



FINANCE, CONTRACTS AND RISK MITIGATION FOR PRIVATE POWER INVESTMENT

WHAT IS THE COURSE ABOUT?

This specialised short course offers a thorough understanding of the power-sector financing landscape in Sub-Saharan Africa. It covers the fundamentals of power project financing, key project contracts, and risk mitigation measures, while exploring a variety of Africa-specific case studies. The course aims to equip participants with the skills and knowledge to understand and analyse private power investments, facilitating sustainable social and economic development in the region.

WHO SHOULD ATTEND THIS COURSE?

This course is ideal for:

- Board members, managers, and staff in utilities
- Government officials and policymakers involved in power sector regulation
- Energy regulators overseeing procurement programs
- Project developers and private investors in renewable energy
- Banks and financial institutions financing power projects
- Legal and technical advisors, consultants, and professionals in the private sector

WHAT ARE THE KEY TOPICS COVERED IN THIS COURSE?

Participants will gain practical skills in:

Project Finance Fundamentals

- Understanding the principles of project finance, including risk allocation and financing structures
- Present value math: NPV, IRR, and discounted cash flows, and their importance in project evaluation

- Financial structuring for large-scale renewable energy projects
- Debt and equity concepts in project finance, including debt sizing using Debt Service Coverage Ratio (DSCR) and scenario modelling
- Reading and interpreting legal documents related to project finance
- Case study analysis of renewable energy projects, including lessons learned and best practices

Cost of Capital & Expenses

- Why lenders are risk-averse and how this affects financing decisions
- Evaluating the cost of capital in energy projects and its role in investment viability
- Understanding the impact of different financing structures, including debt-equity ratios, loan tenors and risk premiums
- Role of credit rating agencies in determining cost of capital
- Taxation, capital expenditure (CapEx), and operational expenses (OpEx) considerations
- Loan term sheets

Project Contracts

- Power Purchase Agreements (PPAs), Direct Agreements, Implementation Agreements and their role in project bankability
- Risk allocation and contract negotiation strategies for ensuring financial sustainability
- Contract enforcement mechanisms and dispute resolution strategies
- Captive and wheeling PPAs, and storage integration
- Grid interface contracts and grid codes

Frequently Asked Questions (FAQ)



Risk Mitigation

- Identifying and managing financial risks in power projects, including currency, political, and regulatory risks
- Collateral and security packages to support financing arrangements
- Structuring projects to ensure financial sustainability and long-term operational success
- Insurance instruments and guarantee mechanisms for de-risking energy investments
- Role of investment treaties, international arbitration, and governing laws
- Social performance considerations and community engagement
- Role of independent engineers in risk identification and mitigation

Procurement and Alternative Models

- *Renewable energy auctions*: design, implementation, and best practices
- Procurement mechanisms in high-risk markets
- Role of Chinese financing in African power projects

ESG & Project Finance Evolution

- Environmental, Social, and Governance (ESG) considerations in energy projects, including sustainability benchmarks and compliance requirements
- Case studies on ESG implementation in energy sector financing

WHAT MAKES THIS COURSE UNIQUE?

Africa-Focused | Tailored to address the unique challenges and opportunities within the African power sector.

Expert-Led Training | Delivered by leading practitioners and academics in energy finance, development and policy.

Practical Application | Incorporates case studies, real-world contract analysis, and discussions on financial models to illustrate key concepts.

Networking Opportunities | Engage with peers, industry experts, and stakeholders from across the continent.

HOW IS THE COURSE DELIVERED?

The course is offered in both face-to-face and live online formats, providing flexibility for participants. It includes live interactive sessions, case studies on power project finance and contract structuring, group discussions, and expert panels. While financial models are used to teach and illustrate key concepts, participants are not required to build or analyze these models themselves.

HOW CAN I APPLY FOR THE COURSE?

Interested participants can apply via our website www.gsb.uct.ac.za/powerfutureslab

Email | pflcourses.gsb@uct.ac.za **Telephone** | +27 21 650 7568

Delivery Method | **Face to Face** | R29 950 **Online** | R15 950

Location | UCT Graduate School of Business

Duration | 5 Days

Programme Dates | 4-8 May 2026