

UNDERSTANDING PROJECT FINANCE FOR INFRASTRUCTURE DEVELOPMENT– COURSE INFORMATION

COURSE OVERVIEW

Project finance is used on a global basis to finance over \$300 billion of capital-intensive projects annually in industries such as power, transportation, energy, chemicals, and mining. This increasingly critical, financial technique relies on nonrecourse, risk-mitigated cash flows of a specific project, not the balance sheet or corporate guarantee of a sponsor, to support the funding, using a broad-based set of inter-disciplinary skills. This short course in Project Finance aims to provide candidates with an overall view on Project Finance and the main mechanisms of how to provide for financial structuring of the project.

Your course presenter is an expert in Public Private Partnerships and concession projects, working with major financial consultancy firms, with over 20 years of experience in developing projects under project finance methodology.

BENEFITS OF ATTENDING

- Direct, specific, and practical tools to apply to project finance
- The structured approach of this course provides you with a clear and logical methodology to guide you through the project finance.
- Learn from the first-hand experiences of an entrepreneur who has successfully built over 15 businesses from the ground up.

COURSE OUTCOMES

- Obtain an overview of the concepts and approach used in structuring and arranging project finance transactions for major infrastructure schemes
- Gain an understanding of risk analysis and risk management technique
- Learn about a project appraisal methodology
- Understand the language and approach of financiers
- Insight into the drivers, approaches and concerns of the key players involved in creating and financing major projects

COURSE OBJECTIVE

The objective of the course is to understand what project finance is, its necessary elements, why it is used, how it is used, its advantages and its disadvantages. At the end of the course, students should be able to identify projects that meet the essential criteria for a project financing and know how to create the structure for a basic project financing. The course will study the necessary elements critical to project financing to include product markets, technology, sponsors, operators, offtakers, environment, consultants, taxes and financial sources.

COURSE OUTLINE

Pillar 1: Introduction – Project Finance Overview and Fundamentals
<ul style="list-style-type: none">• Origins of project financing• Definition of project finance• Why choose project finance?• Structuring the project vehicle• Key sponsor issues

Pillar 2: Parties To A Project Financing and Project Financing Documentation
<ul style="list-style-type: none"> • Parties and their roles • Project company/borrower • Sponsors/shareholders • Role of documentation • Shareholder/sponsor documentation • Loan and security documentation • Project documents
Pillar 3: Project Structures
<ul style="list-style-type: none"> • Approach to financing • Bonds • Leasing • “Build Operate Transfer” “BOT” model
Pillar 4: Risks and mitigants
<ul style="list-style-type: none"> • Understanding the risk allocation • Country and political risks • Industry risks • Project risks • Environment risks • Construction risks • Offtake - sales and supply risks • Contractor risks • Operator risks • Funding risks • Foreign exchange - currency and Interest rate risks
Pillar 5: Security and Insurance Issues
<ul style="list-style-type: none"> • Approach of lenders • Reasons for taking security • Role of project insurances • Who insures? • Scope of cover • Problem areas
Pillar 6: The Project Loan Agreement
<ul style="list-style-type: none"> • Warranties, covenants and events of default • Project bank accounts • Appointment of experts • Information and access • Cover ratios • Governing law and jurisdiction • Completion issues

WHO SHOULD ATTEND

This course will be of benefit to those working within, or intending to move into, project development or project finance areas. Participants include engineers, bankers, accountants, lawyers and middle/senior managers in utility companies, commercial banks, consultancy and law firms.