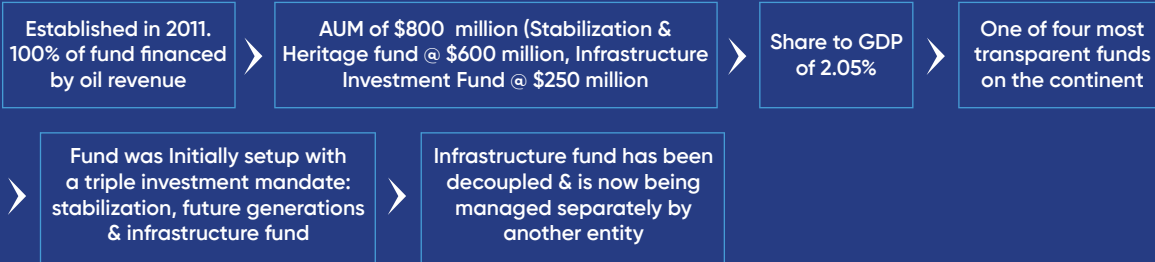
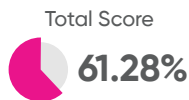


### 3. Ghana

#### HIGHLIGHTS



#### Index Performance



Size	Domestic Mandate	Source of Funding	Governance & Disclosure
Not Big Enough	Existent	Not Diversified	Very Impressive

The Ghana Petroleum Fund was set up initially with a triple mandate: stabilization fund component, future generations savings component and infrastructure financing. Recently, the infrastructure mandate has been decoupled, and a separate vehicle – the Ghana Infrastructure Investment Fund – has been set up and is being managed separately by another entity independent of the Bank of Ghana, which manages the Petroleum Funds. For this report, Ghana’s SWF is defined as the Ghana Petroleum Funds and the Ghana Infrastructure Investment Fund (GIIF). While they are separate legal entities, we place them under one Ghana umbrella of funds.

Ghana’s approach of decoupling the infrastructure sub-fund component to a separate entity is markedly different from Nigeria’s model of keeping the multiple mandates under one entity. The decision makes much sense especially as infrastructure financing requires a more active investment strategy than the largely conservative portfolio requirements of both the stabilization and future generations funds. The Ghana Infrastructure Investment Fund has since found the flexibility to pursue a number of investment partnerships with

external partners including sister African SWFs.

In the wake of recent oil price shocks, Ghana has drawn on its stabilization fund to shore up the budget. Recently there has been major debate over a suggestion to use the future generations Heritage Fund component of the SWF to finance free senior high school. That debate strikes the core of our Relevance theme. What is the most relevant way to utilize a Sovereign Wealth Fund? The Heritage Fund is for now preserved for future use. But this is a debate that has persisted since Ghana’s oil discovery and will keep recurring. For good reasons, Ghana could decide to leave the Petroleum Funds as they are and rather focus on finding innovative ways to boost the size and capacity of the GIIF to significantly impact the local economy. For a country that is rich in other non-oil resources including gold and cocoa, there is a need for government to consider other sources of revenue to boost the size of the GIIF. If the GIIF is to be seen by external partners as a major sovereign investment vehicle of Ghana, rather than some local statutory fund, it is even more crucial to elevate the fund’s value to at least \$1billion within the shortest time possible.

While the Ghana Petroleum Funds are traditionally seen as Ghana’s SWF, it is important that the Ghana Infrastructure Investment Fund – which was created out of the Petroleum Funds – does not lose its status as part of Ghana’s SWF umbrella of funds. In fact, the GIIF has the greater potential to impact the country’s transformation. Ghana, which is also world number two producer of cocoa and second top African gold exporter could boost the GIIF’s size by thinking beyond just oil to tap these other exports.