

## IMANI Alert:

### Why the CSOs Oppose the “Current” Agyapa Deal

August 27<sup>th</sup>, 2020

#### Summary

- The timeline of 4 months to IPO is problematic, ***unless the Government has surreptitiously filed for listing***. To ensure favourable pricing of the offered securities, the timeline for listing any MIIF SPV on any international exchange should be extended to at least April 2021. This should also allow additional scrutiny into the Agyapa transaction because, so far, it lacks the basic minimum of transparency and assurance of above-board dealing required of a sovereign transaction.
- The degree of ***information-hiding*** has been so intense that, per the official record, it took the Ministry of Finance more than a year to share the full set of agreements with the Government’s own Attorney General following an initial request for legal review in January 2019. Unsurprisingly, the final agreement ratified by Parliament defies many pieces of advice offered by the Attorney General, including a suggestion that the Investment Agreement be limited to a fixed term of 30 years.
- Raising short-term capital and building a solid company to invest Ghana’s royalties are not intertwined objectives and the selected vehicle for listing securities on the LSE Main Market is ineffective for achieving either strategy in a holistic way. The massive upfront costs of listing and sustaining a listing is equivalent to borrowing at over 10% per annum, far above Ghana’s current sovereign borrowing rate.
- There is a case to be made for diversifying the country’s sovereign wealth strategy and acquiring some geo-economic influence, but that should not be pursued at the