

Seminar on Infrastructure Project Financing

Report on the Seminar Program

Presented To: Mr. Imran Ahmad, Additional Director
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Program:

IH&SME Finance Department organized a two day's seminar on "Infrastructure Project Financing" at National Institute of Banking & Finance (NIBAF), Islamabad on March 18-19, 2013.

Scope:

The program was designed for the professionals needing a thorough grounding in project financing applied to a range of capital-intensive infrastructure industries and covered topics like Introduction to Project Finance-a Lenders' Perspective, SBP Guidelines/Regulatory Framework, Project Feasibility, Credit Evaluation/Appraisal, Risk Allocation, Project Financing Documentation, Public Private Partnerships, Successful PPP Programs and Domestic Experiences in Project Financing etc.

Target Audience:

Middle management from banks & DFIs engaged in Infrastructure Project Financing (IPF). Total number of participants was 32 (29 Banks & DFIs, 03 from SBP).

No of Speakers:

Ten speakers were invited for the program. This also includes Mr. Zaigam Rizvi, Advisor to Governor SBP.

Welcome Speech:

Director IH&SMEFD was to welcome the participants; however, due to his engagements at Karachi, he could not open the program. In his place, Mr. Zaigam Rizvi, Advisor to the Governor on infrastructure and housing finance formally opened the session. He shared his knowledge and experiences of India, Malaysia, Singapore and other regional countries. He stressed on the need for an effective role of the government and banks/DFIs in Infrastructure development and financing in the country.

Program Topics and Guest Speakers:

The two days program proceeded as specified below. After recitation from the Holy Quran, Mr. Zaigam Rizvi formally opened the two days session. He shared success stories of the regional countries as well as his experiences of Pakistan.

Day-01

- 1) Introduction to the Program (Mr. Imran Ahmad)
- 2) Opening Remarks, (Mr. Zaigam Rizvi, Advisor to the Governor-SBP)
- 3) Introduction to Project Finance and Lender's Perspective (Mr. Saeed Iqbal, UBL)
- 4) Credit appraisal/Evaluation (Mr. Tariq Mahmood, Pak China Investment Co)
- 5) Risk Allocation and PF Documentation (Mr. Owais Aziz /Mr. Ali Khan, HaiderMota & Co.)
- 6) Domestic Experiences in PF –Case Studies (Mr. Umer Khan, UBL)

Day -02

- 1) SBP Guidelines/Regulatory Framework on IPF (Mr. Imran Ahmad, SBP)
- 2) Project Feasibility and Value for Money (Mr. Imran Ashraf, AASR)
- 3) Project Development under PPP Models (Mr. Afzal Dar, Senior Specialist, IPDF)

- 4) Public Private Partnership, Successful PPP Programs and Stakeholders' Consultations for Terms Sheet (Mr. Waqar Ud Din, Punjab Government)

Program Contents:

Feedback was sought and the responses given are specified in the table on **program contents**.

On average 65 percent of the participants opined that the program “met expectations” while 30 percent said “exceeded expectations” in all indicators (program objectives, relevancy, and organization of material) against a 12 percent opining “needs improvement”. (See Annexure-A for more details)

Overall Rating:

Excellent	Very Good	Good	Fair
12%	85%	4%	0%

The table above provides an overall rating of the program. 85 percent considered it as **Very Good**, 12 percent as **Excellent** and only one person were of the view that it was **Good**.

Further Proceedings:

A brief of the topics covered by each speaker is given below.

Mr. Saeed Iqbal

Mr. Saeed Iqbal is the Executive Vice President, Group Head Investment Banking at UBL. He started the session and provided an overview of infrastructure project financing. He spoke on the following areas: Financing Large Projects-Introduction, Parameters For Evaluating a Project, History of Project Finance, Full Recourse and Structured Finance, Non-Recourse Project Finance, Project Finance Vs Corporate Finance, Why Project Finance?, Benefits to Investors , Benefits to Public Authority, Benefits to Lenders, What makes Successful Project Finance Transaction?, Sources of Project Finance, Project Finance Methodology, and Domestic Project Finance Market.

Mr. Muhammad Umer Khan

Mr. Umer Khan is the Senior Vice President, Head Project & Structured Finance at UBL. He shared his experiences in the form of 8 case studies and provided practical and live examples of interest to the participants. Program participants took deep interest in the carefully drafted case studies of the country. Participants also shared their input in the form of knowledge sharing.

Mr. Tariq Mehmood

Mr. Tariq Mehmood is the Head of Corporate Finance at Pak China Investment Company. He spoke on project financing, credit appraisal and evaluation. He shared his practical experience and involvement in many projects that faced challenges and success.

Mr. Ali Khan/Owais Aziz

Mr. Ali Khan is the Partner at Haidermota & Company. While Mr. Owais Aziz is Barrister at Law-Associate at Haidermota & Company. Mr. Ali Khan was the lead speaker while Mr. Owais assisted him in some parts of his presentation. Their presentation consisted of three parts i.e. Web of Contractual Arrangements, Security Documentation and Security Creation, and Key Risks & Risk Allocation. They

were able to impress their audience through their fluent communication of ideas in an effective way and with pertinent project financing examples. They shared their experiences as regards legal aspects of the project finance.

Mr. Imran Ashraf

Mr. Imran Ashraf is the Manager Advisory Services at Anjum Asim Shahid Rahman, Chartered Accountants & Management Consultants. He spoke on project feasibility and value for money. Mr. Imran shared with the audience his involvement in different PPP/Government sponsored projects, their brief history and the parameters that were of significance while pursuing the said projects. Like Karachi Circular Railway, Metro Bus, Motorways etc.

Mr. Afzal Dar

Mr. Afzal Dar is the Senior Infrastructure Project Financing Specialist at IPDF, GoP. He spoke on Project Development under PPP Model. He covered the areas like understanding PPPs, perspectives and key structures, forms of partnerships, how to decide options, key challenges, project development process and examples of projects. Further, he shared different projects being pursued by the federal government as well as the project where assistance has been provided, and the challenges faced.

Mr. Waqar Uddin

Mr. Waqar Ud Din is the Chief (PPP Projects) at P&D Department, Government of Punjab. He spoke on project financing, credit appraisal and evaluation. He spoke on; PPP Framework in Punjab, Public Sector Perspective, Investors' Perspective, Lenders' Perspective, Role of Transaction Advisor (Options Analysis) Stake-holders Consultations, Risk Assessment/Management/Allocation, Term sheet (Challenges), Concession Agreement, Critical Success Factors for PPPs, and Why PPPs fail to gel?. He talked about different projects being pursued by the provincial government in PPP Mode, success stories and failures etc.

Mr. Imran Ahmad

Mr. Imran Ahmad, Additional Director, Infrastructure and Housing Finance Division at SBP, spoke on the initiatives taken by SBP for Infrastructure financing, SBP Guidelines and regulatory framework. He answered the queries raised by the participants as regards SBP's role in Infrastructure financing. Moreover, he also handled effectively queries raised as regards SBP policies/actions in general.

Presentation of Souvenir and distribution of certificates

At the end of the each session, Souvenirs were distributed to the presenters of the training program by Mr. Imran Ahmad, Additional Director while certificates were distributed by Mr. Karim Alam, Program Coordinator.

Program concluded with a vote of thanks to participants and speakers.