

FINANCE, CONTRACTS AND RISK MITIGATION FOR POWER INVESTMENT IN AFRICA
 UNIVERSITY OF CAPE TOWN, GRADUATE SCHOOL OF BUSINESS
 14 - 18 March 2022

	Monday 14-Mar-2022 PROJECT FINANCE FUNDAMENTALS	Tuesday 15-Mar-2022 COST OF CAPITAL & EXPENSES	Wednesday 16-Mar-2022 PROJECT CONTRACTS	Thursday 17-Mar-2022 RISK MITIGATION	Friday 18-Mar-2022 PROCUREMENT & CHINA
08h00-09h00	<i>Registration and welcome coffee/tea</i>	7. Alastair Campbell & Daniel Gross Lender's perspective - Overview of a sample debt term sheet	14. Daniel Gross & Jay Govender Power Purchase Agreement - Take-or-pay obligations (capacity, energy) - Credit worthiness / bankability - Interconnection - Why oftakers sign PPA (vs owning project)	20. Daniel Gross Review of project risks (universal vs. SSA) - Foreign Direct Investment - Bilateral Investment Treaties - International arbitration, choice of law	27. Kanyi Lui & Naa Adjekai Adjei Chinese funding of African power projects
09h00-10h00	1. Wikus Kruger Course overview Power investment and procurement trends & the IPP landscape in Africa	8. Lisa Pinsley & Daniel Gross Equity investor's perspective - Infrastructure fund structure - What do institutional investors want? - Pricing of equity / cost of capital"	15. Daniel Gross & Jay Govender Captive & wheeling PPAs Storage	21. Shingira Masanzu Mitigating risk: - Political risk insurance - DFIs, sovereign and partial risk guarantees - Letters of credit, escrow, put-call options	28. Wikus Kruger Power project procurement
10h00-10h30	TEA/COFFEE	TEA/COFFEE	TEA/COFFEE	TEA/COFFEE	TEA/COFFEE
10h30-11h30	2. Daniel Gross Intro to Project Finance - Structural, tactical, legal - Corporate form - Participants / contract framework - Construction vs. operating period	9. Daniel Gross Credit Rating Agencies - Function and role in market - Ratings methodologies - Sovereign ratings / ceiling - Bond pricing	16. Daniel Gross & Jay Govender Exercise in reading a PPA - Term sheet - Key clauses of an actual agreement Implementation Agreement & Direct Agreement	22. Wikus Kruger, Daniel Gross Alternative risk mitigation options	29. Wikus Kruger Power project procurement (session 2)
11h30-12h30	3. Daniel Gross Debt Concepts - Amortization structures, DSCR - Senior vs. subordinated - Secured vs. unsecured Equity Concepts NPV and IRR	10. Daniel Gross Interest Rate Swaps/Currency Swaps	17. Daniel Gross Innovation in Offtake Arrangements - C&I - Off-grid - Securitization	23. Stephan van den Berg Environmental, social & governance risks - Understanding ESG risks throughout the project lifecycle - ESG derisking to make it "fit for finance" - Integrating IFC performance standards	30. Daniel Gross & Wikus Kruger Recap
12h30-13h30	LUNCH	LUNCH	LUNCH	LUNCH	
13h30-14h30	4. Daniel Gross Exercise: Intro to financial modeling - Forecasting cash flow - Best practice layout and navigation <i>Participants require use of laptop computer</i>	11. Daniel Gross Exercise: Sizing a debt facility <i>Participants require use of laptop computer</i>	18. Daniel Gross Exercise: Sensitivity Analysis - Scenario manager and data tables <i>Participants require use of laptop computer</i>	24. Daniel Gross Exercise: Stress testing the model - Fixed vs. dynamic debt sizing <i>Participants require use of laptop computer</i>	Certificate Award & Farewell Lunch
14h30-15h30	5. Daniel Gross Navigating legal documents - Structure of legal docs (focus Loan Agmt) - Reps & warranties, covenants - Events of default - Cashflow waterfall	12. Daniel Gross CapEx and Operating Expenses - EPC contracts - O&M contracts - Taxation	19. Bernard Magoro Grid interface contracts & codes	25. Holle Wlokas Ensuring social performance in power projects	
15h30-16h00	TEA/COFFEE	TEA/COFFEE		TEA/COFFEE	
16h00-17h00	6. Daniel Gross Exercise: Reading Legal Contracts - Best practices for comprehending and summarizing transaction documents	13. Daniel Gross Key issues in renewable energy - Forecasting wind and solar - Intermittancy / integration - Siting and environmental concerns	Afternoon at leisure	26. Chanda Nxumalo Role of independent engineer	