Course Description
This course will prepare authorities from ministries of finance, public agencies and state-owned enterprises involved in the delivery of public infrastructure to use public-private partnerships (PPPs), without adversely affecting fiscal sustainability.

The course reviews the general structure of a PPP, introducing the difference between financing and funding and extending the concept to the different types of public support. Varying alternatives of public support generate diverse groups of commitments, affecting both budgetary and long-term fiscal sustainability of a project. Participants will explore the PPP fiscal risk assessment model (PFRAM) developed by the International Monetary Fund and the World Bank, delving deep into its logic through real-world examples of its use.

Through presentations, case studies, and simulated exercises, participants gain knowledge and skills that are used to develop action plans for addressing fiscal risk management of PPP in their own countries.

Become a Certified PPP Specialist
IP3’s PPP Specialist Certification program provides a core body of knowledge in public-private partnerships, creating a world-class standard in PPP skills development.

Certification requirements include 24 CEUs and successful completion of a PPP Specialist exam.

Learning Objectives
Through successful completion of this course, participants will be able to:
• Identify the different sources of fiscal risk a PPP contract might generate and how to manage them
• Identify the impact that different types of commitments have on public finances and budgets
• Analyze the convenience of implementing a public project using a PPP without compromising the long-term fiscal sustainability
• Use the PFRAM tool to assess the eventual fiscal impact of implementing a PPP project
• Actively participate in the process of structuring and approving a PPP project, particularly, in the establishment of a fiscal obligation

Who Will Benefit
• Directors and key officers of finance ministries
• Officials of ministries with responsibility for the provision of public infrastructure and services
• Commissioners, directors and key staff of regulatory authorities, agencies, and commissions
• Staff of bilateral and multilateral international organizations

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Learn more at IP3.org
Course Contents

Why is it Important to Assess/Manage Fiscal Risks?
- Illustrating fiscal risks
- PPPs and macroeconomic impact
- Main sources of risk
- What can go wrong
- Safeguarding against fiscal risks
- Key elements for ensuring government success in PPPs
- Framework for managing fiscal risks and costs
- Types of public sector risk-sharing for PPPs
- PPP credit enhancement techniques

Analyzing PPP from a Fiscal Perspective: What, When, and How
- PPPs and economic growth
- PPP comprehensive cost-benefit analysis (CCBA)
- Socio-economic evaluation
- Eligibility index
- Public sector comparator (PSC)
- Value for money (VfM)

Understanding Financing & Funding
- PPP financing models
- New trends for financing infrastructure
- Basics of corporate/sovereign finance
- Bank loans vs. project bonds
- Types of project finance lenders
- Political risk and project finance

Financial Modeling and Evaluation of PPP Projects
- Intro to financial modeling
- Weighted average cost of capital (WACC)

Current Practice and Guidelines for the Registry of Obligations from PPP
- Implementation of International Public Sector Accounting Standards (IPSAS 32)
- Financial liability models
- User funded models

The PPP Fiscal Risk Assessment Model (PFRAM)
- PFRAM overview
- How PFRAM works
- Distinguishing funding vs. financing of PPPs
- Main outcomes
- Assessing fiscal risks of PPPs

The Fiscal Risk Matrix
- Using the PFRAM fiscal risk matrix

Disputes and Contract Renegotiations in PPPs
- Incidence of conflicts
- Typical issues leading to disputes
- Costs of conflicts
- Framework for conflict resolution
- Conflict resolution mechanisms
- Arbitration vs. litigation

Contact Training@IP3.org to learn more about IP3’s personalized in-country training