

FINANCIAL ANALYSIS TECHNIQUES FOR INFRASTRUCTURE PROJECTS PROGRAM



Course Description

Project finance is the financing of long-term infrastructure, industrial projects, and public services based upon a non-recourse or limited-recourse financial structure, in which project debt and equity used to finance the project are paid back from the cash flow generated by the project. In most developing markets, project finance is the preferred financial structure because the financing is limited- or non-recourse to the government.

Financial Analysis Techniques for Infrastructure Projects is designed for infrastructure professionals looking to gain a deeper understanding of how to structure and negotiate successful project-backed financing that are viable to lenders and investors.

The program will enable participants to interpret financial statements including cash flows, profit and loss, and balance sheets to analyze whether a project's financial structures are bankable, affordable, and sustainable.

Participants will also learn to identify the essential financial input data required to develop an appropriate PPP financial model, and will be exposed to effective financial modeling design skills by analyzing case studies, developing their own financial models, and receiving feedback about how to improve their models.

Who Will Benefit

- National, regional and local government officials
- Contract officers/regulatory commissioners
- Senior officials from PPP or privatization units
- Public service, utility managers, executives and legal experts
- Staff of bilateral and multilateral international organizations

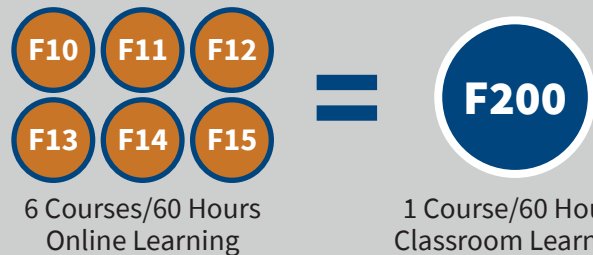
Course Offering
Six Online Learning Courses
CEUs 6.0 | Tuition \$5,500

Online Learning at its Best

IP3's two-week online courses allow participants to interact with top instructors and their own peers to develop a more in-depth understanding of the PPP landscape.

These courses "meet" online for live video webinar sessions that deliver students the opportunity to ask questions and receive speedy answers, much like our in-classroom courses. In between sessions, students have access to myriad resources, including video presentations, interactive discussion forums, and quizzes and knowledge checks.

60-Learning-Hour Package Includes



Become a Certified Project Finance Specialist

IP3's *Project Finance Specialist Certification* program provides a core body of knowledge in project finance, creating a world-class standard in project finance skills development, including financial modeling skills.

This program provides an introduction to the core body of knowledge in public-private partnerships taught by IP3, creating a world-class standard in PPP skills development.

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

Through successful completion of this suite of courses, participants will be able to:

F-10 Essentials of Financing Public-Private Partnerships

- Understand the elements of financing PPPs
- Utilize PPP finance terminology and concepts
- Recognize ways to classify projects by deal structure and customer type
- Review various examples of deals
- Identify, quantify, and allocate risks
- Make PPP deals more credit-worthy

F-11 Financial Analysis Techniques for PPPs

- Utilize the primary financial statements (balance sheet, income statement, cash flow statement) to understand the structure and performance of PPPs
- Apply the concept of the time value of money and perform financial calculations used by private investors such as the net present value (NPV) and internal rate of return (IRR)
- Calculate key ratios and indicators used by commercial lenders to determine project loan repayment capacity, such as the debt service coverage ratio (DSCR) and the financial rate of return (FRR).
- Analyze how a PPP unit defines and calculates 'value for money'

F-12 Project Risk Analysis for PPP Investors

- Recognize the consequences of the risk distribution principle in PPPs
- Identify the distinction between funding and financing in PPPs.
- Understand the different financing options and how they are affected by the risk allocation
- Apply the alternatives for managing risks across the different stages of the contract and project (financial closure, construction, operation)
- Recognize the possibility of renegotiations as an inherent consequence of the risk distribution and the long-term contracting features of a PPP contract

F-13 Project Contracts and Financing Agreements

- Assess the most critical project documents (shareholder's agreement, O&M agreement, offtake agreement, construction contract, etc.), and their roles in enhancing the bankability of transactions
- Identify the major sections of the term sheet and finance agreement and the issues most often subject to intense negotiation
- Understand the role of other financing documents such as inter-creditor agreements and various credit enhancements, including project completion guarantees
- Review the role of political risk guarantees/insurance in the facilitation of investment and debt and the primary features of the contracts offering such coverage

F-14 Financial Statements & Project Finance Models

- Discern between flow (cash-flow and profit and loss statements) vs. stock (balance sheets) structures in financial statements
- Understand the key differences between cash flow analysis (financial analysts) and income analysis (accountants) in PPP financial statements
- Design structures of cash flow statements for PPP financial models: cash flow from operations, cash flow from financing activities, and cash flow from investments
- Understand and apply key accrual accounting principles to PPP investments: depreciation and income taxes
- Design structures of profit and loss statements for PPP financial models

F-15 Designing a PPP Project Finance Model

- Evaluate a candidate PPP project and identify the essential financial input data required to develop an appropriate PPP financial model
- Identify the key outputs of a PPP financial model to determine bankability and affordability
- Design the key components and worksheets in a PPP financial model, including dashboards, capital investment, financing, profit & loss statement, cash flow statement, and balance sheet
- Apply practical standards in designing, programming, and displaying PPP financials to support clear decision-making: labeling, formatting, and graphing standards
- Use the PPP financial model to evaluate PPP risk-allocation requirements, bankability, and affordability
- Manage and facilitate the process of gathering, verifying, and updating the key input data assumptions required by the PPP financial models
- Oversee and manage PPP financial specialist consultants and advisors: reviewing, critiquing, and testing consultants' PPP financial models