

# PROXIMO

INFRASTRUCTURE | ENERGY | PROJECTS

## Infrastructure Risk 2021

### Virtual Event

#### *December 9th 2021 - The Proximo Virtual Event Platform*

Pricing and allocating risk is at the heart of successful financings for energy and infrastructure assets. But risks are varied and evolve over time. Quantifying them, and successfully mitigating them, can present challenges even for experienced governments and lenders.

Risks are usually grouped according to the sectors and jurisdictions in which they are present. But many risks present common challenges wherever they are present - and can be mitigated with readily-available tools.

Proximo plans on holding a one-day virtual event that will provide a masterclass in the various categories of risk that are present on energy and infrastructure financings - and how to mitigate them. The event will be essential viewing for developers and governments that want to make sure that their assets are resilient to external shocks. It will also be essential viewing for lenders that want to ask developers the right questions.

The event will be organised by the following risk categories, each with its own session:

- Construction risk
- Technology risk
- Political risk
- Credit risk

The event is the first of a potential series of events focusing on each risk category, as well as the core of a potential course in risk management in project, energy and infrastructure finance.

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### Agenda

#### **Session 1: Construction risk - Insure, enhance, or bond?**

- The evolution of cost and schedule management on complex construction contracts - what price turnkey solutions?
- How government procurement and permitting rules can impact construction risk management
- Available products - letters of credit, completion bonds, on-demand policies
- Developments in expedited payment products
- How to investigate and monitor construction contracts and schedules

**Maria Duhart, Head of Commercial Bonds, Global and East Zone Specialty leader – AXA XL**

#### **Session 2: Technology performance risk - Manufacturers vs contractors**

- Where and when technology risk moves outside the scope of EPCs
- Lessons from wind and solar for emerging renewables technologies?
- Is the solution better insurance or more expensive debt?
- Exploring the use of modularity or flexible construction versus full warranties plus LT O&M
- External guarantee facilities - opportunities to put sustainable capital to work

**Austin Su, Head of Structured Risk Solutions, Americas - AXA XL**

#### **Session 3: Political risk - New frontiers and products**

- Has PRI proved its worth over a politically unsettled period?
- Have policy lengths made private PRI competitive with DFI/ECA enhancement?
- Bespoke and partial policies for specific risks
- To what extent does the market move away from “classic” risks (war, expropriation) and towards softer risks (contract frustration, regulatory and change of law issues)?

#### **Session 4: Credit risk - New frontiers and products**

- What has happened to the volumes of credit insurance for project finance bank debt over the last 2 years?
- Are the main drivers of purchase decisions regulatory or economic?
- How has insurance fared against alternative risk management tools (CDS, CLOs, first-loss insurance, secondary sales)
- What limiting factors, if any, still need to be overcome for the market to expand further?

**Lian Phua, Head of Americas, Political Risk, Credit and Bond, AXA XL**