



# Value for Money and Economic Analysis for PPP Projects

April 24 - May 5, 2017 | Washington, DC (6.0 CEUs)

## Course Description

A value for money (VfM) analysis consists of a systematic comparison of total costs of financing and delivering an infrastructure project by traditional government means versus private sector means. For a government, there is no single more important exercise than carrying out this transparent cost comparator. Governments must understand the projected costs and revenue streams early in the development of a potential public-private partnership (PPP) project so that they can make an informed, long-term decision as to whether the project is viable and what appropriate financing mechanism would be.

The Institute for Public-Private Partnerships, A Tetra Tech Company (IP3), provides practical, process-oriented sessions on how to conduct VfM analyses, case studies of actual VfM analyses, structuring PPPs, and action planning. Participants in this course will learn how to design and manage VfM analyses for use in their own countries and organizations.

## Learning Outcomes

- Understanding why VfM and public sector cost comparison analyses are so critical for PPP project development
- Analyzing the overall strategic planning requirements for identifying and screening PPP project opportunities
- Illustrating how to construct Public Sector Cost (PSC) and VfM models and how to calculate and analyze cost input variables for PPP projects
- Being able to forecast financing costs and discount rates
- Analyzing, valuing, and managing retained public sector risks and contingent liabilities in long-term PPP projects
- Creating a detailed, strategic VfM action plan to apply learning outcomes on the job

## Course Offering

Dates: April 24 - May 5, 2017

Location: Washington, DC

Code: 2706-WA

CEUs: 6.0

Tuition: \$5,500

## Become a Specialist

IP3 is an authorized provider of Continuing Education Units (CEUs) as sponsored by the International Association for Continuing Education and Training (IACET)

Successful completion of this course will award 6.00 CEUs towards becoming a Certified Specialist in PPPs and Project Finance.



## Who Should Attend

- Ministries, state infrastructure agencies, and municipal governments
- Officials from PPP units or investment agencies responsible for infrastructure development
- PPP transaction advisors, bankers, and project developers involved with PPP project development
- Bilateral and international development organizations

## Course Tuition Includes

- All training sessions/materials
- Presentations
- New computer
- Web-based course content/software
- High-speed internet access
- Receptions and tours
- Daily refreshments and lunch voucher
- Enrollment in professional certification program
- Professional certification counseling

## Course Contents

### Strategic Planning for Effective VfM Analysis

- Understanding the role of PSC and VfM analyses in the PPP project life cycle
- Identifying the key factors driving VfM analyses: feasibility, affordability, sustainability, and best value
- Existence of other viable public sector options
- Determining whether PSC or VfM is applicable

### Estimating, Analyzing, and Comparing Base Public Sector Cost Elements

- Designing the PSC comparison model
- Calculating the elements of base public costs: construction, whole-life maintenance, rehabilitation, insurance, and risk premiums
- Understanding and estimating the different revenue streams
- Estimating public sector financing costs and selecting the right public discount rate



### PPP Risk Analysis: Constructing the Risk-Adjusted Public Sector Cost (RA-PSC) Comparator

- The PPP risk matrix: identifying and understanding all relevant project risks
- Project risk estimation: using historic public risk data versus estimates for risk adjustments
- Advanced statistical techniques for analyzing risk scenarios: understanding Monte Carlo simulations
- Constructing PPP reference estimates: analyzing private sector risk management and costs for retained public sector risks
- Integrating capital market financing

### Managing the VfM Analysis Process

- Comparing risk-adjusted PSC estimates with PPP bids: VfM
- Using VfM analyses to strengthen project viability: identifying needs for PPP risk-sharing and credit enhancements
- Understanding and analyzing how traditional government finance is different from private sector project finance
- Valuing public sector risk sharing and contingent liabilities in PPP projects
- Case studies in international negotiation: lessons learned from the highway, ports, airports, and rail sectors

### Strategic Action Planning

## About the Institute for Public-Private Partnerships

The Institute for Public-Private Partnerships, A Tetra Tech Company (IP3), is a leading, global provider of PPP consulting and capacity building services. IP3 provides institutional support to public and private sector entities engaged in PPP projects around the world, helping mobilize private sector expertise and resources to enhance the quality and availability of infrastructure for public services.

IP3 has trained more than 35,000 officials from more than 175 countries on PPP programs and opportunities, regulation operations and management initiatives, competitive utility management reform, and public policy and good governance.

Our experts have worked with more than 600 government agencies, ministries, and organizations, including some of the world's most influential institutions.



The Institute for Public-Private Partnerships  
1320 North Courthouse Road, Suite 600  
Arlington, VA 22201 USA

+1 (202) 466-8930  
training@IP3.org