



The brightest minds in finance

# Project Finance and PPPs



# Learn how to structure, finance and value large capital projects. Build and sustain successful PPPs.

The Project Finance and PPPs program focuses on structuring, financing and valuing large capital projects and emphasizes Public Private Partnerships (PPP). Funding large capital expenditure projects delivers high returns but is inherently risky. In the aftermath of the great financial crisis, project failures have generated billions of dollars of losses for the equity sponsors and the creditors.

The program provides a framework and methodology to look at project financing as a viable financing option from both the debt and equity perspective. Using case studies that cover both social and economic infrastructure projects, the program illustrates how and why major infrastructure projects succeed or fail. The cases will show that improper structuring rather than the intrinsic value of projects has been the cause of many recent failures.

## How you will benefit

By attending the program, you will

- Understand when to use project finance and how it differs from other corporate finance techniques
- Identify the key financing sources: bank loans, multilateral funding and bond issue
- Structure the financing with a wide variety of financial and industrial participants
- Understand BOTs and Public Private Partnerships (PPPs)
- Conduct the due diligence of a project from a bank's point of view
- Identify and manage the key risks, specifically the political, construction, market, FX and environmental risks
- Understand the cash flow model and sensitivity analysis
- Recognize the limits of IRR and how it can be manipulated
- Learn how to properly value projects
- Familiarize yourself with new initiatives for infrastructure finance

## Who should attend

The **Project Finance and PPPs** program is relevant for finance professionals, consultants, developers, project managers, engineers, lawyers and portfolio managers from both the private and public sectors.

No prior valuation experience is assumed. Please contact us should you feel the need to verify your level of knowledge.

# Program at a glance

## Overview of Project Finance

- The project finance framework
- Key characteristics and key parties involved
- Risks and risk mitigants
- Project finance as a financial contract and contract types (BOT, BOO, etc.)
- Public Private Partnerships (PPPs)
- Case Study: PPP and Social Infrastructure

## Financing Issues in Project Finance: the Macro View

- Financing types: bonds versus loans
- Assessing project finance debt
- Financial ratios: DSCR, LLCR, PLCR, etc.
- Financing risks and re-financing risks
- Lenders protection: cash sweeps, mandatory cash sweeps, etc.
- Role of Multi-Lateral Agencies (MLA) and Political Risk Insurance (PRI)
- Common derivatives used in project finance
- Case Study: PPP and Economic Infrastructure

## Financing Issues in Project Finance: the Micro View

- Financing issues during construction
- Financing issues during operation
- Interplay between construction and operation

## Project Valuation: Cash Flows and Discount Rates

- Relevant cash flows and the cash flow waterfall
- Cash flows and discount rates
- Net Present Value (NPV)
- Reasons why the WACC cannot be used in project finance
- WACC alternatives
- Flow-to-equity (FTE) techniques

## Project Valuation - the IRR

- The unlevered (project) IRR versus the levered (equity) IRR
- Usefulness of the IRR
- How to look good with the IRR
- IRR manipulation

## Capstone: Combining Valuation and Financing Issues

4 days | € 4,950 | Check AIF.nl for dates

# The expert

Meet the brightest minds in finance. Learn from the world's leading finance academics and experienced corporate executives.



**Pierre Hillion** is a Professor of Finance, de Picciotto Chaired Professor of Alternative Investments, and the Program Director of the INSEAD-

Macquarie Master of Finance. From 1999 to 2004, he held the Shell Professorship in Finance.

Pierre Hillion serves as a visiting professor at the University of California in Los Angeles and the California Institute of Technology. He is a CEPR Research Fellow. He received his MBA from the Ecole des Hautes Etudes Commerciales (HEC) in France, a DEA from the University Paris-Dauphine, and a PhD from the University of California in Los Angeles. He is currently based at the INSEAD Singapore campus.

Finance Professor Hillion teaches in various Executive Education programmes offered at INSEAD and at the Amsterdam Institute of Finance. He is the Programme Director of Dresdner Kleinwort Wasserstein and Société Générale programmes at INSEAD.

He was the recipient of several awards from the Q. Group, NATO, ECMI and the BSI Gamma Foundation. He has published extensively in the fields of asset and option pricing models and market microstructure.

Prof. Hillion works as an academic advisor to Union Bancaire Privée and Lombard Odier Darier Hentsch banks in Geneva, Switzerland.



"No better time than now: the many transitions we face require highly skilled financial expertise."

Professor Pierre Hillion (INSEAD)

## Enrolling & practical information

### Enrollment requirements

AIF considers each enrollment application carefully to ensure the quality and level of the program is maintained and that participation of candidates is beneficial to both themselves and their organizations. The general prerequisite for all AIF programs is the possession of an academic or equivalent degree, as well as proficiency in English and practical experience.

### Accommodation

AIF has special corporate rates available for participants at a number of hotels in central Amsterdam.

### Certificates

An AIF certificate of attendance is awarded to all participants who successfully complete the program.

### Program location

The programs are held in the center of Amsterdam, within an easy walk from Amsterdam Central Station, and within 30 minutes from Schiphol international airport.

### Program fees

Program fees include tuition, all comprehensive program materials, books, and any software that is required for the program, as well as luncheons and daily refreshments. Accommodation is not included.

### In-company programs

For information on how AIF can add value to your organization via a tailored in-company program, please contact AIF directly at: +31 20 246 7140.

**Ready to learn more?** Find your program and reserve your place at [AIF.nl](https://aif.nl)

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