

Ghana Quantum Terminals

Mobilising finance to expand access to fuel in Ghana



PIDG PROJECT FACT SHEET CURRENCY GUARANTEES



Quantum Terminals | Ghana | With Quantum Group

Improving storage and transmission for fuel

GHS12m
Ghanian Cedi
guarantee

**2 million
people**

with improved access
to affordable power

Strengthening capital markets to deliver access to cleaner, more affordable power

GuarantCo enabled Quantum Group to secure finance to enhance LPG storage and distribution



Developing local capital markets to promote energy security

The Quantum Terminals project used a local currency guarantee to attract finance to build key storage and distribution infrastructure for liquefied petroleum gas (LPG) in Ghana.



Facilitating improved LPG supplies for homes and businesses

Many Ghanaian households rely on charcoal and wood for fuel. The government is committed to expanding use of cleaner, domestically generated LPG. GuarantCo enabled Quantum Group to access finance to build three new 500m³ LPG storage tanks, loading gantries and supporting infrastructure. Two million people will benefit from improved access to LPG, with the project increasing fuel security, cutting emissions and slowing deforestation.



Providing credit enhancement to attract investment

GuarantCo provided a guarantee of Ghanaian Cedi 12m (US\$5.4m)¹ to Quantum Group, an oil and gas trading group. It enabled the company's main banker, Standard Chartered Bank Ghana, to overcome barriers to investment to deliver the necessary hard and local currency components of the finance mix for the project.



GuarantCo provides local currency guarantees in Africa, south and south-east Asia and other emerging economies

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This case study is also included in the  Africa project fact sheet series.

Ghana Quantum Terminals

GuarantCo's support means cleaner fuel for homes and businesses in Ghana



Technology
industrial
infrastructure



Total investment
GHS24m
(US\$10.8m)



Value of PIDG investment
GHS12m
(US\$5.4m)



Number of people benefiting
2 million

Context

Ghana's economic development continues to be hampered by infrastructure deficits, particularly in its energy and transport sectors. Domestic production of LPG began in 2014, however a lack of associated infrastructure has constrained access to the fuel and the country remains reliant on charcoal and wood gathered from largely non-renewable sources. Having identified LPG as a cleaner, cheaper alternative to domestic fuelwood and imported oil and coal, the Government of Ghana is committed to increasing the penetration of LPG in Ghana's energy sector to 50% by 2017.

Project

The project is based in Atuabo near the country's Jubilee Oil Fields. Quantum Group, part of an indigenous Ghanaian oil and gas trading group, required finance to construct three 500m³ LPG storage tanks, three loading gantries and associated infrastructure to increase the availability of LPG in Ghana. The company encountered difficulties in securing the appropriate mix of hard and local currency finance.

GuarantCo's Ghanaian Cedi 12m (US\$5.4m) guarantee enabled the company's main banker, Standard Chartered Bank Ghana, to overcome barriers to investment to provide the local currency component of the finance alongside the hard currency required to deliver the project.

Impact

The Atuabo facility is the first storage terminal dedicated to servicing domestically produced LPG from the Jubilee Oil Fields and Quantum Terminals is key to the government's plans for long-term fuel security. The project will deliver improved access to affordable LPG for an expected 2 million people, reducing Ghana's reliance on gathered wood, enabling engagement in economic activity and slowing dangerous rates of deforestation. LPG has substantially lower CO² emissions per kilowatt hour than oil, coal and biomass. Supporting the construction of vital storage and distribution infrastructure will reduce CO² emissions, contribute to Ghana's fuel security and promote future economic development.

¹ Applicable exchange rate when closed



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