



## ManagEnergy Masterclass Agenda

Date: 26<sup>th</sup> to 28<sup>th</sup> June 2019

Location: Brussels Comic Book Museum, Rue des Sables 20, 1000 Brussels

### Module 3: Risk analysis and development of Guarantee Schemes

#### 1.1. Aims & Objectives

After having explored Project Finance (Module 1) and Corporate Finance (Module 2) the aim of this module is to increase the knowledge of participants in the development and use of financial instruments with a focus on Risks coverage so that they can plan and implement the most challenging investment projects.

On completion of this module, the learner will/should be able to identify risks (notably of financial nature) and propose appropriate mitigation strategies, develop potential contractual outlines for PPP solutions.

| Day 1<br>4hrs: 12.30pm-6pm |  |                 |               |  |             |
|----------------------------|--|-----------------|---------------|--|-------------|
|                            | Unit Number<br>Unit Name   | Unit Start Time | Unit Duration | Unit Content   | Time (mins) |
| Day 1<br>4 hrs: 2pm – 6pm  | Welcome Lunch  | 12.30pm         | 1.00hrs       |  |             |
|                            | Ice Breaking Session<br>Dr Julije Domac (REGEA)<br>Velimir Šegon (REGEA)                         | 1.30pm          | 0.30 hrs      | <b>Icebreaking session</b><br>Introduction of Trainers and Participants.<br>Overview of module 3   | 30          |
|                            | Refreshing module 1 and 2<br>Seamus Hoyne  | 2.00 pm         | 0.30 hrs      | Main outputs, vocabulary and contents from the previous modules  | 30          |
|                            | Fundamentals of risk assessment and mitigation<br>Velimir Šegon (REGEA)<br>Josip Čengija (REGEA) | 2.30 pm         | 1.0 hrs       | The different natures of risks, risk assessment methods, mitigation strategies,...<br><ul style="list-style-type: none"> <li>• Incentive effects (agency problems) and risk allocation</li> <li>• risk valuation methods</li> <li>• financial risks mitigation strategies</li> </ul> | 60          |
|                            | Tea / Coffee   | 3.30pm          | 20 mins       |  |             |
|                            | Fundamentals of risk assessment and mitigation<br>Velimir Šegon (REGEA)<br>Josip Čengija (REGEA) | 3.50pm          | 0.30 hrs      | Continuation   | 30          |
|                            | Case study   | 4.20pm          | 1.10 hrs      | Practical cases: using the risk analysis methods presented, identify, classify and quantify risks and develop a comprehensive mitigation strategy.   | 70          |
|                            | Finish   | 5.30pm          |               |  |             |



| Day 2<br>7hrs: 9am – 6.00pm |  |                 |               |   |             |
|-----------------------------|--|-----------------|---------------|---|-------------|
|                             | Unit Number<br>Unit Name   | Unit Start Time | Unit Duration | Unit Content  | Time (mins) |
| Day 2<br>7 hrs: 9am – 6pm   | EU Finance<br>Julije Domac, Velimir Šegon (REGEA)<br>Filip Dumitriu (FEDARENE)<br><br>VIPA – (Velimir to facilitate)   | 09:00am         | 1.0hrs        | Introduction: New developments in LIFE programme and transition from H2020 to LIFE (relevance for energy agencies)  | 15          |
|                             | Focus on possible use of structural funds through Financial instruments (EIB / FI Compass): <b>Case study</b> - Lithuanian public and private buildings renovation programmes (VIPA) |                 |               | 45  |             |
|                             | Guarantee schemes<br><br>ManagEnergy Tem & AGENEX  | 10.00am         | 1.0 hrs       | Overview, what is a guarantee fund, how it works, why it is important, how it could be used<br><br>Case study: Practical experience of AGENEX, an energy agency setting up a guarantee fund in Extremadura  | 60          |
|                             | Tea / Coffee   | 11.00pm         | 30 mins       |   |             |
|                             | Public-private partnership (PPP) & EPC – Compare and Contrast<br><br>Josip Cengija (REGEA)   | 11.30pm         | 1.5 hrs       | Insight in general distinctions between PPP projects/contracts with energy standards and primarily EPC project/contracts (solely energy related contracts) and overview of general structure of PPP contracts with focus on output specifications and payment mechanisms                                    | 90          |
|                             | Lunch  | 1.00pm          | 60 mins       |   |             |
|                             | Output specification and payment mechanisms of PPPs (1)<br><br>REGEA, AGENEX   | 2.00pm          | 1.5 hrs       | <b>Practical work:</b> Contracts<br>Building case study from Traditional & Design & Build model, to EPC and PPP financial models<br>-Structuring output specifications<br>-Linking payment with performance<br>-Examples of output specifications, KPIs and Payment mechanisms<br>(6 groups of 3-4 people). | 90          |
|                             | Tea / Coffee   | 3.30pm          | 30 mins       |   |             |
|                             | Output specification and payment mechanisms of PPPs (2)<br><br>REGEA, AGENEX   | 4.00pm          | 1.5 hrs       | <b>Practical work:</b> Contracts<br>Building case study from Traditional & Design & Build model, to EPC and PPP financial models<br>-Structuring output specifications<br>-Linking payment with performance<br>-Examples of output specifications, KPIs and Payment mechanisms<br>(6 groups of 3-4 people). | 90          |
|                             | Finish   | 5.30pm          |               |   |             |



| Day 3            |   |                 |               |  |             |
|------------------|---|-----------------|---------------|--|-------------|
| 6 hrs: 9am – 3pm |   |                 |               |  |             |
| Unit Number      | Unit Name                                 | Unit Start Time | Unit Duration | Unit Content   | Time (mins) |
| ELENA            | practicalities and case studies           | 9.00am          | 1.5 hrs       | Case Studies and practical overview of how to develop and implement and ELENA supported action   | 90          |
| EIB              | Tea / Coffee                              | 10.30am         | 30 mins       |  |             |
| REGEA            | Financing: Continuation of practical work | 11.00am         | 1.5 hrs       | Continuation of practical work: Financing – how to finance your project and where do guarantee funds fit in? Focus on blending, public & private capital etc.<br><br>Prepare general overview (schematic) of financing model(s) – 1 hr<br>Discuss and challenge – 30 min | 90          |
|                  | Lunch                                     | 12.30pm         | 1 hrs         |  |             |
| REGEA team       | Wrap up through practical work            | 1.30pm          | 2.0 hrs       | Wrap up: What has been learned in Module 3<br><br>Presentation of the projects (pitch)<br>Each group should present (the pitch) the PPP vs traditional approach.   | 120         |
|                  | Break                                     | 3.30pm          | 30 mins       |  |             |
|                  | Final Wrap Up and Evaluation              | 4.00pm          | 1 hrs         | Lessons learned and main takeaways<br><br>Conclusions, Evaluations   | 60          |
|                  | Finish                                    | 5.00pm          |               | <b>Presentation of Certificates &amp; Close</b>  |             |

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