



ECA FINANCE TRAINING COURSE

Please note the course content is subject to minor revisions



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CC Solutions

What is covered in each module?

Module 1 | Introduction to ECAs

Overview

Starting with the basics, this module covers the very fundamentals of what ECAs are, what they offer, why they do it and how they operate differently around the world. The OECD export credit arrangement is also introduced here including country risk classification, CIRR calculation and other general policies therein.

Topics Covered

- What are ECAs, what do they do and why?
- Which countries have ECAs?
- How does ECA finance differ from commercial lending?
- OECD export credit arrangement policies
- OECD country risk classifications
- Country limitation schedules
- Down payment, repayment and CIRRs

Module 2 | The ECA Market and Supplier Credits

Overview

Review of ECAs by activity and offerings, as well as an examination of how ECAs compete and interact globally, by product and by region, using exclusive TXF market data. Included is co-financing, supplier credits, multi-buyer policies. Also included is a detailed run-through of various products and small business support.

Topics Covered

- Detailed data describing ECA lending by sector in each region
- Supplier credits
- Discussion of the Berne Union
- How ECAs evaluate co-financing structures
- Multi-buyer policies
- Working capital guarantees
- Bondage (surety, bid, performance, advance payment)
- Berne Union small business classification and coverage for them

Module 3 | Unstructured Buyer Credits

Overview

In this module we cover the different structures, term sheets, benefits and drawbacks of unstructured buyer credits over a series of examples of unstructured buyer credits and the different roles ECAs play within them.

Topics Covered

- The fundamentals of unstructured buyer credits
- Corporate, sovereign and bank to bank financing routes
- ECA-backed bonds and their typical structure

Module 4 | The Buyer Credit Term Sheet

Overview

Running through all of the variables considered on the corporate financing term sheet via a multitude of examples, we arrive at the method to calculate the all-in cost of an ECA financing.

Topics Covered

- Fixed vs variable fee scenarios
- When to pay the risk premium
- How the roles of ECAs and exporters/suppliers can differ
- Different tenor lengths
- Currency considerations
- Other costs (legal, advisors etc)
- Calculating the all-in cost of ECA financing



Module 5 | Structured and Project Finance

Overview

The basics of structured finance including who is involved, how risk is managed and the overall process for project financing, its costs and how it differs to unstructured methods where ECAs are concerned.

Topics Covered

- Risk categorisation, characterisation and allocation
- Different parties involved in project finance
- The project finance process
- Global market trends
- Terms, pricing and other costs

Module 6 | Content Eligibility

Overview

Assessing content eligible for backing by an ECA within an export. Running through the varying methods and rules used by the world's largest ECAs to calculate content eligibility with a detailed look at the approaches of a couple of major ECAs

Topics Covered

- What is content?
- Roles and definitions used in eligibility
- Applying methods, percentages and other rules for calculating content eligibility
- ECAs with flexible rules
- Content consolidation
- National interest criteria
- Reachback

Module 7 | ECA Policies

Overview

A tour of the world's leading ECAs and the policies particular to them including environmental assessment standards, typical credit standards, performance criteria and shipping requirements.

Topics Covered

- Credit standards
- Performance criteria
- Additional requirements
- Equator principles
- Environmental impact inc. OECD environmental standards & Poseidon principles
- Anti bribery measures
- IMF restrictions
- UKEF environmental framework
- EXIM shipping requirements
- MARD Waivers

Module 8 | Workshop 1: Three Export Finance Cases

Overview

A series of worked through export financing scenarios featuring parties based in Canada, Germany, Ukraine, Korea, Portugal and France.

Topics Covered

- Setting out pre-export financing
- Examining financial statements
- Calculating financial terms
- Possible environmental categorisation
- Case study exploration

Module 9 | ECA Application Process and Review of Eligibility

Overview

A look at the variable and not always transparent processes employed by ECAs to assess eligibility for export finance.

Topics Covered

- General application flow
- Case studies from around the world

Module 10 | Disbursing ECA Loans

Overview

A discussion of the disbursement process and the three methods of disbursement - direct, letter of credit and reimbursement - as well as the various certifications and criteria required.

Topics Covered

- Direct disbursement
- Letter of credit
- Reimbursement route
- Acquisition list
- Certification of national origin
- Invoicing
- Compliance certification
- Proofs of payment
- Bills of lading
- Troubleshooting disbursement



Module 11 | Around the World in ECAs (Part 1)

Overview

This module details some of the characteristics of the world's different ECAs and how their offerings are tailored to their region. This material also serves as a highly useful reference document. Moreover, it is updated routinely to take into account new products, policies and programmes.

Topics Covered

- North American ECAs by country
- African ECAs by country
- European ECAs by country

Module 12 | Around the World in ECAs (Part 2)

Overview

This module details some of the characteristics of the world's different ECAs and how their offerings are tailored to their region. This material also serves as a highly useful reference document. Moreover, it is updated routinely to take into account new products, policies and programmes.

Topics Covered

- Nordics ECAs by country
- BRICS ECAs by country
- APAC ECAs by country

Module 13 | Legal Aspects of Project Finance

Overview

Good legal underpinnings are essential to a successful ECA financing and even more so project financing. This module goes through the documents required to achieve proper risk allocation and financial closure.

Topics Covered

- SPVs
- Sponsor documents
- Loan, security and project documents
- Examples of project covenants
- Loan agreements
- Events of default
- EPC and turnkeys
- Off take agreements
- Local regimes

Module 14 | ECA Disbursements: Advanced Topics

Overview

A more detailed look into the considerations and ideal processes for successful ECA financing and more advanced and larger scale versions of it.

Topics Covered

- Cashflow forecasting
- Pre-financing costs
- Progress payments
- Multiple tranches
- Eligibility at different procurement levels
- When EPC meets ECA
- RFP
- Progress milestones

Module 15 | Workshop 2: Financing an Industrial Project - And Conclusions

Overview

A final worked through example for financing an industrial project including choosing the right ECA, considerations about the parties and products involved as well as some twists in the timeline! Finally, some concluding considerations are offered for the course as a whole.

Topics Covered

- Choosing an ECA
- Evaluating eligibility
- Mitigating interruptions, delays and bankruptcies

