

Project Finance






VIRTUAL INTERACTIVE TRAINING COURSE
Date: 06-10 & 13-15 November 2023 (09:00-13:00)

INTRODUCTION

Emerging economies need new infrastructure. Are banks able to fund these types of projects given certain internal compliance regulations such as Environmental, Sustainable and Governments (ESG) requirements? Roads, airports, schools, higher education, hospitals, prison services and housing to name but a few. The COVID19 pandemic has illustrated to us how inadequate many of our medical facilities (hospitals, laboratories) and digital networks are in coping with the fallout of the pandemic. Yet severely limited budgets, economic uncertainty caused by the pandemic and volatile commodity prices, and deficits (due to pandemic economic recovery) continue to prevent government at all levels from delivering the kinds of structural change that has always been needed. In response, some countries have developed relatively successful PPP programs – similar in many ways yet with specific national characteristics. We do not just simply need to understand project finance and PPP, but also, we need to put these project funding practices into action now.

OBJECTIVES

The seminar will provide an introduction to project finance that will give participants an overview of the subject that equips them to interact with specialists or proceed to more in-depth studies, in the following areas:

1. Investor and Financier Interests
 -  Project investors, their evaluation and experience in the respective industry
 -  Project types – public, private or public-private.
2. Project Cycle Risks and Contractual Issues and Risk Coverage (4 case studies Hospital service, schools/universities, airport security)
 -  Documentation, due diligence, forms of contract
 -  Security - project pledge, insurance, pledge of shares
 -  Industry specifics for project finance – telecommunications, energy, renewable energy, transport infrastructure, etc.
3. Free Cash flow and Project Cash flow Models (IRR, NPV, PBT, DSCR)
4. Personal coaching day
5. Procurement procedures (if time permits case studies)
6. Financial Instruments Funding Projects

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PROGRAMME

Introduction and overview

- ✚ A definition of Project Finance
- ✚ Developments in Mongolia: the PPP pipeline and regulatory limitations.
- ✚ PPP and PFI –differences
- ✚ Why and when should Project Finance techniques be used?
- ✚ What constitutes a project?
- ✚ Evaluating sponsor qualification for financing

Project Cycle Risks

- ✚ Phases, Completion, Formal Permissions, Resources and Raw Materials
- ✚ Concessions for Supply, Construction, Throughput
- ✚ Case Studies on risk identification (Group work during 2-day break)

Sponsor and Financier Interests: Key Financial Performance Indicators

- ✚ Project's Investor- Investment return – IRR, NPV, PBT
- ✚ Project's Financier– Cash Available for Debt Coverage and DSCR

Free Cashflow and Project Cashflow Models

- ✚ Do we do the deal or not?
- ✚ Interactive online Excel Cash Flow modelling
- ✚ An Excel model to be completed before the next session (trainer coaching)

Coaching Day

Participants can individually reserve 30 mins of personal coaching throughout the day. Perhaps help with the Excel modelling or a point where they need clarification.

Procurement

- ✚ Purchase and supply procedures in the public sector and for utilities.
- ✚ Case study: Procurement procedure design considerations (Group study to be presented in next session).

Contractual Issues and Risk Coverage

- ✚ Insurance cover (ramp-up period), Common Term Agreement, Types of Project Finance contracts, collateral, and risk coverage in the contract.

Financial Instruments for Funding Projects

- ✚ Financing risk considerations
- ✚ Long Maturity funding for Project Finance

LANGUAGE

A good command of English is required.

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EXPERT

Mr. **Graham Cheshire** is an independent financial consultant and trainer in corporate and project finance. He is an official ATTF/HoT Senior Expert and Senior Financial Consultant for FSFM (currently a green climate city finance project), AFD, IFC, KfW in renewable energy and energy efficiency financing. Graham also provides training in Bond Capital Market Development, Asset and Liability Management, and Project Finance. He has worked as a lecturer at Luxembourg University in Corporate Finance and as a Management Trainer at Airbus.

TARGET AUDIENCE

Representatives of investment & commercial banks, National /Central Banks, Ministry of Finance, Economics, Transport.

PLACE DURATION DATES

3 days of training, consisting of 6 half-day sessions of 4 hours each + a 30-minute one-to-one coaching session for each participant.

Dates: **November 6th to 10th and from November 13th to 15th**

Coaching sessions: Friday, November 10th, and Monday 13th.



Only the concerned participants will have to login for their pre-fixed 30-minute slot.

From **9:00 to 13:00** CET

PLATFORM AND TECHNICAL REQUIREMENTS

This training course will be held on the online platform Webex.

To join the course, the participants are required to have:

-  A stable internet connection
-  A device (preferably a PC) with a well-functioning microphone and webcam (mandatory to ensure a proper interaction with the trainer and the other participants)

In addition, the participants are requested to check in advance with their IT department that the IT security policy in their work environment, such as firewalls, allows them to access the online platform with microphone and webcam without any issues.

REGISTRATION

Send your filled registration forms via email at KBA, or contact us at:

kbatrainingcenter@bankassoc-kos.com or **038 246 171**