INTERNATIONAL EMERGING MARKETS PROJECT FINANCE

B TERM SPRING 2020

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TEACHING ASSISTANTS
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TA Email: TBA
TA Office Hours: TBA

COURSE SHORT DESCRIPTION

This International Emerging Markets Project Finance (IPF) course will provide students with a strong practical and theoretical framework to be able to analyze complex international projects from first principles, and will cover both the structuring aspects of this financial discipline (commercial and legal frameworks, key risk and mitigants, financial modelling) as well as real-world project finance case studies.

Overall, the course provides a practical and quantitative approach to understanding project finance transactions; focuses on energy and infrastructure transactions in emerging markets; integrates principles of corporate finance with an understanding of specific technologies, industrial organization, regulatory framework and country-specific policies; examines foreign exchange issues, taxation, risk evaluation and mitigation and key contractual structures; explores the fundamentals of International Project Finance; and complements and adds to the current fundamentals of Project Finance course.

This course is relevant to students contemplating careers in financing international development projects, considering dual engineering/finance degrees, or working for developers/sponsors of international infrastructure projects, private equity investors and infrastructure funds or international financial organizations such as Multilateral development institutions (World Bank, Asia Development Bank, Inter-American Development Bank, Asia Development Bank, Asia Infrastructure Investment Bank).
COURSE DESCRIPTION

The IPF course will focus on deepening student’s academic knowledge and understanding of the financing strategies, structures and risk/return allocations for international infrastructure projects in developing countries. The course will specifically address and cover the dynamics of “South-South” infrastructure investment, financing and cooperation across the BRIC (Brazil, Russia, India, China and South Africa) countries. It will also analyze China’s One Belt-One Road infrastructure investment initiative and the emergence and importance of new Global financial institutions such as the BRICS Bank (New Development Bank) and the Asia Infrastructure Investment Bank, the new “World Bank for Asia” created by China. The course will also cover current US/Asia energy trends and the emergence of the US as major energy supplier and exporter.

The course will also analyze social and environmental risks in international projects and the current approach of financial institutions to assess and rank the social and environmental risks and impact of projects and related mitigation and monitoring measures required to ensure projects are developed in a sustainable manner.

COURSE LEARNING OBJECTIVES

Upon completion of the course, students will be able to:

- Identify and explain key aspects of financing for international infrastructure investment projects, potential sources of financing (export credit agencies, multilateral agencies, bonds, local capital markets) as well as currency and political risks
- Apply practical tools and skillsets to analyze risks and business opportunities associated with international infrastructure projects in key industry sectors, including but not limited to, power/renewable energy, oil and gas, mining and metals and infrastructure.
- Analyze and interpret how debt and equity are balanced within project financing capital structures, analyze project pre-tax levered and unlevered IRR and develop an appreciation in breadth and depth of the core financial documents and commercial contracts employed in the sector.

ASSIGNMENTS

Designate the type for each assignment (A - group, B - group/individual, or C - individual).

In order to avoid ambiguity that may lead to unintentional violations of the Honor Code, the description types for assignments have been standardized. They are specified in the table below.

<table>
<thead>
<tr>
<th>Type</th>
<th>Designation</th>
<th>Discussion of concepts</th>
<th>Preparation of submission</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>group / group</td>
<td>Permitted with designated group*</td>
<td>By the group</td>
<td>Same grade for each member of the group</td>
</tr>
<tr>
<td>B</td>
<td>group / individual</td>
<td>Permitted</td>
<td>Individually</td>
<td>Individual</td>
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<tr>
<td></td>
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</tr>
<tr>
<td>C</td>
<td>individual / individual</td>
<td>None of any kind</td>
<td>Individually</td>
<td>Individual</td>
</tr>
<tr>
<td>D</td>
<td>(An optional category to be defined in detail by the individual faculty member)</td>
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</table>

* The designated group can be either an assigned study group or a self-selected one.

**REQUIRED COURSE MATERIALS**

Esty, Benamin. *Modern Project Finance: A Casebook*. Other class handouts will be provided along with additional recommended reading material.

**CLASSROOM NORMS AND EXPECTATIONS**

Class attendance is important as the course learnings will build progressively over the semester and provide the foundation for the group case study project. Class participation is encouraged and expected in analyzing the project case studies.

**INCLUSION, ACCOMMODATIONS, AND SUPPORT FOR STUDENTS**

At Columbia Business School, we believe that diversity strengthens any community or business model and brings it greater success. Columbia Business School is committed to providing all students with the equal opportunity to thrive in the classroom by providing a learning, living, and working environment free from discrimination, harassment, and bias on the basis of gender, sexual orientation, race, ethnicity, socioeconomic status, or ability.

Students seeking accommodation in the classroom may obtain information on the services offered by Columbia University’s Office of Disability Services online at [www.health.columbia.edu/docs/services/ods/index.html](http://www.health.columbia.edu/docs/services/ods/index.html) or by contacting (212) 854-2388.

**METHOD OF EVALUATION**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation</td>
<td>20%</td>
</tr>
<tr>
<td>Assignments</td>
<td>40%</td>
</tr>
<tr>
<td>Group Case Study Paper</td>
<td>40%</td>
</tr>
</tbody>
</table>

Evaluation will be 20% from class participation, 40% from case study assignment/answers, and 40% from a group case study paper.

At the start of the course students will be grouped into teams to prepare a group case study paper to be submitted before the last class. Students will be required to analyze specific strategic, commercial and stakeholder issues/questions related to the project case study.