

## ANNEXURE 2: PROJECT PREPARATION SCOPE OF WORK STANDARDISATION & 5CM ALIGNMENT

In alignment with the indicated project stage, the applicant must note that relevant aspects of the project must be addressed. Below is an overview of the aspects of feasibility studies that must be addressed at a pre-feasibility and comprehensive feasibility study level. It further provides an overview on the type of the project preparation support, indicating the various scope of work elements that are required to input into a feasibility study. These aspects have also been translated to the 5 Case Model dimensions required for business case development ISA utilises.

| <i>Pre-Feasibility Stage</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <i>5CM Output</i>                                                              |
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| <b>Project Definition and Scope:</b> Background, project objectives, justification, location, and alternatives considered.<br>- Inception plus validation and gap-closure plan (mandatory where information is weak)                                                                                                                                                                                                                                                             | ✓ <b>Strategic Case</b>                                                        |
| <b>Market Analysis &amp; Technical Assessment:</b> Evaluation of demand, market trends, production capacity, required technology, raw materials, and logistics.<br>- Options analysis and preferred option confirmation<br>- Technical concept refinement/reference design/engineering studies & services reports<br>- Surveys and investigations (Geotech, Topographic survey, Traffic Impact, Bulk Engineering Services, etc.)<br>- Analysis of procurement options & strategy | ✓ <b>Economic Case</b><br>✓ <b>Management Case</b><br>✓ <b>Commercial Case</b> |
| <b>Preliminary Financial Projections:</b> Estimated capital expenditures (CAPEX), operating expenses (OPEX), revenue, and profitability analysis.<br>- Costing (CAPEX/OPEX), QS cost plan, benchmarks<br>- Preliminary funding/financing strategy, financial modelling, affordability                                                                                                                                                                                            | ✓ <b>Financial Case</b>                                                        |
| <b>Risk Assessment &amp; Mitigation:</b> Identification of technical, market, regulatory, and social risks along with potential solutions.                                                                                                                                                                                                                                                                                                                                       | ✓ <b>Management Case</b>                                                       |
| <b>Environmental &amp; Social Impact:</b> Preliminary analysis of environmental impacts, land use, and stakeholder engagement.<br>- Approvals and permitting strategy (EIA, WULA, Heritage Impact Assessment, Environmental and social studies and stakeholder engagement plan, etc.)                                                                                                                                                                                            | ✓ <b>Management Case</b>                                                       |
| <b>Institutional &amp; Governance Arrangements:</b> Preliminary analysis on the project ownership model and stakeholders                                                                                                                                                                                                                                                                                                                                                         | ✓ <b>Management Case</b>                                                       |
| <i>Comprehensive Feasibility Stage</i>                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                |



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| <p><b>Commercial Feasibility:</b> Assessment of commercial viability and profitability</p> <ul style="list-style-type: none"><li>- Conduct market analysis, including demand and supply dynamics.</li><li>- Conduct macroeconomic, socioeconomic, and associated studies</li><li>- Conduct detailed Cost Benefit Analysis (CBA) and/or Cost Effectiveness Analysis</li><li>- Identify key stakeholders and potential off takers.</li><li>- Develop the pricing strategy and commercial structure (tariffs, revenue model).</li><li>- Allocate key commercial risks (demand risk, price volatility) and mitigation plans.</li></ul>                                                                                                | <ul style="list-style-type: none"><li>✓ Commercial Case</li><li>✓ Economic Case</li></ul>   |
| <p><b>Technical Feasibility:</b> Assessment of technical requirements.</p> <ul style="list-style-type: none"><li>- Strategic rationale and justification</li><li>- Detailed overview on the technical options considered and rationale for selected option</li><li>- Conduct site analysis, including specialist studies.</li><li>- Assess technical design options and specifications for the project.</li><li>- Identify any required technology or equipment and its readiness for implementation.</li><li>- Outline technical risks and mitigation strategies.</li><li>- Conduct analysis on the project ownership and implementation model.</li></ul>                                                                        | <ul style="list-style-type: none"><li>✓ Management Case</li></ul>                           |
| <p><b>Financial Feasibility:</b> Assessment of financial viability, funding requirements, revenue forecasts, and return on investment (ROI).</p> <ul style="list-style-type: none"><li>- Prepare a detailed capital expenditure (Capex) estimate and operating expenditure (O&amp;M) projection over the project lifecycle.</li><li>- Develop a revenue model with projections, including demand forecasting and pricing assumptions.</li><li>- Conduct financial modelling (IRR, NPV) with sensitivity analysis and integrate with CBA.</li><li>- Provide a proposed financing structure (debt, equity, grants) and identify potential funding sources.</li><li>- Outline key financial risks and mitigation measures.</li></ul> | <ul style="list-style-type: none"><li>✓ Financial Case</li></ul>                            |
| <p><b>Legal and Regulatory Requirements:</b> Analysis of necessary permits, compliance issues, and legal constraints.</p> <ul style="list-style-type: none"><li>- Assess land ownership, land use rights, and any legal encumbrances.</li><li>- Identify all permits and regulatory approvals required, with timelines.</li><li>- Outline contractual frameworks (concession agreements, SPV structure).</li><li>- Ensure compliance with relevant laws and policies (PPP regulations, PFMA, PPPFA).</li><li>- Highlight legal risks and how they will be managed.</li></ul>                                                                                                                                                      | <ul style="list-style-type: none"><li>✓ Commercial Case</li></ul>                           |
| <p><b>Environmental &amp; Social Feasibility</b></p> <ul style="list-style-type: none"><li>- Conduct an Environmental &amp; Social Impact Assessment.</li><li>- Develop an Environmental Management Plan (EMP) and Social Management Plan.</li><li>- Assess community impacts and propose mitigation measures.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"><li>✓ Commercial Case</li><li>✓ Management Case</li></ul> |



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| <ul style="list-style-type: none"><li>- Outline compliance with ESG standards (Environmental, Social, Governance) and impact finance.</li><li>- Assess alignment with socio-economic objectives (Sustainable Development Goals).</li></ul>                                                                                                                                                                                                                         |                                                                                |
| <b>Institutional Arrangements &amp; Governance:</b> Evaluation of organizational structure, staffing needs, and operational capacity. <ul style="list-style-type: none"><li>- Assess the institutional capacity of sponsor and implementing agencies.</li><li>- Propose a governance structure for project oversight.</li><li>- Identify roles and responsibilities across the project lifecycle.</li><li>- Outline key governance risks and mitigation.</li></ul> | ✓ <b>Management Case</b>                                                       |
| <b>Risk Analysis and Mitigation:</b> Identification of potential risks and strategies to manage them <ul style="list-style-type: none"><li>- Risk management workshops plus updated risk register and mitigations</li></ul>                                                                                                                                                                                                                                        | ✓ <b>Management Case</b><br>✓ <b>Economic Case</b><br>✓ <b>Commercial Case</b> |
| <b>Procurement &amp; Implementation:</b> Proposed procurement method, projected schedule for project implementation and milestones. <ul style="list-style-type: none"><li>- Implementation plan plus schedule plus delivery readiness</li><li>- Procurement strategy plus market sounding plus draft procurement documents</li></ul>                                                                                                                               | ✓ <b>Commercial Case</b><br>✓ <b>Management Case</b>                           |