Ghana Rising: Sustainable Infrastructure Post COVID-19

Presentation for 2021 SDG Investment Fair
GHANA MARKET OPPORTUNITY

Africa’s 8th largest economy

GDP growth rate ranked 89th in the world and 18th in Africa. Despite the impacts of COVID-19, GDP is expected to grow 5.0% in 2021.

Strategic entrypoint to the West African market

Investor-friendly regulatory environment enables growing foreign direct investment which reached 2.65 billion USD, representing 3.5% of GDP in 2019 (GIPC, 2021).

Infrastructure remains key to attaining Ghana’s development objectives.

Key Economic Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP - 2020 (USD billion)</td>
<td>66.5</td>
</tr>
<tr>
<td>Projected GDP growth rate - 2021</td>
<td>5.0%</td>
</tr>
<tr>
<td>GDP per capita - 2020</td>
<td>$2,190</td>
</tr>
<tr>
<td>Currency</td>
<td>Cedi</td>
</tr>
<tr>
<td>Exchange Rate (value of $1USD)</td>
<td>GHS 5.76</td>
</tr>
</tbody>
</table>
GHANA POISED FOR GROWTH

Ghana’s Infrastructure Plan sets the benchmark for the attainment of the SDGs.

Build world-class, resilient infrastructure by 2047 to support Ghana’s continued growth and improve the quality of life of all Ghanaians.

Foreign direct investment for infrastructure needs to increase to close investment gap

An estimated $37.9 billion is required annually to fund Ghana’s infrastructure needs by 2047 (GNIP, 2018).

Investment Trend and Needs ($ Billion)
GHANA POISED FOR GROWTH

Ghana has placed infrastructure at the centre of its national development objectives

Implementing the Ghana Infrastructure Plan and achieving the SDGs are one in the same

Infrastructure is key to achieving the SDGs - it can influence 92% of the 169 SDG targets, across all 17 Goals. The SDGs are integrated into Ghana’s development agenda.

Ghana’s NDCs provide a framework for climate adaptation and mitigation

Infrastructure plays a critical role in tackling climate change. Climate-proof infrastructure is central to Ghana’s NDCs, in line with its commitment to tackle global climate change.

Infrastructure can promote gender equality and women empowerment

Ghana’s National Gender Policy recognises how a gender mainstreaming approach to infrastructure can address the gender-based barriers impeding women and girls.
SECTORAL OPPORTUNITIES FOR GROWTH

A clear vision and strategy for the development of infrastructure in some key sectors.

**Transportation**
- Roads
- Rail network
- Port and harbours
- Inland water transport
- Aviation system

**Energy**
- Renewable Energy
- Electricity
- Oil and Gas
PROJECT DIGEST

See brochure for comprehensive project pipeline information
OVERVIEW OF PROJECT DIGEST – 16 PROJECTS

3 Feasibility | 4 Pre-Feasibility | 9 Concept
2 Priority | 14 Early Stage

| 10 | Transportation Projects |
| 2  | Energy Projects |
| 1  | Green Infrastructure Project |
| 1  | Solid Waste Project |
| 1  | Education Project |
| 1  | Housing Project |
## Infrastructure Pipeline - Long List (16)

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metro / Light Rail Transit System</td>
<td>Transport</td>
</tr>
<tr>
<td>Central Spine Rail Line</td>
<td>Transport</td>
</tr>
<tr>
<td>Trans-ECOWAS Railway Line</td>
<td>Transport</td>
</tr>
<tr>
<td>Establishment of Home-Based Carrier</td>
<td>Transport</td>
</tr>
<tr>
<td>Volta Lake Transport System</td>
<td>Transport</td>
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<tr>
<td>Airport City II</td>
<td>Transport</td>
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<tr>
<td>Tamale Airport MRO Facility</td>
<td>Transport</td>
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<tr>
<td>Air Cargo Facility</td>
<td>Transport</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Airports (G-Gap)</td>
<td>Transport</td>
</tr>
<tr>
<td>Ghana Nuclear Power Plant</td>
<td>Energy</td>
</tr>
<tr>
<td>Petroleum Hub</td>
<td>Energy</td>
</tr>
<tr>
<td>Plastic Waste Recycling</td>
<td>Solid Waste</td>
</tr>
<tr>
<td>Hostels for Education Institutions</td>
<td>Education</td>
</tr>
<tr>
<td>Affordable Housing Project</td>
<td>Housing</td>
</tr>
<tr>
<td>Aburi Botanical Gardens Upgrade</td>
<td>Green Infrastructure</td>
</tr>
<tr>
<td>Keta Sea Port</td>
<td>Transport</td>
</tr>
</tbody>
</table>
PRIORITY PROJECTS
TRANSPORTATION

2 Feasibility Projects
Metro / Light Rail Transit System

Description:
A Light Rail Transit (LRT) network composed of seven corridors, located in Kumasi, Ghana’s second largest city. Kumasi is a converging point of commercial activity and a key transportation hub. Its economic progress and rapid urbanization have led to urban mobility challenges and traffic congestion, which inhibit the city’s socio-economic growth. The Kumasi LRT aims to strengthen the city’s transportation system.

Location: Kumasi
Subsector: Light Rail
Project Start: 2025
Operation Start: 2025
CapEx: $5.8 Billion
O&M: $137 Million
Agency: Ministry of Railways Development

Investment Details:
Project Structure: PPP
Financing: Debt (70%), Equity (30%)
Concession Period: 30 years
NPV: $404 Million
FIRR: 15.6%
B/C Ratio: 1.12

Project impacts towards the SDGs

Inexpensive, safe form of transport reduces traffic jam and deaths due to traffic incidents.
Public transport options reduce CO2 emissions from vehicles
Enhanced satisfaction with public transport safety, affordability, reliability and frequency.

Project impacts towards Paris commitments
Scale up sustainable mass transportation
Resilient infrastructure planning city-wide for improved movement of people and goods

Potential impacts towards gender outcomes
Build resilience for gender through equal employment opportunities in construction and O&M
Accessible transport options enable women to participate in public life and other activities.

Mr. Desmond Boateng, Ag. Chief Director, MoRD
desmond.boateng@mrd.gov.gh | +233-547-888-085
Central Spine Rail Line

Description:
A rail line originating from the Central district of the City of Kumasi and routes through major cities and towns such as Mankranso, Bechem, Sunyani, Techiman, Kintampo, Buipe, Tamale, Walewale, Bolgatanga, and Navrongo before terminating in Paga, near the Burkina Faso border. The approximate length of the Central Spine Line is 672km. The project is expected to link Ghana to Burkina Faso and open up economic development.

Investment Details:
- **Location:** Kumasi - Paga
- **Subsector:** Rail
- **Project Start:** 2023
- **Operation Start:** 2029
- **CapEx:** $3.3 Billion
- **O&M:** $123 Million
- **Agency:** Ministry of Railways Development

Project Structure: PPP/BOT
- **Financing:** Debt, Equity
- **Concession Period:** 30 years
- **NPV:** $945m (at 8% interest)
- **FIRR (until 2055):** 9.45%
- **EIRR (until 2055):** 13.2%

Project impacts towards the SDGs
- Inexpensive, safe form of transport reduces traffic jam and deaths due to traffic incidents.
- Improved trade by increased logistical efficiencies to reduce time and cost.
- Enhanced satisfaction with public transport safety, affordability, reliability and frequency.

Project impacts towards Paris commitments
- Scale up sustainable mass transportation and open up economic development between cities and regions.
- Resilient infrastructure planning between cities.

Potential impacts towards gender outcomes
- Build resilience for gender through equal employment opportunities in construction and O&M.
- Inter-regional transport increases access to essential services for rural women (i.e. healthcare, education).

Mr. Desmond Boateng, Ag. Chief Director, MoRD
[desmond.boateng@mrd.gov.gh](mailto:desmond.boateng@mrd.gov.gh) | +233-547-888-085
IMPROVING BUSINESS CLIMATE

Public Investment Management Framework:
- Public Financial Management (Public Investment Management) Regulation 2020, L.I 24 11
- Public Private Partnership Act, 2020 (ACT 1039)
- Ghana Investment Promotion Centre Act, 2013 (Act 865)
- Ghana Infrastructure Investment Fund Act, 2014 (Act 877)

Rising Ease of Doing Business Scores
Ranking 118th in the world, and 3rd in West Africa, Ghana’s ease of doing business score rose from 57 to 60 between 2015 and 2019.

World Bank Thematic Scores for Public-Private Partnerships in Ghana

<table>
<thead>
<tr>
<th>Theme</th>
<th>Ghana Score</th>
<th>Regional Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparation</td>
<td>48</td>
<td>51</td>
</tr>
<tr>
<td>Contract Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procurement</td>
<td>61</td>
<td></td>
</tr>
<tr>
<td>Unsolicited Proposals</td>
<td>67</td>
<td></td>
</tr>
</tbody>
</table>
## INVESTOR ROAD MAP

Ghana has established a clear roadmap for investors seeking to invest in the country, with 3 simple steps to ensure compliance:

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
</table>
| 1 | **STEP 1: REGISTRATION WITH REGISTRAR GENERAL’S DEPARTMENT**  
Incorporate a company at the Registrar General’s Department (RGD) and obtain the following:  
• Certificate of Incorporation and TIN number  
• Company Regulation |
| 2 | **STEP 2: MINIMUM EQUITY CONTRIBUTION**  
Comply with the minimum equity requirements either in cash or in capital goods relevant to the investment; or a combination of both. See brochure for breakdown of minimum equity contributions. |
| 3 | **STEP 3: REGISTRATION WITH GHANA INVESTMENT PROMOTION CENTRE (GIPC)**  
Register with the GIPC after paying relevant fees to complete the process. The procedure takes five (5) business days to complete, provided the registration forms and all supporting documents are in order. |

**Requirement for Renewal:** renewal with GIPC permitted every two (2) years.
ACKNOWLEDGEMENTS

Technical Committee on Pipeline of Bankable Projects
- Ministry of Finance
- Ministry of Planning
- National Development Planning Commission
- Ghana Investment Promotion Centre
- United Nations Office for Project Services

Ministries, Departments and Agencies that submitted Projects
- Ministry of Transport
- Ministry of Railways Development
- Ministry of Energy
- Ministry of Works and Housing
- Ministry of Education
- Ministry of Local Government, Decentralisation and Rural Development/Department of Parks and Gardens
- Coastal Development Authority

United Nations
- UN Department of Economic and Social Affairs (UN DESA)
- UN Office for Project Services (UNOPS)
- United Nations Resident Coordinator Office (UNRCO)

University of Oxford
THANK YOU

Q&A