



**BRICKSTONE
INFRALAB**

PROJECT FINANCE FUNDAMENTALS FOR INFRAPRENUERS

ACTION LEARNING FOR ASPIRING INFRAPRENUERS

PROGRAMME BROCHURE 2022 EDITION 1

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**"



Project Finance Fundamentals for Intrapreneurs

Key Features

This is an **Infrastructure Development Learning Open** training program for **Aspiring and Emerging Intrapreneurs** seeking to be part of the [Brickstone InfraLAB](#). This is a focused incubation and acceleration programme aimed at building capacity for African Entrepreneurs involved in large scale industrial and infrastructure projects in Africa. **We see the need for an Accelerator Programme to fill the gap in the infrastructure space by helping first-time sponsors to accelerate the projects to a bankable state where investments can be sourced adequately.**

The training is mainly **online** with **on-demand videos and live discussion sessions**. Attending the Programme provides a solid grasp of basic project finance awareness in order to agree with other project stakeholders and appreciate project finance principles that affect the value of their large scale projects. The newly established companies “graduate” at the end of the program would have better ability to “own” their infra-pitch decks and discuss their projects with much better knowledge of their deal structure as well as the project implementation plan.

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 and Infrastructure Funds
- Heads of Family Managed Enterprises, Directors and Strategic Decision makers involved in Power, Renewables, Transport Infrastructure and Modular Process Companies.
- Public Sector, Bankers and Lenders involved with strategic issues in Project Finance based Developments



Training Content Outline

Module 01 - Introducing Project Finance

- Course Introduction
- Motivations for Project Finance
- Overview of Project Finance Phases

Module 02 - Principles of Risk Allocation

- Principles of Risk Allocation

Module 03 - Contract Mechanics in Project Finance

- Key Issues Contract Mechanics
- The Importance of Guarantees
- Preliminary Project Assessment using Financial Model

Module 04 - Project Development Stages

- Overview of Project Finance Phases
- Type of Project Financed Projects
- Project Finance “Bankability” Fundamentals

Module 05 - Early Development Stage

- Key Issues Contract Mechanics
- The Importance of Guarantees
- Preliminary Project Assessment using Financial Model

Module 06 - Pre Financing Stage

- Decision Making 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
- Introduction to Brickstone Infrastructure Bankability Model

Training Content Outline

Module 07 - Achieving Bankability I : Predictable Cashflow

Brickstone Infrastructure Bankability Model states that projects must be characterized by a high degree of revenues predictability under a (partial or full) Contracted Revenue Arrangement with a creditworthy counterparty but if no offtake agreement an independent market study must prove a robust revenue upside capable of neutralizing risks such as price, demand, business cycle, inflation, currency parity and other operating risks

- Offtake & Concession Arrangements: Explain structuring options for the using Offtake Agreements Issues
- Key Terms in Offtake Agreements & Forms of Offtake Agreements: Explain structuring options for the using Offtake Agreements Issues
- Application of Financial Models in Negotiations: Discussing DSRC: Explain structuring options for using DSRC
- Case Studies Review: Case Discussion to recap Project Finance concepts learnt so far.

Module 08 - Achieving Bankability II : Fixed Construction Delivery

Brickstone Infrastructure Bankability Model states that projects must be delivered under a fixed construction price and schedule with a Building (or EPC) Contractor with appropriate penalties in the form of liquidated damages (LDs) for its failure to perform

- The rationale for Fixed Construction: Explain structuring options for the using Fixed Price Construction approach
- Tendering Process and the need for Cost Precision: Explain why it's important to have a Tender Process and Cost Precision
- Key Terms in Construction Agreements: Explain the Key Terms in EPC Construction contracts
- Case Studies Review: Case Discussion to recap Project Finance concepts learnt so far

Module 09 - Achieving Bankability III : Sustainable Operations & Environmental Compliance

Brickstone Infrastructure Bankability Model states that in order for Sustainable Operations & Management projects must (1) provide adequate operations, the project vehicle must enter into Long term Supply Agreement with the key resource supplier(s) who will supply the materials needed to generate the required output. (2) The project must enter into an Operations & Management (O&M) agreement with an Independent Operator for the operation of the project after its completion (3) The project owners ensure best practice on the identification, management and compliance of Environmental , Social and Governance Factors affecting the project throughout its life of operations

- Sustainability in Operating Infrastructure Projects
- Understanding Project Governance governed by the Shareholders Agreement
- Resource Supply Arrangements
- Operations & Management Agreement
- Environment Social Impact Assessments: Understand the ESIA requirements in Large Scale Projects
- Understanding Environment Social and Governance Factors
- Case Studies Review: Case Discussion to recap Project Finance concepts learnt so far.

Module 10 - Conclusion

Contact Information

Brickstone InfraLAB
Programme Management

Direct Line: +234 903 255 2535
Email: pff.infralab@brickstone.africa

Address

9A Ibeju Lekki Street,
Dolphin Estate
P.O.Box 50939
Ikoyi Lagos

Midel Center
Plot 14, Off Oladipo Diya Way,
Sector Centre D, Gudu
District Abuja

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