

CENTRAL BANK OF EGYPT
Egyptian Banking Institute



البنك المركزي المصري
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PROJECT FINANCE

■ Program Description:

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 programmes – 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, prisons, 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

■ Program Details:

Introduction and overview

- A definition of Project Finance
- Developments in Mongolia: the PPP pipeline and regulatory limitations.
- Objectives of Payment Cycle Controls
- 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 individual 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

■ Target Audience:

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

■ Language:

- A good command of English is required.

■ Participants:

- Maximum 15 participants.

■ Duration, Dates & Time:

Duration: 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 (or group coaching by arrangement).

Dates:

- Session 1: Wednesday 21st of Feb - Introduction,
- Session 2: Thursday 22nd of Feb – Project cycle risks,
- Session 3: Sunday 25th of Feb – Investor and banker interests,
- Session 4: Monday 26th of Feb – Cashflow modeling,
- Session 5: Tuesday 27th of Feb (individual coaching 30 minutes)
- Session 6: Wednesday 28th of Feb (individual coaching 30 minutes)
- Session 7: Thursday 29th of Feb - ESG, procurement, contracts and,
- Session 8: Sunday 3rd of Mar – financial instruments for PF.

Coaching sessions: Tuesday 27th and Wednesday 28th.

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

From 9:00 to 13:00 CET

■ Platform and Technical Requirements:

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

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.

■ Disclaimer:

By delivery date, any training documentation shall be subject to regular reviews and updates amending the table of content as described in the course description linked above.

■ 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). Graham also provides training in Bond Capital Market Development, and Renewable Energy and Energy Efficiency financing. He has worked as a lecturer at Luxembourg University in Corporate Finance and as a Management Trainer at Airbus.

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