
Project Finance for PPPs: Risk Allocation, Debt Sizing and Bankability Course

6 – 10 September 2027
Amsterdam





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Programme Summary

Project finance for PPPs is a one-week training course for public and private infrastructure leaders at advanced level, culminating in a bankability review of a public-private partnership transaction. Many partnerships stall before financial close because risk allocation, revenue structure and lender requirements were never tested together. The approach follows a deal from value for money through risk allocation and debt sizing to lender due diligence and operations. Mars Training Centre UK delivers this programme in project finance for public-private partnerships.

The Business Case

In infrastructure finance, authorities need value for money within budget, sponsors need returns and lenders need predictable cash flow. When these interests are not reconciled early, procurements are re-run, contingent liabilities grow unnoticed and financial close slips. Leaders who read a deal through the lender's eyes shape contracts that attract finance at acceptable cost.

- Time to Financial Close: Shortens as bankability issues are resolved before bids are submitted.
- Fiscal Exposure: Becomes visible as guarantees and termination payments are identified and valued.
- Cost of Finance: Improves as risks are allocated to the party best able to manage them.

Principles and Evidence Base

- World Bank PPP Reference Guide: Its PPP cycle structures the stages followed from Session 1 to Session 5.
- Risk Allocation Matrix: Allocating each risk to the party best able to manage it frames Session 2.
- Debt Service Coverage Ratio and Loan Life Coverage Ratio: These cash flow ratios drive debt sizing and sculpting in Session 3.
- Equator Principles: Their approach to environmental and social risk informs lender due diligence in Session 4.

Intended Participants

- Leaders who decide whether an infrastructure project is procured as a public-private partnership.
- Officials who approve contract terms, payment mechanisms and government support.
- Sponsors and developers who structure bids and negotiate with lenders.
- Finance directors who assess equity returns, debt capacity and refinancing options.

The programme serves transport, water, social infrastructure and utilities organisations in the public and private sectors.



Learning Outcomes

1. Participants will be able to evaluate whether a project offers value for money and affordability as a public-private partnership.
2. Participants will be able to construct a risk allocation matrix for construction, operating and revenue risks.
3. Participants will be able to justify a debt size using DSCR, LLCR and gearing constraints.
4. Participants will be able to diagnose bankability gaps in contracts, the security package and direct agreements.
5. Participants will be able to prioritise lender due diligence findings ahead of financial close.
6. Participants will be able to design contract management and refinancing arrangements for the operating period.

Programme Structure

Day 1: Project Finance for PPPs and the Partnership Case

When is limited-recourse finance the right route for an infrastructure project?

- Limited-Recourse Finance and Special Purpose Vehicle Structures
- World Bank PPP Reference Guide and the PPP Cycle
- Value for Money Tests and the Public Sector Comparator
- Affordability, Fiscal Commitments and Contingent Liabilities
- Availability Payment and User-Fee Revenue Models

Day 2: Risk Allocation and Contract Structure

Which party should carry each risk, and how do contracts hold it there?

- Risk Allocation Matrix for Construction, Operating and Demand Risk
- Construction Contract Interfaces with the Project Company
- Operating and Maintenance Contracts and Performance Deductions
- Termination Events, Compensation and Step-In Rights
- Change in Law, Force Majeure and Relief Events

Day 3: Debt Sizing and Financial Structure

How much debt can the project cash flow support?

- Cash Flow Available for Debt Service and the Payment Waterfall
- Debt Sizing with DSCR, LLCR and Gearing Limits
- Debt Sculpting Versus Fixed Repayment Profiles
- Reserve Accounts, Distribution Locks and Cash Sweeps
- Equity Returns and Sponsor Funding Commitments



Day 4: Bankability and Lender Due Diligence

What do lenders test before they commit to financial close?

- Security Package, Direct Agreements and Lender Step-In
- Technical, Legal, Insurance and Model Due Diligence
- Equator Principles and Environmental and Social Review
- Conditions Precedent and the Financial Close Checklist
- Multilateral Lenders, Guarantees and Credit Enhancement

Day 5: Applying Project Finance to a PPP Transaction

Is the transaction ready to close and sustainable through operations?

- Refinancing Gains and Sharing Mechanisms
- Contract Management Through the Operating Period
- Stress Testing the Day 3 Debt Size Against Day 2 Risks
- Lender Due Diligence Findings Prioritised for Negotiation
- PPP Transaction Bankability Review Completion

Methodology

The programme uses case analysis of transport, water and social infrastructure partnerships, with a simplified financing model used to test decisions. Each session moves from a short briefing to negotiation exercises in which participants take the roles of authority, sponsor and lender.

- Suggested activity: Building a risk allocation matrix for a toll road concession.
- Suggested activity: Resizing debt for a water treatment project after a revenue downside.
- Suggested activity: Negotiating a lenders' direct agreement.

Capstone Output

Each participant completes a bankability review of a public-private partnership transaction from their own pipeline or a case project. It contains the value for money view, risk allocation matrix, debt sizing summary, due diligence gaps and prioritised actions before financial close.

Frequently Asked Questions

Is project finance for PPPs training suitable for public officials without a banking background?

Yes. It is set at advanced level for officials and sponsors who decide on partnership transactions, and assumes familiarity with infrastructure projects; finance ratios start from first principles.



Which frameworks does project finance for PPPs training rest on?

It rests on the World Bank PPP Reference Guide, the risk allocation matrix, lenders' DSCR and LLCR coverage ratios and the Equator Principles.

How is the PPP bankability review from project finance training used at work?

You can use it to test a pipeline transaction before bids are invited or lenders engaged, and to brief your board or approving authority.

How does project finance for PPPs differ from financial modelling courses?

It concentrates on structuring decisions, risk allocation and lender requirements rather than on building a financial model.