



ASSIGNMENT WEEK 3

BANKABILITY PLANNING REPORT

- **Describe your Project Bankability Framework Detail**
 - Predictable Cashflow
 - Fixed Construction Delivery & Operations
 - Governance & Sustainability
- **Develop your Bankability Plan based on the Framework Provided**
 - Include your strategies
 - Draw out your milestone's roadmap
- **Pre-development Expenditure and Next Steps**
 - Draw up the various activities based on the framework provided and the cost estimates
 - Draft the next steps for your project



Describe your Project Bankability Framework Detail

Tips for drafting the slide (See the following slides for template):

Predictable Cashflow

Projects must be characterized by a high degree of cashflow predictability under a (partial or full) **Contracted Revenue Arrangement with a creditworthy counterparty**

Construction and Operations

Projects must be delivered under a **fixed construction price and schedule** and an objective for **Optimal Operations** post construction

Governance and Sustainability

Projects must **independently operate** with strong **governance systems** and in **environmentally sustainable** manner.



Graystone Industrial park & Container Port

[Bankability Planning Report]

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Table of Content

- Predictable Cashflow
- Fixed Construction Delivery & Operations
- Governance & Sustainability
- Pre-Development Expenditure
- Next Steps

Bankability Plan based on the Framework

Tips for drafting the slide (See the following slides for template):

Strategies per Framework

The section should show a broad description of your strategies per bankability framework.

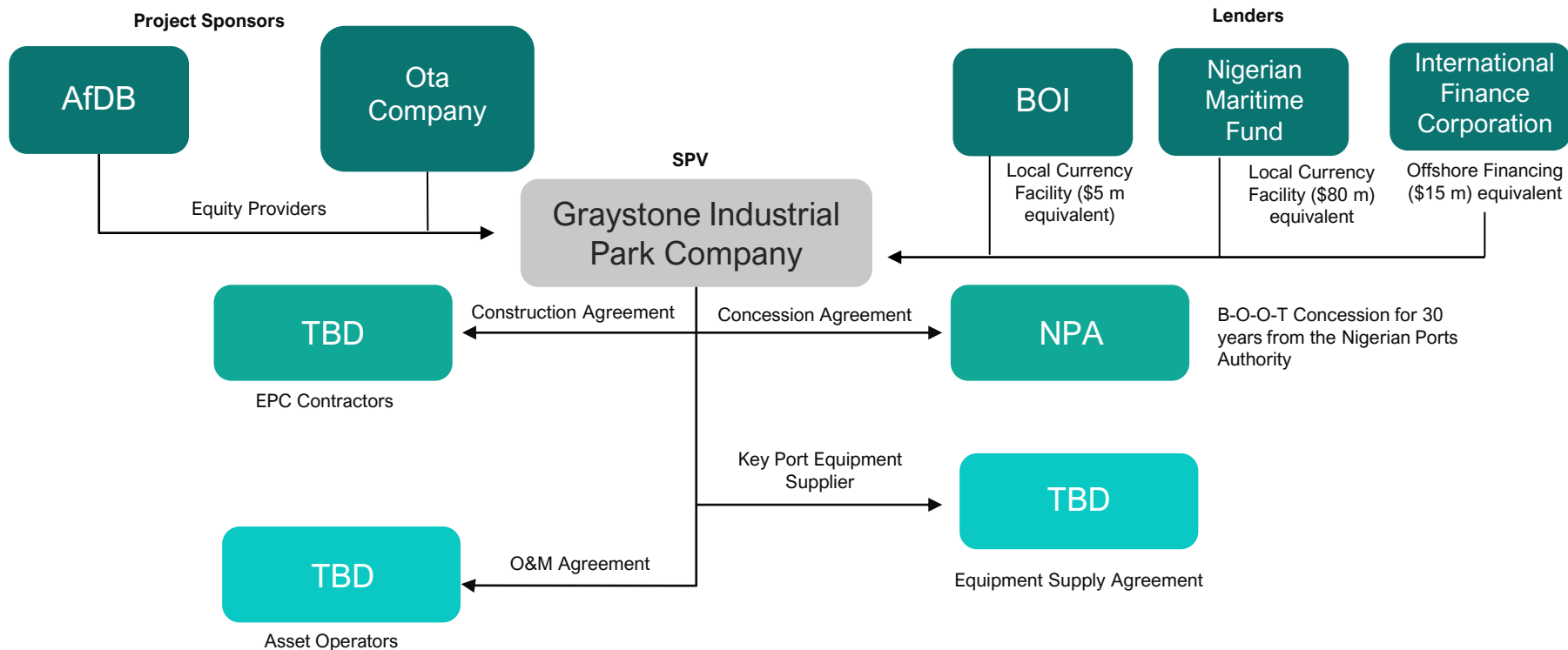
- Predictable Cashflow
- Construction and Operations
- Governance and Sustainability

Milestone Roadmap

This Section needs to show the how the strategies will be achieved and when by creating milestones.

Project Transaction Grid

We expect the transaction to be in this framework if executed (template for a port project)



Bankability Plan Predictable Cashflow

Strategy for Predictable Cashflow

The strategy to achieve predictable cashflow for the container port terminal is to engage in a ***Comprehensive Market Study*** that shows the Graystone Industrial park & container port cash inflow will be sufficient to absorb the planned capacity of the project at a price sufficient to recover full cost of operation, enable the project to service debt, and provide an acceptable rate of return to equity investors.

Key Issues to Research Upon

Recover Cost of Operations

Implement technological solutions to optimize operations and increase efficiency. This includes automation and real-time tracking systems to streamline processes, attract more business and recover costs.

Project Capacity and Pricing

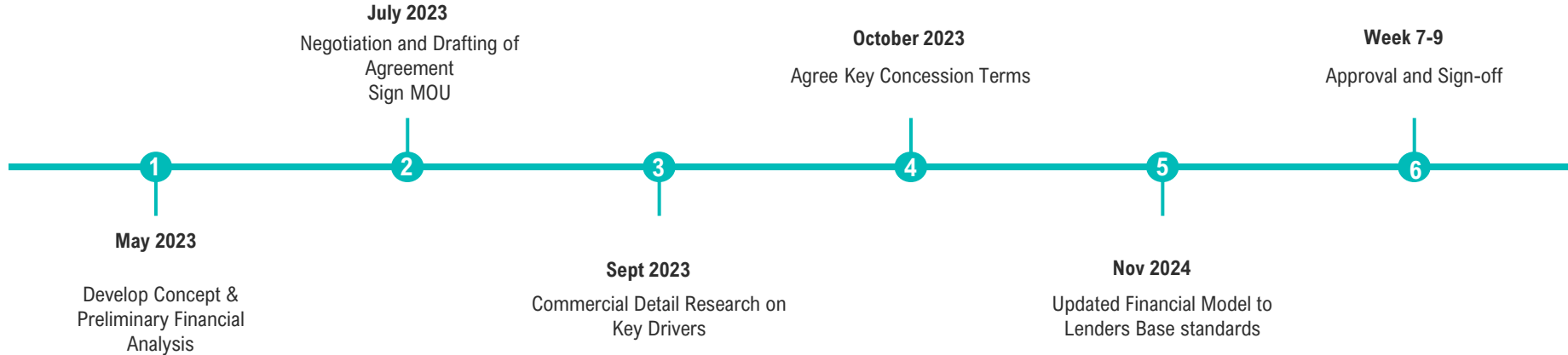
Explore new markets and trade routes to attract a wider range of customers. Engage in targeted marketing efforts including sufficient pricing to promote the port's services to potential clients within and outside the region.

Debt Servicing and ROI

By establishing a clear structure for investment, revenue, service levels, and risk allocation, it helps create a more predictable environment for sufficient cash inflow.

Bankability Plan Predictable Cashflow

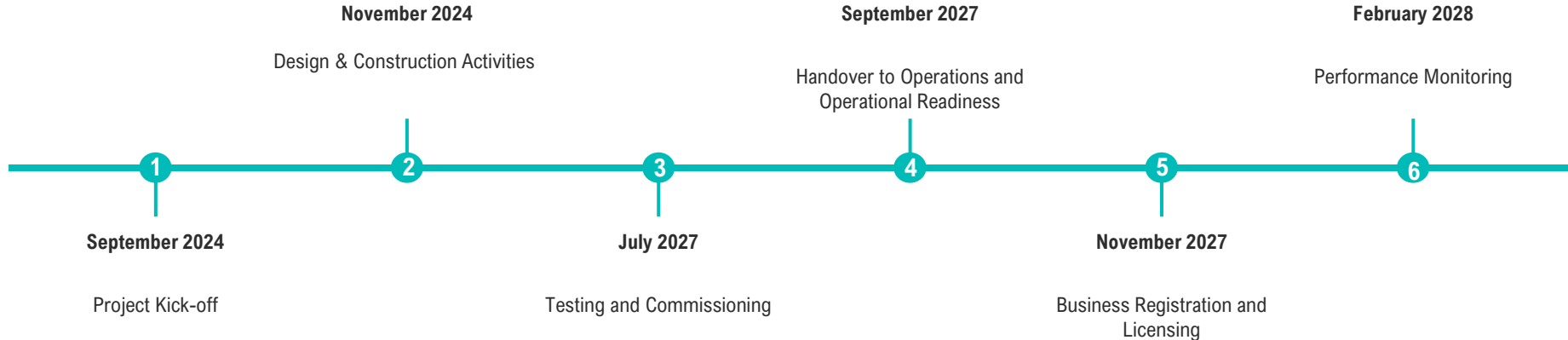
The new project port terminal entitles the owner to a 30-year concession expiring in 2056, with an option to extend this date by five years. If the project company defaults under the concession, then lenders have a step-in right. The concession payment structure is an escalating fixed payment (FP) and additional payment (AP). If the government increases/reduces the port tariffs scheduled in the concession, then APs will be reduced/increased accordingly.



Bankability Plan Construction Delivery & Operations

We intend to sign a fixed price, scope and cost agreement with an EPC contactor...as well as us engaging an O&M Contractor

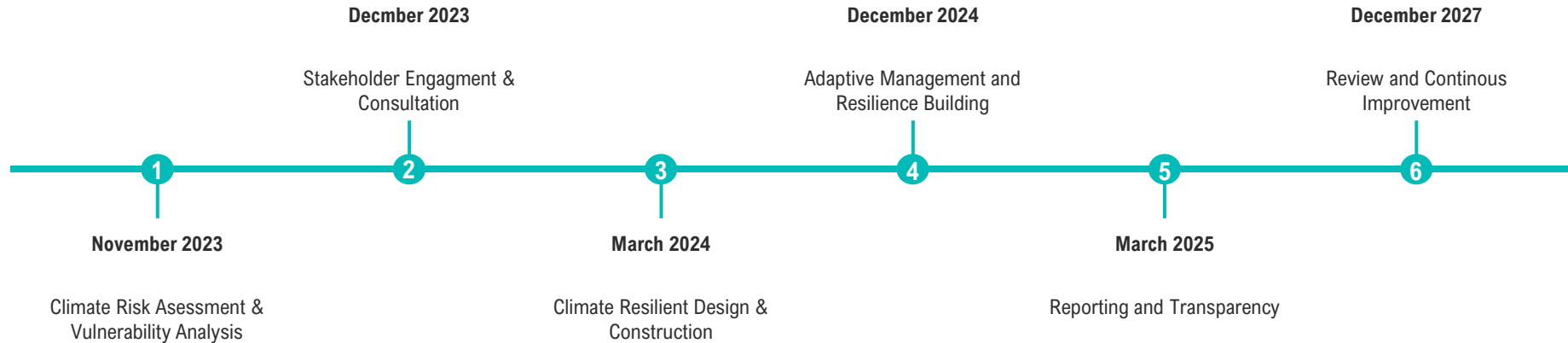
Below is the milestone we have achieved so far to ensure Fixed **Construction Delivery & Optimal Operations.**



Bankability Plan Governance & Sustainability

The Project would comply with right Governance Standards, and we would ensure we sign a Shareholders Agreement to manage the affairs of the SPV and Project

Below is the milestone we have achieved so far to ensure the Governance of the Project.



Bankability Plan Governance & Sustainability

The Project would comply with Equator Principles and the IFC Performance Standards

The essential components of the Environmental and Social Management Plan to be undertaken would be documented in the ESMP

Below is the milestone we have achieved so far to ensure Project Compliance with Equator Principles



Pre-development Expenditure and Next Steps

Tips for drafting the slide (See the following slides for template):

Pre-development activities and Cost Estimates

The section should show a list of pre-development activities based on the bankability framework strategies and your project concept and estimate the cost amounts. The budget estimate can be done on excel and pasted to the slide. (see the template below)

Next Steps

This Section needs to show the next steps in developing the project.

Pre-Development Expenditure

Predictable Cashflow

Key Project Documents

- Traffic Study for the Region
- Comprehensive Market Study
- Draft & Negotiate a Concession Agreement
- Preliminary Financial Model
- Possible Pre-Sales Agreements with Shipping Lines/ Anchor Tenants (Optional)

Construction Delivery & Operations

Design & Planning

- Site Investigations
- Conceptual Design
- Preliminary Design
- Preliminary Costing
- Construction Documentation & Planning

Construction & Equipment Supply

- Tender Documents Ready
- Execute Tender
- Appoint and Negotiate an EPC Contractor
- Procurement of Port Equipment Supplier
- Secure Approval
- Building Permit

Operation

- Procurement of O&M Contractor

Governance & Sustainability

Governance

- Set-up the SPV
- Draft a Governance Policy for SPV
- Draft & Negotiate a Shareholder Agreements

Sustainability

- ESIA in line with IFC Performance Standards and Equator Principles
- Climate Impact Plan (via Adaptation or Mitigation Measures)

Pre-Development Budget Estimate

PROJECT PRE-DEVELOPMENT BUDGET

Predictable Cashflow

		\$	186,750.00
Traffic Study for the Region	\$	9,337.50	
Comprehensive Market Study	\$	28,012.50	
Draft & Negotiate a Concession Agreement	\$	74,700.00	
Possible Pre-sales Agreements	\$	56,025.00	
Preliminary Financial Model	\$	18,675.00	

Construction Delivery & Operations

		\$	2,988,000.00
Site Investigations	\$	149,400.00	
Conceptual Design	\$	59,760.00	
Preliminary Design	\$	149,400.00	
Preliminary Costing	\$	59,760.00	
Construction Documentation & Planning	\$	418,320.00	
Tender Documents Ready	\$	59,760.00	
Execute Tender	\$	298,800.00	
Appoint and Negotiate an EPC Contractor	\$	597,600.00	
Procurement of Port Equipment Supplier	\$	448,200.00	
Secure Approval	\$	149,400.00	
Building Permit	\$	149,400.00	
Procurement of O&M Contractor	\$	448,200.00	

Governance & Sustainability

		\$	560,250.00
Set-up the SPV	\$	896,400.00	
Draft a Governance Policy for SPV	\$	298,800.00	
Draft & Negotiate a Shareholder Agreements	\$	896,400.00	
ESIA in line with IFC Performance Standards and Equator Principles	\$	597,600.00	
Climate Impact Plan	\$	298,800.00	

Total Pre-development Expenses		\$	3,735,000.00
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Next Steps

Final Investment Decision (FID) (among sponsor group) decided internally with Board Approval

1. Perform a thorough **analysis of market demand for container port services**.
2. Obtain **necessary regulatory approvals and permits from relevant government authorities**.
3. Develop a **comprehensive financial model that includes projected costs, revenues, and financial returns to assess project's financial feasibility and attractiveness**.
4. Assess **potential risks associated and mitigation measures** adopted with Graystone Industrial park & Port Project.
5. Seek **internal approvals from the project stakeholders**, including the project sponsor, Graystone Industrial park & community, board of directors, and other relevant decision-makers.
6. Establish a **governance structure for the project**.
7. Review and present the project to the decision-makers for the Final Investment Decision.