



REPUBLIC OF GHANA

MINISTRY OF FINANCE

Request for Expression of Interest (EOI)

Counterparties for the execution of Government
Petroleum Risk Management Programme (PRMP)

July 2019



I. BACKGROUND

The Republic of Ghana, represented by the Ministry of Finance, intends to implement a Petroleum Risk Management Programme to mitigate the economic impacts of petroleum price volatility, as stipulated in the 2019 Budget Statement and Economic Policy.

In this regard, the Ministry requests a written proposal from reputable institutions as Counterparties for the execution of the Petroleum Risk Management Programme, which will commence in January 2020.

II. QUALIFICATION REQUIREMENTS

The proposal to serve as a Counterparty should address the questions set forth below in the order shown and as specifically and succinctly as possible.

A. Organizational Experience and Capabilities

1. Profile of the firm, whom should have at least a ten-year track record in commodities hedging in Emerging Markets (EM).
2. Identify and discuss your firm's qualification to serve as a Counterparty for the execution of the Petroleum Risk Management Programme, including in particular:
 - a. A description of your firm's credit rating, counterparty capacity, and ability to warehouse risk, including examples of significant global and other commodities transactions successfully executed with sovereign countries by your firm during the last five years;
 - b. Provide the names and relevant experience of the professionals including operations support and sales personnel to be assigned to the transaction, with a description of each individual's role;
 - c. Ability to recommend various alternative modes of premium payment (cash, bonds etc.); and
 - d. Provide statistics/league tables on your commodity trading volumes for both emerging and global markets from either Bloomberg or Dealogic over the past five years. Demonstrate your firm's back office / operations capability and after trade support for Ghana. Provide samples of reporting including on-line dashboard capability.



B. Current Market Conditions, Structure and Timing

- a. Please provide your views on the optimal structure, types of instruments, financial products or financing options to be considered for the petroleum risk management programme. Also, discuss the ideal market conditions for the stated instruments and the number of counterparties required. Please indicate the reasons for these options and any particular factors that may affect the execution of the programme.
- b. Propose strategies to conduct the Petroleum Risk Management Programme, including the number of barrels that quantify Ghana's exposure. Consider both full hedging at inception versus a phased approach over time and market triggers. Discuss the merits of a benchmark for evaluation of performance of the underlying instruments to be hedge. Provide illustrative scenarios of managing the hedge trades under different market conditions both adverse and favourable.

III. TYPE OF AWARDS

The Ministry reserves the right to accept or decline any proposal submitted as award portions of the request to various bidders as the Ministry deems it fit.

This EOI does not commit the Ministry to award a contract, to pay any cost incurred in the preparation of a proposal or to procure a contract for services or materials. As a result of proposal review or contract negotiations, prospective Counterparties may be required to submit a revision to their proposals at any time.

IV. SUBMISSION

Please submit four (4) hard copies and an electronic version of your proposal to the following address no later than **17:00 GMT, 15th August 2019**:

Ministry of Finance
Finance Drive, P.O. Box MB 40 Accra
Main Block, Room 312
Attention: Director, Treasury Management Division
Email: prmp@mofep.gov.gh

V. ENQUIRIES

Please contact prmp@mofep.gov.gh for further information if required.

VI. NOTE

Please note that your proposal should be limited to a maximum of **30 pages** including appendixes.

