



Credit Enhancement and Access to Long Term Domestic Institutional Capital in Ghana

An interactive roundtable convened by InfraCredit, the Ghana Infrastructure Investment Fund (GIIF), the African Development Bank (AfDB), the Private Infrastructure Development Group (PIDG) and Stanbic Investment Management Services LTD, bringing together domestic pension funds, corporate trustees, fund managers, regulators, and development partners to explore the role of credit guarantees in unlocking long-term local currency financing for Ghana's infrastructure sector. The session focused on opportunities in priority areas while highlighting global and Nigerian precedents for mobilising institutional capital through credit enhancement.



Background

Ghana is estimated to require US\$372 billion over the next 10 years to bridge its infrastructure deficit and improve its core infrastructure stock. While the government has remained a major investor, annual budgetary allocations to infrastructure currently account for less than 10% of the funding needs.

The domestic banking sector, though significant in size, is largely funded by short-term deposits, making it unsuitable for infrastructure investment, which requires stable, long-tenor capital. Furthermore, banks' reliance on floating interest rates introduces unpredictability in debt service, creating significant risks for infrastructure operators.

To address this financing gap, it is critical to develop solutions that provide predictable debt service for infrastructure projects (demand side), while matching their underlying Cedi-denominated earnings. On the supply side, institutional investors such as pension funds, corporate trustees, insurance companies, and asset managers are seeking long-dated, risk-adjusted returns that align with their mandates. Reconciling the interests of both sides is crucial to creating financial products that reduce information asymmetry, improve liquidity access, and ensure sustainable returns.

Globally and across Africa, credit guarantees have emerged as effective mechanisms to mobilize long-term local currency financing by reducing risk perception and improving credit quality. In Nigeria, InfraCredit has successfully mobilized over ₦300 billion (≈US\$498 million) from pension funds and institutional investors into local-currency infrastructure bonds, while maintaining a zero-default record. This precedent demonstrates the catalytic role that guarantees can play in unlocking institutional capital for infrastructure finance.

In this context, the Investor Roundtable on Credit Enhancement and Access to Long Term Domestic Institutional Capital in Ghana was convened to explore how pension funds can be unlocked, how Ghana's domestic debt capital markets can be deepened, and how issues of pricing, tenor, and proxy yield curve development amidst debt restructuring can be addressed, drawing on lessons from regional and global case studies.

Strategic Objective

The expected outcome of the session was to identify the barriers limiting the mobilisation of long-term local currency financing for infrastructure in Ghana and to position credit guarantees as a practical solution for bridging the gap between investor requirements and project needs.

The discussions focused on how pension funds can be unlocked for infrastructure investment, opportunities to deepen Ghana's domestic debt capital markets, and key considerations such as pricing, tenor, governance, and credit quality. The session also examined how credit enhancement can both facilitate greater institutional participation and provide first-time issuers with access to the capital markets, as well as the role of guarantees in supporting proxy yield curve development in the context of Ghana's debt restructuring. Lessons from regional and global case studies were used to inform the design of a Credit Enhancement Facility tailored to Ghana's needs.

Participants

The Investor Roundtable brought together 85 participants from 47 organizations, including pension funds, asset managers, insurance firms, regulators, development finance institutions, banks, and advisory firms.

INSTITUTIONAL INVESTORS (PENSION TRUSTEES, ASSET/FUND MANAGERS)

REGULATORS

PARTNERS

ADDITIONAL PARTICIPATING ORGANIZATIONS

Summary of Feedback from Pension Funds



Credit enhancement as a comfort mechanism

Guarantees were viewed as critical to reduce risk perception, provide assurance to trustees, and enable pension funds to consider infrastructure as an investable asset class.



Pipeline development and visibility

A stronger pipeline of well-prepared, bankable projects is needed to align with pension fund mandates and support consistent deal flow.



Policy and regulatory support

Board approvals, NPRA requirements, and trustee education were highlighted as key barriers that must be addressed for wider adoption of guarantees.



Investor education and capacity building

Trustees and asset managers require more technical training on the structuring, pricing, and application of credit guarantees to build confidence.



Market development and scale

Larger transaction sizes and the development of a secondary market are needed to create liquidity and match the growing scale of pension fund assets.



ESG and sustainability alignment

Future guarantee-backed products should integrate ESG principles and climate considerations to meet evolving investor mandates.



Institutional preparedness

Most institutions indicated readiness to invest in guarantee-backed instruments, provided transactions deliver predictable cash flows and strong governance.

Conclusion

The roundtable emphasized both the urgency of Ghana's infrastructure needs and the opportunity to mobilise domestic institutional capital through credit guarantees. Investor interest is strong; success now depends on a bankable transaction pipeline, supportive regulation, and sustained engagement.



INVESTOR'S
**ROUND TABLE
DISCUSSION**