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DEALCAMP SERIES

Project Finance Fundamentals For Infrapreneurs

Practical transaction issues, risks and challenges for entrepreneurs developing Large Scale Projects

20th to 22nd February 2020
Abuja

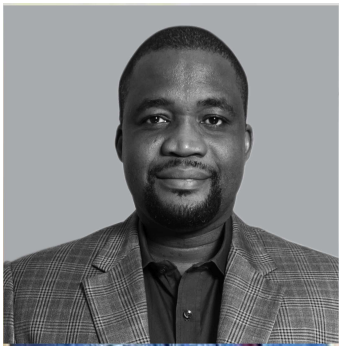
Work and Connect
50, Ebitu Ukiwe Street, Jabi, Abuja,

Guest Speaker

Kolapo Joseph
GM Corporate Finance & Corporate Development
North South Power Limited

Facilitators

Bayo Omole
Partner
Matrix Solicitors



Femi Awofala
Founder & CEO
Brickstone Africa

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Project Finance Fundamentals for Infrapreneurs

The Project Finance Fundamentals for Infrapreneurs is an entrepreneurial finance training that is designed for entrepreneurs developing (or involved) in projects within the Energy, Infrastructure and Real Estate space but lack the knowledge of basic limited recourse financial principles. We define these people as "Infrapreneurs". They are also called Project Sponsors in the Limited Resource Finance space.

Infrapreneurs often point to project finance being the most important skill they cherish. This course helps to provide the content and depth of knowledge for Infrapreneurs to understand the heart of limited recourse financing from a point of view of their projects within the Energy, Infrastructure and Real Estate space.

Objective

Project Finance is the financing of long-term infrastructure, industrial projects and public services based upon a non-recourse or limited recourse financial structure where project debt and equity used to finance the project are paid back from the cash flow generated by the project.

Project finance skills are important in meeting Africa's infrastructure gap. The infrapreneur plays a strong role in decision making in order to achieve bankability of infrastructure projects. Project Finance Fundamentals is key in understanding the key transaction drivers for infrastructure projects.

The goal of this course is to equip infrapreneurs participants with an Introductory overview of Project Finance by taking them through all the stages of a Project Finance transaction so, that they can apply the techniques of Project Finance in their respective projects. The course provides a background knowledge for an advanced course called **"Project Finance Implementation for Infrapreneurs"**

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Programme Overview

1. A Three(3)-day training covering the fundamentals of a full life cycle of Limited Resource Finance-based developments for the **infrapreneurs**
2. Recognize the key characteristics of a robust project and identify the life cycle from **Early Development Stage, Pre-Financing Stage, Financing Stage and Post Financing Stage.**
3. Interpret each of the **risks to determine their severity and potential impact on the transaction structure**
4. Appreciate how the mechanisms in the **transaction documents** operate to protect the creditors and evaluate the protection provided

Who Can Participate?

It has been assumed that participants will have limited or no practical knowledge of Project Finance, but participants should already have a sound knowledge of the key commercial aspects of their current or proposed energy, infrastructure or real estate project

Key Participants include

- Start-up and Experienced Entrepreneurs involved in Large Scale PPP or PFI projects.
- Heads of Family Managed Enterprises, Directors and Strategic Decision makers involved in Power, Renewables, Transport Infrastructure and Modular Process Companies.
- Bankers and Lenders involved with strategic issues in Project Finance based Developments

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Training Content Outline

The Following Sessions would be taken over 3 Days

KEY LEARNING OBJECTIVE IN PROJECT FINANCE LIFECYCLE	TRAINING SESSIONS
A. Introduction to Project Finance • Motivations for Project Finance • Overview of Project Finance Phases • Why Project Finance is a methodology and unique thinking	**Session 00:** Course Introduction **Session 01:** Motivations for Project Finance. **Session 02:** Overview of Project Finance Phases
B. Early Development Stage • **Project Origination :** Origination of a project, usually a capital-intensive facility, by securing a conditional right from a ceding authority pursuant to a tendering process or an unsolicited proposal to build an infrastructure facility under a contracted revenue (either on price or quantity or both) • **Preliminary Project Assessment:** Development of Realistic Estimates of the future project revenues are sufficient to cover operating expenses and repay project debt with an acceptable margin of safety. • **Agree to Proceed on Developing the Project:** Negotiating and formalizing with the needed key counterparties on proceeding on the project development on an exclusive basis with the Infrastructure Developer.	**Session 03:** Key Issues Early Development Stage and Importance of the Special Purpose Vehicle **Session 04:** Practical Exercise - Contractual Flow Charts & Project Types Case Studies Examples **Session 05:** Importance of Contracted Revenue and Turnkey Construction Delivery **Session 06:** Project Assessment using Financial Model

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Training Content Outline

The Following Sessions would be taken over 3 Days

KEY LEARNING OBJECTIVE IN PROJECT FINANCE LIFECYCLE	TRAINING SESSIONS
C. Pre-Financing Stage • **Project Financing Plan & Supporting Documentation** - This process includes identifying the strategic financing plan of the project and supporting transaction documentation needed such as Draft Key Project Agreements, Information Memorandum & Detailed Financial Model • **Lenders Due-Diligence** - Before a lender decides to invest on a project, it is important to check if the concerned project is financially and technically feasible by analyzing all the associated factors including the Financial Model and Project Agreements • **Contract Negotiation Stage:** Negotiating and formalizing the needed key project agreements and other agreements with major project participants that serve the purpose of defining the technical, economic and commercial outlines of the project. • **Recognising and Minimising the Risk -** Risk management is one of the key steps that should be focused on before the project financing venture begins. Before investing, the lender has every right to check if the project has enough available resources to avoid any future risks.	**Session 07**: Key Issues Pre-Financing Stage (including Principles of Risk Allocation) **Session 08:** Key Project Documents (Key Agreement, Organizational and Cost Agreements) **Session 09:** Application of Financial Models in Negotiations: *Discussing DSRC* **Session 10:** Practical Exercise - *Understanding DSRC* **Session 11:** Environmental Due Diligence Checklist

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Training Content Outline

KEY LEARNING OBJECTIVE IN PROJECT FINANCE LIFECYCLE	TRAINING SESSIONS
D. Financing Stage **Being the most crucial part of Project Financing, this step is further sub-categorised into the following:** • **Arrangement of Finances** - In order to take care of the finances related to the project, the sponsor needs to acquire equity or loan from a financial services organisation whose goals are aligned to that of the project • **Documentation and Verification -** In this step, the terms of the loan are mutually decided and documented keeping the policies of the project in mind. • **Payment -** Once the loan documentation (and Conditions Precedent) is approved by Lender and all stakeholders, the borrower receives the funds as agreed to carry out the operations of the project	**Session 12:** Leveraged and Finance Lease Arrangements, Letters of Intent, Term Sheets, Commitment Letters, and Mandate Letters *Showing interest without a commitment—the letter of intent, The term sheet, Commitment letters and mandate letters* **Session 13:** Sources of Financing *Equity, Equity bridge loans, Subordinated shareholder debt, Mezzanine debt, Bank debt, Islamic project finance, Capital markets, Public sector lenders in project financings, Export credit finance, Multilateral agencies and development, finance institutions,* **Session 14:** Finance Documents (Mainly Loan Agreements with slight introduction to The Equity Support Agreement (ESA), The Accounts Agreement (AA), The Agency Agreement(s). **Session 15**: Credit Enhancements
E. Post-Financing Stage ▪ **Timely Project Monitoring -** As the project commences, it is the job of the construction/project manager to monitor the project at regular intervals. ▪ **Project Construction Closure -** This step signifies the end of the project.	**Session 16:** Project Monitoring, Operation & Management: Issues for Infraprenuers

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Resource Persons

Kolapo Joseph
GM Corporate Finance & Corporate Development
North South Power Limited

Kolapo Joseph is an innovative and result oriented professional with over 13 years' hands-on experience in investment banking in Nigeria. He is presently the General Manager, Corporate Finance & Corporate Development for North South Power Company Limited, the holder of the 30 -year concession of the 600MW Shiroro Hydroelectric power plant in Niger State of Nigeria. Until this appointment, he was a director and the head of Project and Infrastructure Finance at United Capital Plc formerly UBA Capital where he drove origination and execution of energy and infrastructure transactions for the firm's clients across the continent. In the space of 5 years, he successfully built the Project Finance division to become one of the top 3 energy and infrastructure teams in the country, having raised US$5 billion for clients from local and international providers of capital. In that position, he also advised 3 out of the 6 successful bidders for the power generation assets privatized in 2013 and advised the Central Bank of Nigeria towards the development of a national infrastructure finance policy.

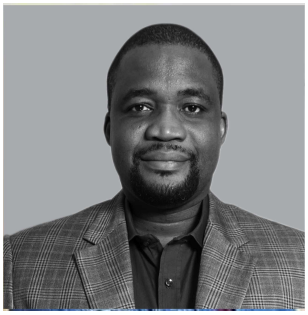
Early in his career, he joined Vetiva Capital Management, one of Nigeria's leading independent investment banks, where he rose to become the Deputy Head of the Investment Banking Division. In that role he was instrumental in the bank winning the Best New Investment Bank award (2008) by EMEA Finance and SBA Research's M&A House of the Year award (2008) and Issuing House of the Year award (2008).

He earned a B.Sc in Finance at the R.H. Smith School of Business, University of Maryland - College Park, MD. He holds an MBA degree from the University of Chicago Booth School of Business. He also holds the Series 7 and 63 licenses of the United States' National Association of Securities Dealers (NASD). Given his vast experience in Finance, he currently sits on the board of Emerging Africa Capital Limited and he is also a member of the governing board of Prime Rose School.

Bayo Omole
Partner
Matrix Solicitors

Bayo Omole is a Partner and Head of the Firm's Abuja Office. His areas of interest cut across Corporate Law, Commercial Law and Practice, Infrastructure, Technology, and Dispute Resolution. Bayo received a Bachelor of Laws, LL.B (Hons.) from the University of Ibadan and was subsequently called to the Nigerian Bar. He received certifications for Professional courses including Advanced Civil Procedure from the Nigerian Institute of Advanced Legal Studies. He is of the Member category (MCIArb.) of the Chartered Institute of Arbitrators, United Kingdom and is currently on the Fellowship Track. He is familiar with Arbitration under the LCIA, ICC, GAFTA and ad hoc Rules.

Bayo pays attention to minute details which has earned him commendation from judicial officers before whom he has conducted cases through the Federal Courts, State Courts, Administrative Tribunals and regulatory agencies. He is also a Notary Public. Taking delight in reducing complexity to simplicity, Bayo understands clients' needs and brings negotiation and documentation of each transaction in congruence with their expectations



Femi Awofala
Founder & CEO
Brickstone Africa

Femi is the founder of Brickstone and has practical experience in advising companies and governments on private investments in energy , real estate and infrastructure, including structuring and executing project/structured financings and M&A transactions. He leads Brickstone's Origination & Commercial advisory team in Energy, Infrastructure and Real Estate

Femi was an investment banking professional with Vetiva Capital Management Limited where he led teams on several M&A transactions, capital raisings programmes as well as structured/project financings of over $500 million. Prior to joining Vetiva Capital Management Limited, he was at the ARM Investment Mangers and was part of the private equity real estate team and he assessed potential real estate investment opportunities, prepared detailed financial models and valuations and oversaw property development, construction management, coordinated marketing, contract negotiations and closings for a real estate developments; Femi has a first degree – B.Sc Geology from University of Ibadan and Masters in Business Administration (MBA) from Lagos Business School, Pan-African University. He is the Facilitator and Lead of the Mining –Manufacturing Policy Commission of the Nigeria Economic Summit Group.

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Registration

Registration and Enquiry

- **NGN 195,000 per delegate**

Payment Information
BRICKSTONE INVESTMENT MANAGERS LIMITED
FIRST BANK PLC / **202 234 7194**

To confirm your position, kindly complete this form, email back to the contact person in the REGISTRATION box, And send to ANNE AWOFISAYO / email: dealcamp@brickstone.africa

Delegate Details

Name	
Position	
Email	

Company Name	
Company Address	

Payment Information

The fee includes all tuition, lunch, teaching materials and course documentation. Delegates are responsible for their own accommodation. Delegate booking is not guaranteed until payment has been received.

Contact Information

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