

**GHANA INFRASTRUCTURE INVESTMENT FUND
(AMENDMENT) BILL, 2021**

ARRANGEMENT OF SECTIONS

Section

1. Section 5 of Act 877 amended
2. Section 19 of Act 877 amended
3. Repeal

A
BILL

ENTITLED

**GHANA INFRASTRUCTURE INVESTMENT FUND
(AMENDMENT) ACT, 2021**

AN ACT to amend the Ghana Infrastructure Investment Fund Act, 2014 (Act 877) to provide for additional sources of funds, extend the period of exemption from taxes and for related matters.

PASSED by Parliament and assented to by the President:

Section 5 of Act 877 amended

1. The Ghana Infrastructure Investment Fund Act, 2014 (Act 877), referred to in this Act as the “principal enactment”, is amended by the substitution for section 5, of

“Sources of money for the Fund

5. The sources of money for the Fund are

- (a) an amount of money not exceeding twenty-five per cent of the Annual Budget Funding Amount to be applied to amortisation and direct infrastructure expenditure;

Ghana Infrastructure Investment Fund (Amendment) Bill, 2021

- (k) repayment inflows of moneys on-lent by the Ministry of Finance to Ministries, Departments and Agencies of Government or State-owned Enterprises for capital project or infrastructure development;
- (l) grants, donations, gifts and other voluntary contributions to the Fund;
- (m) internally generated funds;
- (n) moneys that accrue to the Fund from investment made by the Fund;
- (o) moneys borrowed or raised from local and international capital market or from the affiliates of the Fund;
- (p) moneys that may become lawfully payable to the Fund;
- (q) property that may become lawfully vested in the Board for the Fund; and
- (r) any other moneys approved by Parliament for payment into the Fund.”.

Section 19 of Act 877 amended

2. The principal enactment is amended by the substitution for section 19, of

“Tax exemption

19. The Fund is exempt from the payment of any form of tax for the first ten years of the operations of the Fund.”.

Repeal

3. Section 9 of the Earmarked Funds Capping and Realignment Act, 2017 (Act 947) is repealed.

Ghana Infrastructure Investment Fund (Amendment) Bill, 2021

Date of *Gazette* notification: 29th March, 2021.

**GHANA INFRASTRUCTURE INVESTMENT FUND
(AMENDMENT) BILL, 2021**

MEMORANDUM

The object of the Bill is to amend the Ghana Infrastructure Investment Fund Act, 2014 (Act 877) to provide for additional sources of funds and extend the period of exemption from taxes.

The Ghana Infrastructure Investment Fund was established pursuant to section 2 of the Ghana Infrastructure Investment Fund Act, 2014 (Act 877) with a mandate to mobilise, manage, coordinate and provide financial resources for investments in a diversified portfolio of infrastructure projects in the country for national development.

The Fund is a permanent capital investment vehicle initially capitalised at two hundred and fifty million United States dollars (US\$250,000,000). The Fund subsequently received seventy-five million United States dollars (US\$75,000,000) from the Annual Budget Funding Amount under the Petroleum Revenue Management Act, 2011 (Act 815). The last Annual Budget Funding Amount of six point nine million United States dollars (US\$6.9 million) was received from Government on 30th January, 2017. Hence the total Government support received for the Fund is three hundred and twenty-five million United States dollars (US\$325 m).

Since 2017, Government has provided no financial support to the Fund. Regardless of this, the Fund has since 2017 been able to invest three hundred million United States dollars (US\$300,000,000) in a portfolio of fourteen infrastructure projects in seven different sectors covering airports, sea ports, energy, Information Communication Technology and hospitality institutions across the country.

More importantly, the Fund has managed to bring in ten times than that amount in co-financings from other sources, resulting in a projected total of three billion United States dollars (US\$3,000,000,000) investments into Ghanaian infrastructure projects. The results further show that for each United States dollar (US\$1) given to the Fund by Government, the Fund has succeeded in attracting ten United States dollars (US\$10) to be used for projects of the Fund.

**GHANA INFRASTRUCTURE INVESTMENT FUND
(AMENDMENT) BILL, 2021**

The Fund is currently poised to provide investments in the power sector, refinancing to Independent Power Providers under the Energy Sector Recovery Programme, collaborate in financing for the hospital initiative of the President, Agenda 111, the Accra-Tema Motorway Project, Affordable Housing, renewable energy, additional toll roads and provide solutions to help address the shortages in university accommodation.

The Fund was exempted from all taxes for a period of five years after commencement of operations to enable the Fund use the savings of the Fund to support investment programmes and projects.

The Fund commenced operations in February 2015 following the appointment of the first Board of Directors, thus the tax exemption period ended in February 2020. Government is extending the period of tax exemption in line with the period of tax exemption granted to other Development Finance Institutions as the mandate of the Fund is structured along the same lines as other Development Finance Institutions. This will enable the Fund to continue to re-invest the savings of the Fund to enhance the portfolio of infrastructure projects and further mobilise private sector funding to support the development of more infrastructure projects in the country in accordance with the mandate of the Fund.

The Earmarked Funds Capping and Realignment Act 2017, (Act 947) rearranged the sources of revenue for the Fund by realigning some of the sources. This resulted in the Fund not receiving any funding from Government since 2017. In view of the additional investments that the Fund has lined up in the pipeline of projects of the Fund, Government is restoring to the Fund, the revenue from the Annual Budget Funding Amount that was initially earmarked for the Fund as a source of revenue, prior to the passage of Act 947, to support the Fund to carry out the mandate of the Fund within the local and international environment.

The extension of the exemptions and the provision of additional sources of revenue will make the Fund more competitive in carrying out the mandate of the Fund and also better equipped to complete the social

**GHANA INFRASTRUCTURE INVESTMENT FUND
(AMENDMENT) BILL, 2021**

part of the mandate of the Fund in the local and international environment.

The exemption is estimated to be one hundred and sixty-eight million cedis while the additional revenue sources will amount to approximately three hundred and sixty-one million Cedis for the Fund in 2021.

Clause 1 amends section 5 of the Act to provide for sources of moneys for the Fund. The sources of moneys for the Fund include an amount of money not exceeding twenty-five per cent of the Annual Budget Funding Amount, repayment inflows of moneys on-lent by the Ministry of Finance to Ministries, Departments and Agencies of Government or State-owned enterprises for capital project or infrastructure development, grants, donations, gifts and other voluntary contributions to the Fund, internally generated funds, moneys that accrue to the Fund from investment made by the Fund, moneys borrowed or raised from local and international capital market or from affiliates of the Fund and any other moneys approved by Parliament for payment into the Fund.

Clause 2 amends section 19 of the Act to provides for the Fund to be exempted from the payment of any form of tax for the first ten years of the operations of the Fund.

Clause 3 is a consequential amendment which seeks to repeal section 9 of the Earmarked Funds Capping and Realignment Act, 2017 (Act 947).

OSEI KYEI-MENSAH-BONSU
Minister responsible for Finance

Date: 29th March, 2021.