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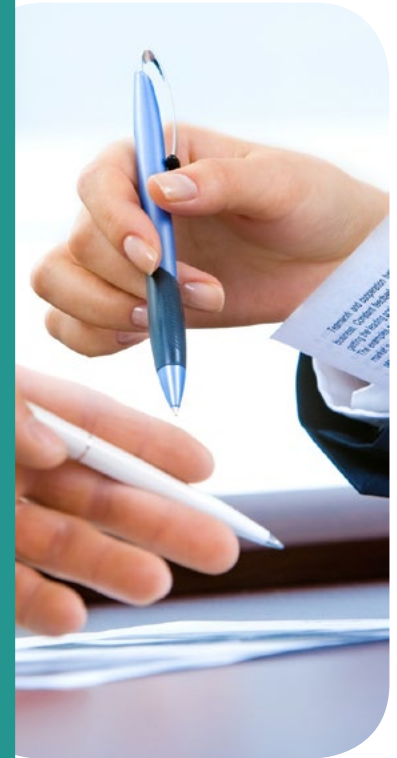
Project Finance & Project Financial Modelling

LIVE ONLINE COURSE OVER 8 SESSIONS

Commences: 27 September 2021

Course Sessions

1. Limited-recourse Project Finance models & key requirements
2. Managing Project Finance transactions & stages of the deal
3. Project Finance documentation management, risk analysis models & Environmental, Social & Governance (ESG) mitigation options
4. Sources of PF funding, financing instruments & guarantee products; credit enhancements & bankability techniques
5. PF financial model design requirements, presentation & formatting standards
6. Programming financial statements, cash flows, profit & loss statements and managing international accounting standards
7. Projecting PF balance sheets, SPV reserve accounts, PF refinancing, and conducting sensitivity analyses
8. PF model stress-testing, overseeing Monte Carlo simulation analyses, and modelling for credit enhancements



Online Course at a Glance



The online course will be delivered in 8 live interactive sessions. Each session will be 3 hours, including two 5-minute breaks. The live online course is powered by Zoom, which can be accessed via laptops, desktops or mobile devices. Please refer to page 6 for more details.

COURSE OVERVIEW

Today's project finance (PF) transactions require a higher level of expertise not only in programming more sophisticated and flexible financial models, but also in incorporating the latest risk mitigation and credit enhancement instruments. While higher standards of Environmental, Social, and Governance (ESG) impact management are being demanded of all major capital projects worldwide, more options and models for ESG mitigation, insurance, guarantee products, and financing instruments are now available. This online course covers both the latest PF strategies, risk mitigation instruments, as well as financial modelling best practices.

The objective of this course is to provide participants with an enhanced understanding of the practical & documentation requirements of all interested parties to today's PF transaction. This programme provides you with proven PF analytical strategies and transaction structuring techniques which will enable you to quantitatively assess risks, resolve constraints, and reach project financial closure. This programme is also designed to enhance the check lists and benchmark metrics by which you can reduce losses and which will be viewed favourably by both management and the regulatory community.

BENEFITS OF ATTENDING

- Understand the key practical and transaction management requirements of today's project finance (PF) marketplace
- Oversee and direct PF transactions including managing specialist transaction advisors
- Manage PF documentation requirements and manage detailed lender due diligence requirements
- Designing commercial financing instruments, funding products, and "blended finance" strategies
- Select and apply credit enhancement and guarantee products to ensure PF bankability
- Techniques for managing and reaching PF transaction commercial closure & financial closure
- The latest standards for analyzing and mitigating environmental, social, and governance (ESG) impacts of PF transactions
- Best practices for resolving practical PF challenges in specific infrastructure and industrial sectors including- renewable energy; power transmission & energy pipelines; logistics & transport facilities; airports, ports, & roads; desalination plants; water & wastewater treatment facilities; accommodation, hospitals & education facilities; commercial real estate, agro-industrial facilities; mining & natural resources, etc.
- Practical standards for designing & programming financial models for PF transactions, data assumptions, financial statements, international accounting standards, and bankability metrics
- Review and critique PF financial models prepared by specialist PF financial advisors
- Stress-test PF models: sensitivity analysis, scenario analysis, and overseeing Monte Carlo simulation analysis techniques
- Use PF financial models to guide risk-allocations, credit enhancements instruments, bankability measures, and reach transaction financial closure



YOUR EXPERT COURSE DIRECTOR

Edward is an international Project Finance & Infrastructure Financing specialist with over **30 years** of extensive experience in **60 countries** in designing PF strategies & framework, infrastructure project finance, PPP feasibility studies and transaction advisory services. He has directed and structured financing plans for **over \$850 million** worth of investments in the energy and other infrastructure sectors. He has worked on renewable energy investment transactions and advisory assignments throughout **South East Asia, South Asia, Eastern Europe and Africa**. He has designed and led executives training programs on energy investment transactions for **over 12,000 officials** worldwide.

COURSE METHODOLOGY

This online workshop features rigorous new interactive methodology that require attendees to demonstrate their understanding with each module's practical techniques and learning outcomes. Every 10-15 minutes throughout each session, you will be required to complete either focused review questions for selecting among a range of PF transaction management decisions. You should be prepared to actively participate, and not merely to "watch & listen" video presentations.

Case studies of PF transactions will feature the real-world details of PF Info memos, feasibility studies, impact assessments, and PF agreements to provide first-hand understanding of the challenges of PF transactions. Discussions will place you into the practical roles of key management decision-makers who not only need to analyze and understand PF investment proposals, but who have to make real-world decisions on transactions. As a result of actively engaging in this program's methodology, you will be able to make practical decisions on PF strategies, projects, and transactions for your organizations following the workshop's completion.

COURSE CERTIFICATE

Upon the successful completion of this course, you will receive a Certificate of Attendance to testify your endeavour and serve towards your professional advancement.

In House Training (Save up to 40%)

Interested in this course for a group of at least 15 people? Contact Abigail Harris on +65 6325 0215 or email abigail@infocusinternational.com

Programme Schedule (GMT+0)

Applicable to all 8 sessions

| | |
|-------------|----------------|
| 11:00 | Session starts |
| 12:00-12:05 | First break |
| 13:00-13:05 | Second break |
| 14:00 | End of session |

SESSION 1 27 September 2021, 11am – 2pm GMT+0

Limited-Recourse Project Financing Models & Key Requirements

Special requirements of today's limited-recourse project finance transactions

- Unique investment requirements of infrastructure & capital projects: economies of scale, financing terms, demand stability & risks, fixed-costs and revenue requirements, ESG measures & impact mitigation, and stakeholder management challenges
- Infrastructure & capital project financing strategies: sovereign finance vs. corporate finance vs. limited-recourse project finance
- Strategic challenges in project financing: size, time & cost and reconciling bankability with affordability
- Forming bidding & developer consortia and structuring the Special Purpose Vehicle (SPV)
- The “Security Package” of project finance agreements
- Government-sponsored project finance: BOO, BOOT, BOT, DBFO, DBO, etc.
- Application of project finance to different sectors – energy & renewables, transportation, logistics, digital infrastructure, environmental facilities, hospitals, education, accommodation & housing, etc.
- Phases & trends in the history of project finance and key challenges in the current market for capital project financing

SPV and its requirements for bankable project finance

- Why the SPV? Ownership structures
- Significance of the financial model
- Project finance as a security package of inter-related contracts
- Optimum management of risks through risk-pricing techniques & allocation of project risks
- Advantages and disadvantages of limited-recourse project finance

Case Study: Bujagali Falls Hydroelectric Dam Project Financing, Uganda

Key financial analysis measures for PF bankability & creditworthiness

- Debt Service Coverage Ratio (DSCR) & Interest Coverage Ratio (ICR)
- Internal Rates of Return (IRR): Equity IRR, Project IRR, Modified IRR (MIRR), & XIRR
- Degree of Operating Leverage (DOL) & fixed-cost benchmarks

SESSION 2 28 September 2021, 11am – 2pm GMT+0

Managing Project Finance Transactions & Stages of the Deal

PF deal origination & transaction stakeholder management requirements

- Assessing the macroeconomic background, forecasting, infrastructure gap analysis & PPPs
- Project financing identification options & investment project concept notes
- Unsolicited Proposal (USP) & Privately-Initiated Investment Proposals (PIIP) development options & challenges
- PF stakeholder mapping, management, and policy context evaluation techniques

Constructing the PF feasibility study & investment business case

- Hiring & overseeing qualified feasibility study consultants: model terms of reference & quality review requirements
- Forecasting demand, developing measurable PPP output performance standards & managing technical feasibility analysis
- Financial feasibility modelling design, confirming input assumptions, and financial instruments
- Environmental, Social, and Governance (ESG) impact analysis standards and mitigation models
- Risk identification, analysis, and allocation models and credit enhancement techniques
- Project finance bankability, affordability & business case design

Case Study: Long Beach Courthouse Project Financing, Long Beach, California, USA

THE ADVANTAGES OF LIVE ONLINE LEARNING

Until now if you wanted to experience one of Infocus International's world leading courses, you would either have to travel to the training location, or your organisation would sponsor an in-house training programme. Now, regardless of your geographical location, you can experience the same level of quality as a public or in-house course and learn from office, home or even on the move. There's also the huge savings of cost and time by not having to travel to the training location.

We all face more pressure in our business lives. Finding time to attend courses can prove very difficult and plans are too often put aside. If you've had to put training on the back burner due to other commitments, our online learning course is what you've been waiting for.

Through live online learning you can enjoy the full benefits whilst minimising disruption to your professional commitments. The course is accessed online, giving you the flexibility and freedom to participate from anywhere in the world as long as internet access is available.

If you miss out a session or two, you can access the playback video recording available up to a week after the live session.

ABOUT ORGANISER

Infocus International is a global business intelligence provider of strategic information and professional services. We provide worldwide participants with intensive technical training programmes designed to help them succeed on the global stage.

Our ever-expanding portfolio of 1 to 5-day physical courses, conferences, and live online courses range in complexity from introductory programmes for new market entrants, through to the most complex subjects in the industry.

Reaching PF transaction closures: commercial closure vs. financial closure

- Terms of Reference (ToR) models for procurement & tendering/PPP proposal transaction advisors
- Designing & responding competitive tendering strategies for PF transactions
- PPP bid stipend options: affordability & requirements
- Managing PF contract negotiations & reaching transaction commercial closure
- Lender due diligence requirements & managements
 - Lender deal origination and PF term sheets
 - Underwriting commitments & PF structuring
 - PF loan syndication procedures
- Practical requirements & management techniques for reaching PF transaction financial closure

- Construction and operations risk
- Offtake risk: the output structure (with take or pay and other examples)
- Contract risk: default and management of counterparties
- Environmental risk and assessment

Transaction Case Study: Victoria Desalination Plant Project Financing, Victoria, Australia

PF risk analysis standards and models

- The role of the PF financial model
- Risk identification, “hierarchy” & prioritization models
- Project risk impact assessment & risk probability techniques
- Value at Risk (VAR) vs. probabilistic-based risk valuation models
- Stress-testing: risk sensitivity analyses & scenario analyses
- Monte Carlo Simulation analyses: data & programming requirements, application challenges & interpreting results

PF risk management & mitigation strategies

- Lending agreement applications (e.g. step-in rights)
- Management effectiveness
- Technology limitation and warranties
- Derivatives and their use in project finance
 - Hedging strategies using derivatives
 - Structured finance solutions
 - Commodity derivatives
- Examples of risks and their management in project finance
- Dispute resolution and arbitration techniques

SESSION 3 29 Sep 2021, 11am – 2pm GMT+0

PF Documentation Management, Risk Analysis Models & ESG Mitigation Options

PF contracts & key transaction documentation requirements

- The “security package” of key PF contracts and their inter-relationships
 - EPC/Turnkey contracts
 - Shareholder/Investment agreements
 - PF Lending agreements
 - Lenders’ direct agreements & step-in rights
 - Insurance & Partial Risk Guarantee (PRG) contracts
 - Input supply
 - Government letters of support and off-taker financial performance guarantees
 - Escrow agreements, agents, documentation requirements, and pay-out conditions
- Contract issues: liquidated damages, performance bonds and retentions, completion guarantees
- Advantages and disadvantages of standard form contracts
- Bank covenants (including conditions precedent, MAC clauses) and their importance and monitoring
- Intercreditor agreements and common trust security agreements
- Specific challenges and issues with lending to key sectors:
 - Renewable Energy (RE): solar, wind, hydro & waste/biomass-to-energy facilities
 - Independent Power Projects (IPPs) & Power Transmission Line (Tx) PPPs
 - Airport & aviation sector capital projects
 - Roads, ports, railway, mass transit & logistics projects
 - Water/Desalination, wastewater, solid waste & environmental facilities
 - Accommodation facilities: hospitals, schools, affordable housing & university hostel facilities

Managing PF due diligence: standards & models

- Purpose and approach to due diligence
- The limits of rating agency approaches
- Due diligence / risk classification
 - Political risk and mitigation/PRI insurance
 - Technical project analysis: technology, construction and operation
 - Financial structure risk: allocation of responsibilities and governance, refinancing issues, interest rate and currency volatility
 - Input/feedstock risk: analysing the price and volatility of inputs

SESSION 4 30 Sep 2021, 11am – 2pm GMT+0

Sources of PPP Financing: Financial Products, Guarantee Instruments, Credit Enhancements & Bankability Techniques

PF instruments & financial products: requirements, opportunities and challenges

- Financing choices between equity and debt – the cost of capital debate
- Equity, equity bridge loans and subordinated shareholder debt – the sponsor's perspective
- Public sector lenders in project finance – conflict of interest?
- Export credit finance instruments, products, requirements, advantages & disadvantages
- Multilateral agencies and development finance institutions: risk mitigation, reputation & “crowding-in” opportunities
- Types of bank lending (bullet, amortisation) and selection
- Bank lending criteria (tenor, rates, ratios such as loan life cover, project life cover, and DSCR ratios)
- Cashflow waterfall – tax, operations, reserve accounts, inter-creditor issues and dividends
- Third party investment in project finance deals and applicability of valuation techniques
- Bond issues, securitisation, and security requirements
- Credit rating agency PF methodologies, rating considerations and examples
- Leveraged and finance leases techniques
- Evaluating local vs international financing options

Dealing “sovereign ceilings”, financing instruments & guarantee products for bankable PF

- The role and track record of the multinational agencies & international financial institutions: The World Bank/IFC, ADB, AfDB, IsDB, EBRD/IAB, IADB

- Credit enhancement instruments offered by export credit guarantee agencies for PF

Transaction Case Study: As-Samra Wastewater Treatment Plant Phase 1 & Phase 2 Project Financing, Jordan

PF credit enhancement options & refinancing techniques

- “Blended Finance” techniques & structuring public capital contributions & disbursement conditions for PF
- Viability Gap Funds (VGF): Fund designs, evaluation methods, and fund draw-down management
- Measuring availability payments & capacity payments & analyzing off-taker fiscal affordability
- Formulas & index-inputs for calculating capacity & volumetric payments
- Calculating Minimum Revenue Guarantees (MRGs)
- Designing & valuing PF debt service reserve accounts
- Payment assurance schemes & off-taker reserve account models
- Subordinated debt, “mezzanine financing,” and its covenants
- PF revenue enhancement options: co-generation, real estate development rights, risks & opportunities
- Deferred principal debt structuring options & pricing methods
- Analyzing PF refinancing opportunities & requirements
- Due diligence, documentation requirements, and negotiating management techniques for refinancing PF transactions

SESSION 5 5 Oct 2021, 11am – 2pm GMT+0

Designing Financial Models Part 1: PF Financial Model Design Requirements & Workplan Management

Designing effective PF financial models

- Establish the foundation: understand PF model objectives for the transaction decision-making process
- PF modelling standards for different phases: pre-feasibility study; feasibility study; private bid; lender due diligence; and post-transaction payment/tariff regulation & refinancing
- Evaluating all key PF stakeholders and what the specific financial model outputs required for project bankability, affordability, and sustainability
- Key PF model outputs: DSCR, Equity IRR, Project IRR, MIRR/XIRR, NPV, Degree of Operating Leverage (DOL) & fixed vs. variable costs
- Key PF model financial input assumptions: gearing ratios & capital structures, investor discount rates & Weighted-Average Cost of Capital (WACC), debt terms & tenors
- Mapping-out key PF financial model components & worksheets: “dashboards” and “inputs & results”; capital expenditures & construction cost estimates; financing & loan repayment tables; P&L statements; cash flow statements; & proforma balance sheets
- Managing key PF data-gathering tasks, credibility & verification standards, and PF financial model workplans

Practical management of PF data-gathering & input assumption requirements

- Capital expenditure cost estimation, quantity surveying & International Property Measurement Standards (IPMS), AACE cost estimation classification system for construction & engineering, estimate review & credibility standards, requirements, and management techniques

- Equipment Renewal & Replacement (R&R) standards, asset depreciation schedules & Original Equipment Manufacturer (OEM) maintenance standards
- Revenue estimation: availability payments, volumetric payments, end-user tariffs/tolls, estimating price elasticity of demand, managing end-user surveys for willingness-to-pay and revenue forecasting
- Revenue and cost modelling (plant capacity, fixed and variable costs, taxes and insurance)
- O&M cost estimation: input assumptions for labour, energy, utilities, OEM maintenance costs, inflation factors, and producer price index
- Financing: surveying & interviewing lenders, investors, for PF loan requirements, standard covenants, lending term availability, security standards, and basis point & pricing estimates
- PF data-gathering, cost & revenue assumptions management: coordinating & comparing cost estimates and harmonizing all key assumptions

PF model formatting & presentation standards for ease-of-understanding & clear decision-making

- PF model clarity for specific decision-making by key stakeholders for bankability, affordability, & sustainability
- Formatting & labelling standards for MS Excel and spreadsheet PF models
- Model formulas and PF model auditing processes & footnoting input assumption sources
- Presenting which PF model assumptions can be changed in the model and which cannot
- Using graphs for presenting key PF model outputs & cash-flows, etc. to support stakeholder decision-making

SESSION 6 & 7 6 & 7 Oct 2021, 11am – 2pm

Designing Financial Models Parts 2 & 3: Programming Financial Statements and Interpreting International Accounting Standards

Designing PF model “dash boards” & “inputs & results” worksheets

- Deciding which key PF input assumptions to allow to vary and display in the “Dash Board”
- Selecting key PF model outputs to display for transaction decision-makers PF bankability, affordability, and sustainability

Designing PF capital expenditure worksheets

Developing the financing worksheet

- PF gearing ratio assumptions, debt, equity sources & incorporating “blended financing” & VGF options
- Programming debt terms, tenors, and other lending requirement assumptions
- Calculating interest & principal payments & presenting debt payment tables

The PF profit & loss statement & the cash flow statement

- Determine the project’s specific revenue structure & demand/capacity utilization risks
- Link O&M costs to equipment, technology & capex estimates
- Inflation-indexed costs: labour price index, energy & fuel, and producer price index
- Depreciation options for project assets & equipment and other allowable deductions from local tax codes

- Programming for taxation: VAT, corporate & other local taxes
- Net income and computing profitability ratios: Return on Equity (RoE), Return on Assets (RoA), operating margin & net profit margin, etc.
- Programming the PF statement of cash flows: cash flows from operations, from investment activities, & from financing activities

Programming proforma balance sheets

- Setting-up current vs. long-term assets and current vs. long-term liabilities
- Key components and line-items for PF balance sheets
- Accounting for reserve accounts in proforma PF balance sheets
- Key PF balance sheet ratios: solvency, debt/equity, turnover, etc

Designing other supporting PF model worksheets

- Revenue worksheets for differing capacity factors, multiple classes of customers & differing pricing blocs of consumption
- Depreciation worksheets for multiple equipment classes & maintaining project asset registries
- O&M costs for different assets, rates of asset utilization, and inflation
- PF taxation worksheets
- Summary graphs of PF cash flows, and key model outputs for transaction decision-makers

Accommodating different accounting standards & currency issues

- General requirements and differences between major accounting standards: GAAP, IAS & local/national accounting standards & tax codes
- Taxation and depreciation requirements of international vs. local tax codes and accounting standards
- Programming techniques for cross-currency risks, currency depreciation assumptions & impacts on long-term project financings

Reviewing, trouble-shooting, and auditing PF models

- Standards for reviewing, revising, & auditing PF models
- Current PF standards in developing single, common, and independently-audited government, lender & investor-endorsed PF models
- Terms of Reference (ToR) and standards for hiring and overseeing independent PF model auditors

SESSION 8 13 October 2021, 11am – 2pm GMT+0

Designing Financial Models Part 4: PF Model Stress-Testing, Monte Carlo Simulation Analyses, and Modelling for Credit Enhancements

PF model outputs for bankability, creditworthiness, affordability, and sustainability

- DSCR & interest coverage
- IRRs: project, equity, MIRR & XIRR
- Liquidity, solvency, and reserves analysis
- Fiscal space analysis for projected PF availability & volumetric payments
- Valuation options for public sector guarantees and contingent liabilities for PPPs
- PF model outputs for ensuring ESG impact mitigation, remediation, and local sustainability

PF model stress-testing, sensitivity analysis, auditing & Monte Carlo simulations

- Programming sensitivity analysis for PF model bankability & creditworthiness
- Input data gathering, assessment, and variability assumptions
- Setting up scenario analyses for PF options evaluation
- Checklists and Terms of Reference (ToR) for PF model auditors
- Requirements, assumptions, and procedures of Monte Carlo simulation analysis
- Monte Carlo simulation results for practical PF decision-makings
- Lessons-learned and common mistakes to avoid in applying Monte Carlo to PF modelling and decision-making

Course Conclusion: What is the future of project finance in the 2020s?

WHAT EQUIPMENT DO I NEED?

- A laptop / desktop PC / Tablet / Mobile Phone
- Internet connection – wired or wireless broadband
- Speaker and microphone
- Webcam

HOW DOES IT WORK?

A unique meeting ID and password will be provided to the participants to enter Zoom virtual meeting room and to take part in the interactive live course. You can choose to download the Zoom software, or simply access via web browser. Ask live questions or utilise Chat feature to interact with the trainer and fellow participants. You can also use Whiteboard and Screen Sharing features. Just like in a physical workshop, Whiteboard allows trainer and all participants to write on a blank screen for everyone to see. Our event coordinator will be there to guide you if you need any assistance.

WHAT IF I MISSED A SESSION?

Participants who miss a session may contact our dedicated course coordinator to request the video recording, which is available up to one week after each session. Note that the video will not be downloadable.

WHO WILL BENEFIT?

Directors / Managers / Executives of:

- Finance
- Business Development
- Project Development
- Project Finance
- Commercial
- Investment
- Planning & Strategy

From all sectors, including but not limited to:

- Energy
- Mining
- Water & Waste Treatment
- Financial Institutions
- Government Authorities
- Infrastructure
- Transportation
- Healthcare
- Housing
- Commerce and Industry

Project Finance & Project Financial Modelling

LIVE ONLINE COURSE OVER 8 SESSIONS

Commences: 27 September 2021

DELEGATE DETAILS

1 Full Name Mr/Ms _____

Job Title _____

Tel/Mob _____

Email _____

2 Full Name Mr/Ms _____

Job Title _____

Tel/Mob _____

Email _____

3 Full Name Mr/Ms _____

Job Title _____

Tel/Mob _____

Email _____

4 Full Name Mr/Ms _____

Job Title _____

Tel/Mob _____

Email _____

5 Full Name Mr/Ms _____

Job Title _____

Tel/Mob _____

Email _____

6 Full Name Mr/Ms _____

Job Title _____

Tel/Mob _____

Email _____

ORGANISATION DETAILS

Company _____

Address _____

AUTHORISATION

Full Name Mr/Ms _____

Job Title _____

Email _____

Signature _____

Registration & Enquiries

Infocus International Group Pte Ltd

143 Cecil Street #25-02, Singapore 069542

Contact : Ms. Abigail Harris

Tel : (65) 6325 0215

Main : (65) 6325 0210

Fax : (65) 6224 5090

Email : abigail@infocusinternational.com

Web : infocusinternational.com/projectfinance-online

YOUR INVESTMENT

| | For 1 or 2 persons | For 3 persons or more |
|----------------|--------------------|-----------------------|
| FEE PER PERSON | USD 3,450 | USD 3,050 |

PAYMENT METHOD

Payment is required within 5 working days upon receipt of invoice.

By Credit Card: VISA MasterCard American Express

Note that the credit card will be charged in Singapore Dollar currency (SGD). We will quote the SGD amount and send credit card payment instruction prior to the charge.

By Telegraphic Transfer (USD)

Account name: Infocus International Group Pte Ltd

Account number (USD): 017-025866-1

Swift code: SCBLSG22

Bank name: Standard Chartered Bank

Bank address: 6 Battery Road, #01-01, Singapore 049909

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CANCELLATION POLICY

Should you be unable to attend, a substitute delegate is welcome at no extra charge. If this is not suitable, cancellations must be made in writing (letter or fax) at least 30 days before the program commences. A full refund less an administration charge of 10% will be given. Registrations cancelled less than 30 days before the event must be paid in full and a credit voucher equivalent to the full amount will be issued for you to attend any Infocus International Group events for up to 18 months. Credit vouchers will not be issued for no-shows without cancellation. Infocus International Group will provide full course documentation to a delegate who has paid, but is unable to attend. Infocus International Group reserves the right to change the content of the program without notice including the substitution, alteration or cancellation of speakers and/or topics and/or the alteration of the dates of the event. Infocus International Group is not responsible for any loss or damage as a result of a substitution, alteration, postponement or cancellation of an event under any circumstances.