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بروجاكس للتدريب والتطوير
Projacs Training and Development

Public-Private Partnership (PPP) Contracts

شراكة القطاعين العام والخاص للمشروعات الاستثمارية (PPP)

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Dubai / UAE



ProjacsAcademy.com



Introduction

A key motivation for governments considering public-private partnerships (PPPs) is the possibility of bringing in new sources of financing for funding public infrastructure and service needs. Public-private partnership (PPP) is a funding model for a public infrastructure project such as a new telecommunications system, airport or power plant or infrastructure. The public partner is represented by the government at a local, state and/or national level. The private partner can be a privately-owned business, public corporation or consortium of businesses with a specific area of expertise.

PPP is a broad term that can be applied to anything from a simple, short term management contract (with or without investment requirements) to a long-term contract that includes funding, planning, building, operation, maintenance and divestiture. PPP arrangements are useful for large projects that require highly-skilled workers and a significant cash outlay to get started. They are also useful in countries that require the state to legally own any infrastructure that serves the public.

Different models of PPP funding are characterized by which partner is responsible for owning and maintaining assets at different stages of the project. This course provides an introduction to financing projects.

Objectives

By the end of this course practitioners shall learn to:

- Discusses the range of possible institutional arrangements, including administrative mechanisms and coordination, as well as the legal basis for PPPs.
- Presents alternative PPP models and explains the PPP structure.
- Discusses the various ways of government involvement in PPPs.
- Provides an overview of financing of PPP projects.
- Discusses the regulatory governance of PPPs.
- Discusses major issues in PPP development, including risk sharing, unsolicited projects, sector-specific issues and projects by local governments.
- Provides an overview of contract agreement, contract management, and dispute resolution.
- Discusses procurement issues.

Who Should Attend?

All managerial team involved as whole or in part in managing the organization PPP portfolio such as middle management, project managers, program managers, executive managers, financial managers, HR managers, marketing managers, sales managers, CEO's, governmental authorities. It is recommended for all types of organization to attend this unique course such as but not limited to banks, real estate companies, construction companies, hospitals, commercial enterprises.

Course Outline

Day One

Understand PPP projects framework and methodology

PPP types and funding

Main Financing Mechanisms for Infrastructure Projects

- Funded products
- Contingent Products
- Financial Intermediaries
- Project Development Funds
- European Union Funds

Day Two

Investors in Infrastructure in Developing Countries

- Commercial bank financing (local/ international)
- Capital markets financing (local/ international)
- Equity funds
- Export credit agencies
- Development finance institutions
- Bilateral agencies
- Multilateral Development Banks
- Sovereign wealth funds

Sources of Financing

- Equity Contributions
- Debt Contributions
- Bank Guarantees/ Letter of Credit/ Performance Guarantees
- Bond/Capital Markets Financing
- Mezzanine/Subordinated Contributions
- Inter creditor Agreement

Day Three

Project Finance – Key Concepts

- Typical Project Finance Structure
- Off-Balance-Sheet
- Non-Recourse Financing

Key Issues in Developing Project Financed Transactions

- Certainty of Revenue Stream
- Financial Ratios and Financial Covenants
 - Debt-equity (D/E) Ratio
 - Loan Life Cover Ratio (LLCR)
 - Debt Service Cover Ratio (DSCR)

- Rate of Return (ROR)
- Weighted Average Cost of Capital (WACC)
- Lender Protection, Step-in Rights, Direct Agreements and Taking Security
 - Warranties, Undertakings and Representations
 - Step-In
 - Cure rights
 - Step-in rights
 - Novation
 - Direct Agreements
 - Taking Security
- Termination Compensation

Day Four

Risk Allocation and Risk Mitigation in Project Financed Transactions

- A number of key risks that need to be allocated and managed to ensure the successful financing of the project are:
 - Construction and Completion Risk
 - Operating Risks
 - Demand Risk
 - Force Majeure and Change in Law
 - Political and Regulatory Risk and Expropriation and Nationalization Risk
 - Environmental Risk
 - Social Risk
 - Tenor and Refinancing Risk
 - Currency Exchange Risk
 - Interest Rate Risk

Risk Mitigation Mechanisms (including guarantees and political risk insurance)

- Hedging and Futures Contracts
- Insurance
- Guarantee and Risk Insurance Products Provided by IFIs

Day Five

Government Support in Financing PPPs

Government Risk Management

Training Method

- Pre-assessment
- Live group instruction
- Use of real-world examples, case studies and exercises
- Interactive participation and discussion
- Power point presentation, LCD and flip chart
- Group activities and tests
- Each participant receives a binder containing a copy of the presentation
- slides and handouts
- Post-assessment

Program Support

This program is supported by interactive discussions, role-play, case studies and highlight the techniques available to the participants.

Schedule

The course agenda will be as follows:

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|---------------------|------------------|
| • Technical Session | 08.30-10.00 am |
| • Coffee Break | 10.00-10.15 am |
| • Technical Session | 10.15-12.15 noon |
| • Coffee Break | 12.15-12.45 pm |
| • Technical Session | 12.45-02.30 pm |
| • Course Ends | 02.30 pm |

Course Fees*

- **2,950USD**
**VAT is Excluded If Applicable*