because the viability of either of them depends on the other. Inland Port to serve northern sector of the country and landlocked countries north of Ghana

- Develop Inland Container Depot, shippers and freight forwarders offices, warehouses , commercial buildings, customs coordination protocols, customs clearance procedures and controls.
- Develop 330 km rail track, provision of rolling stock, station upgrades, signaling and communication equipment.
- Inland Port is sited 27 Kilometers from Kumasi.

Objective/Significance: Create an inland extension to the Tema Port serviced more efficiently by a Railway Line, to:

- decongest the Tema Port
- enhance Ghana's role as a transit corridor.
- feed traffic from other modes of transportation
- improve services to customers and reduce cost of transportation.

Project Scope: Private parties - design, finance, develop , reconstruct and/or operate Inland port and Railway Line.




Boankra Inland Port & Eastern Railway Line Project

Project Preparation:

- Transaction Advisor appointed with scheduled timeline as follows:
 - Pre-feasibility report approval: Jul 2015
 - Finalization of feasibility study: Dec 2015
 - Start /issuance RfEol: Apr 2016
 - Contract finalization - all business units: June 2016

Estimated Cost:

- Inland Port - US\$150.00 million
 - Railway Line - US\$1.5 billion
 - 20% GoG Construction Grant (US\$211 million)
 - Project IRR 11.29%, Equity IRR 15.10%
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Sports & Residential/Camping Facilities

Sector: Youth & Sports

Implementing Entity: Ministry of Youth & Sports/NSC-W

Ministry of Youth & Sports

- formulates youth and sports policies
- monitors & evaluates policy implementation to achieve national integration
- promotes youth empowerment & self-development;
- provides enabling environment for sports development, organization and promotion

National Sports College-Winneba (NSC-W):

- Creates sports facilities & runs sports programs enabling the sports talent of Ghana to access modern sports education and training
- Provides training to coaches & other sports support personnel to create a human resource talent pool for sports in Ghana



Sports and Residential/Camping Facilities

Project Profile: Augment sports and residential/camping facilities on campus.

- Support infrastructure such as power, water supply, sewerage & drainage will need upgrading
- A regional sports training center of repute in West Africa for national & international sports teams
- Proposed development on Campus of 23.09 hectares (approx. 57.06 acres)

Objective/Significance:

- Sports and residential/camping facilities with international standards – facilities for commercial revenue streams

Project Scope:

- Private parties - design, finance, develop and/or operate, maintain sports facilities.



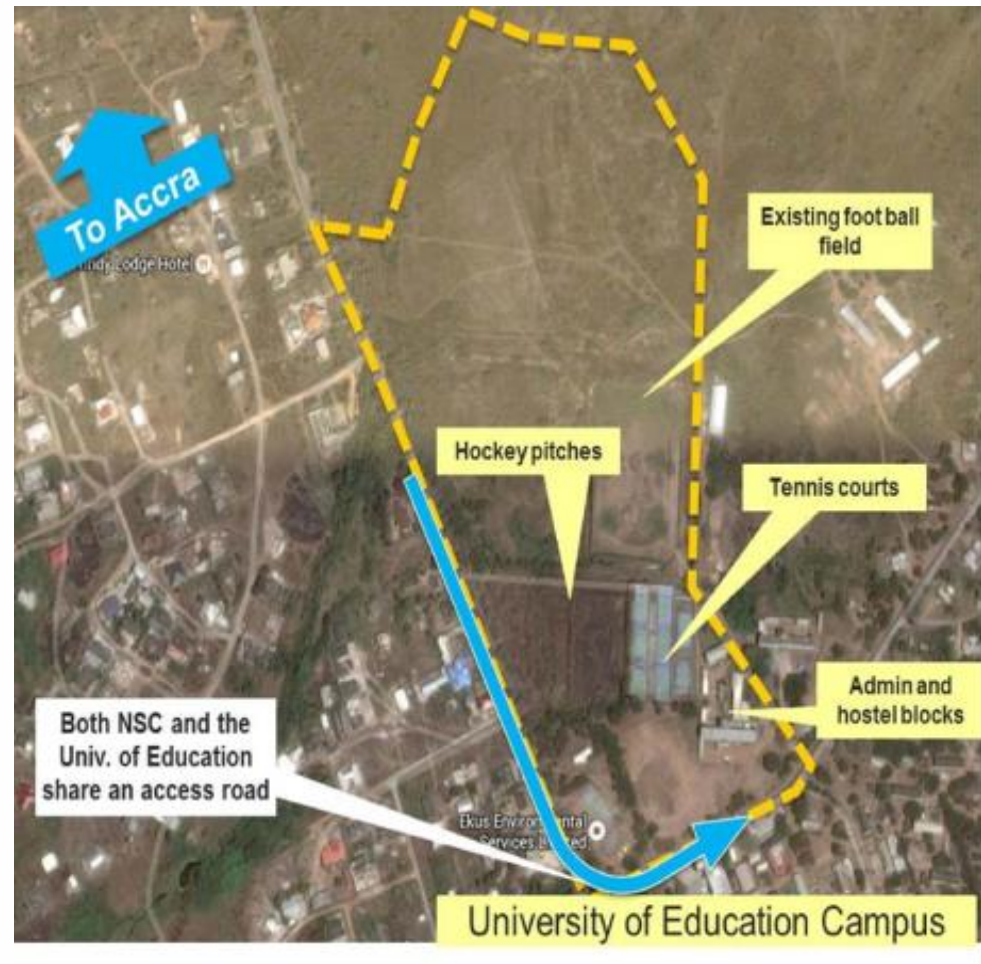
Facilities to be developed

Mandatory facilities:

- Multipurpose sports complex
- Swimming pool
- Female hostel
- Synthetic turf football field
- Grass football field cafeteria


Facilities for generating commercial Revenue:

- Club house
- Commercial
- Other developments including restaurants, leased commercial spaces, etc.



Sports and Residential/Camping Facilities

Project Preparation:

- **Transaction Advisor** appointed with scheduled timeline as follows:
 - Pre-feasibility report approved: Nov 2015
 - Finalization of feasibility study: Apr 2016
 - Start /issuance RfEol : Jun 2016
 - Contract finalization - all business units: Oct 2016
 - **Estimated Cost:**
 - US\$30 million - to be confirmed during feasibility studies
 - Cost of Equity & Debt 37%, 29%
 - WACC 27.85%
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Makola Market (31st December Makola Market)

Sector: Local Government/Trade

Implementing Entity: Accra Metropolitan Assembly

Accra Metropolitan Assembly (AMA):

- Formulate & execute plans, programs and strategies for effective mobilization of resources for development of the District
- Promote & support productive activity and social development in the district and remove any obstacle to initiative and development
- Initiate programs for development of basic infrastructure & provide municipal works and services in the District



Makola Market (31st December Makola Market)

Project Profile :

- create a functional market in all respects.
- create a compact urban market
- assess viability of market proposal to ensure that design solutions are economically sound & produces an economically competitive market.



MAKOLA MARKET

Objective/Significance:

- To build an efficient functioning domestic market system for the development and distribution of goods and services.



Project Scope:

- Private parties - design, finance, build, operate and transfer assets to AMA at the end of concession.



General Facilities for the New Market


- Market Administration Offices
- Day Care Centers
- Clinics
- Paved Grounds
- Drainage
- Water Harvesting
- Police Posts
- Offices, Shops & Financial Institutions
- Temperate Control Rooms
- Sanitation Points & Waste Processing
- Warehouse & Storage
- Disability Access
- Canteen & Restaurants
- Temporary Transit Accommodation
- Reliable Power Sources (eg. solar)

Makola Market (31st December


Makola Market

Project Preparation:

- **Transaction Advisor** appointed with scheduled timeline as follows:
 - Finalization of feasibility study: Jun 2015
 - Approval for Feasibility: Jul 2015
 - Start / issuance RfEol : Oct 2015
 - Contract finalization : Jan 2016

 - **Estimated Cost:**
 - US\$30.00 million
 - IRR 22.0%
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OTHER PIPELINE PROJECTS

- ACCRA-TEMA MOTORWAY ROAD
 - ACCRA-KUMASI ROAD
 - PSC TEMA SHIPYARD DEVELOPMENT
 - RESIDENTIAL APARTMENTS IN ACCRA
 - OFFICE COMPLEX FOR SECURITIES AND EXCHANGE COMMISSION
 - CONVENTION CENTRE WITH HOTEL AND CONFERENCE FACILITIES
 - VARIOUS COMMUNITY MARKETS
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