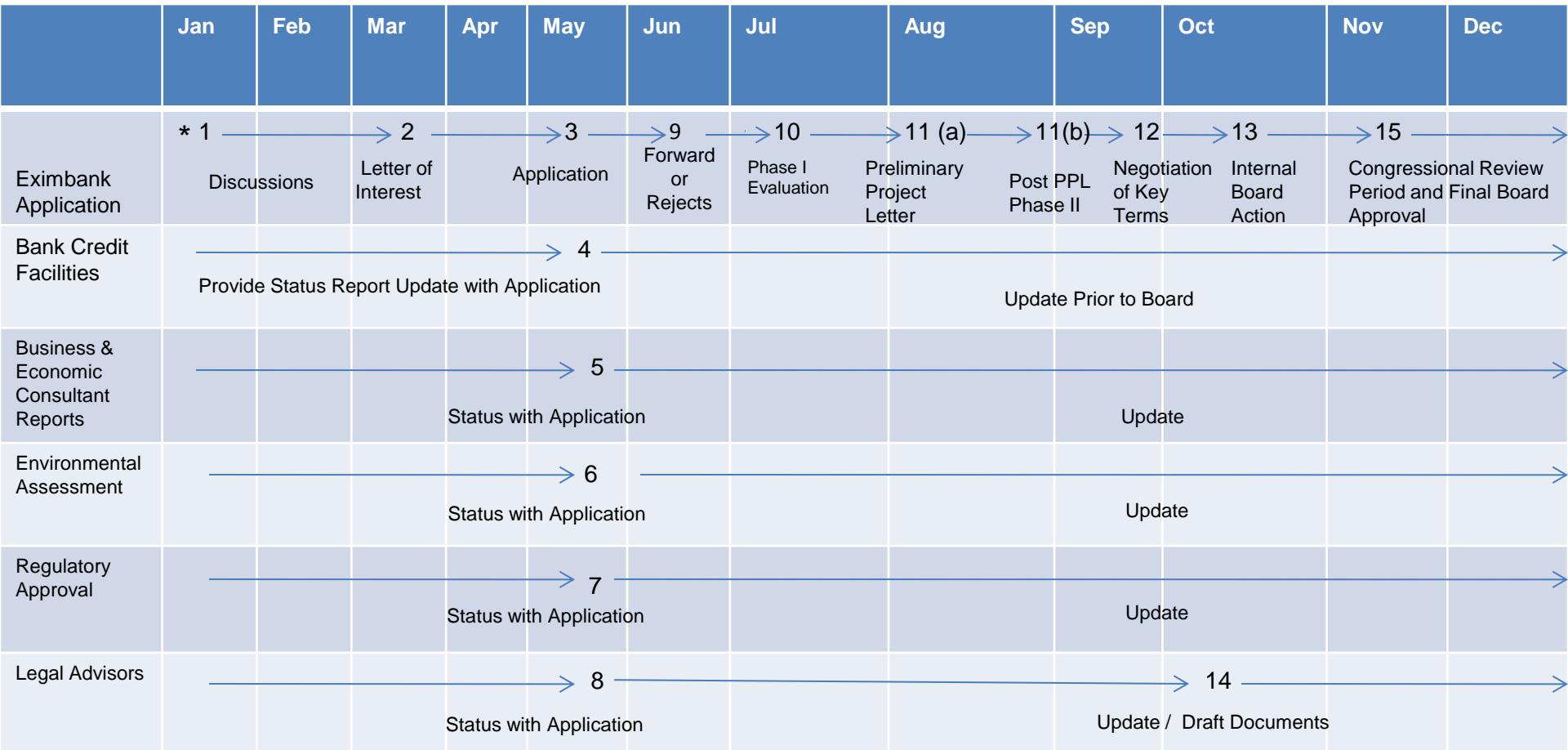


# Foreign Project Critical Path

## Eximbank Financing 2010



\*See attached [Legend](#)

# Foreign Project Critical Path

## Eximbank Financing 2011

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Exim Process						21	→ 24					
							Close					
Bank Credit Facilities	16					22	→					
Business & Economic Consultant Reports	17						→					
Environmental Assessment	18						→					
Regulatory Approval	19						→					
Legal Advisors	20					23	→					

# Foreign Project Critical Path Eximbank Financing

## Legend

- 1) **Discussion** with Project Sponsors, Eximbank, and Financial Advisors start.
- 2) Eximbank may provide a **Letter of Interest** within 7 days.
- 3) **Sponsors file formal application with Eximbank.** Applications should be made sooner rather than later and may not be complete or comprehensive. There will always be a due diligence and question and answer process that will involve the Project Sponsor providing additional information to support the application.

Eximbank would likely give an indication that it would take 6 months or more to obtain an Eximbank Board Approval. They will explain timing; depends on various factors:

- a) the completeness of the application
- b) Eximbank's internal review process and the amount of negotiating and structuring to be done, and
- c) their heavy work load and busy schedules.

Sponsors must submit a U.S. Acquisition List setting forth the U.S. and eligible foreign costs of all the U.S. items.

**The final commitment application** submitted to Eximbank must include:

- a) the standard Eximbank Final Commitment Application Form, and
- b) five copies of the materials listed in the attached Annex A entitled Eximbank's Approach to Project Finance.

- 4) **Bank Credit Facilities.** Draft term sheets should be provided along with a summary of negotiations with Financial Advisors and Lenders.

- 5) **Feasibility & Economic Consultants Reports.**

Input Contracts Status. The guaranteed supply of inputs to a project need to be satisfactory.

Off Taker Review. Contracts and creditworthiness of the Off Taker must be satisfactory.

Engineering Procurement & Construction. The EPC contractor, which is the likely source of U.S. content must show its qualifications and expertise.

Operations & Maintenance. Satisfactory O&M contracts to extend beyond repayment terms to be provided.

# Foreign Project Critical Path Eximbank Financing

## Legend (continued)

- 6) **Environmental Assessment.** A site-specific environmental assessment, highlighting concerns, requirements and solutions. These documents should demonstrate compliance with Ex-Im Bank's environmental guidelines. All applicants must submit a Preliminary Environmental Assessment report conducted by a third party expert prior to an application for final commitment.
- 7) **Regulatory Approvals.** A report of Host Government negotiations and the Legal and Regulatory Framework should be provided.
- 8) **Legal Advisors.** The Sponsors will need experienced Legal Advisors. Significant sums can be saved if the legal work is monitored so that they focus on "Legal Issues" versus spinning their wheels on "Business Issues".
- 9) Eximbank will do an **Internal Review** and have a "Project Finance Consultation" process to decide on whether to move forward with more comprehensive due diligence and a Board and Congressional Approval, or reject the project. While Eximbank envisions a 2 month process, if there are issues this can take months. Ideally, they decide to go forward with the first Phase of the Review Evaluation process.
- 10) **Phase I Evaluation.** Eximbank will chose a Financial Advisor to review the Project.
- 11a) **Preliminary Project Letter (Phase I).** Upon satisfactory completion of the phase I evaluation process, the Structured Finance Division will issue a Preliminary Project Letter within 45 days from the date evaluation begins by the financial advisor . The PPL, will indicate if Ex-Im Bank is prepared to move forward on a financing offer and the corresponding general terms and conditions based upon the information available at the time of application.
- 11b) **Evaluation Post-PPL (Phase II).** After issuance of the PPL Ex-Im Bank will work with the applicant to proceed to a Final Commitment. Please note that Ex-Im Bank does not issue Preliminary Commitments for project finance transactions. Ex-Im Bank will continue to utilize the financial advisor for Phase II of the due diligence process.
- 12) **Negotiation of Key Terms.** The "Credit" and the "Quality of the Project" and all the factors come together to negotiate the terms. A sponsor has the leverage to ask for better terms in order to encourage more U.S. content in their Project. The Negotiation of Key Terms can take weeks, but typically months or years depending on the Project.

# Foreign Project Critical Path Eximbank Financing

## Legend (continued)

- 13) **Internal Board Action. (preliminary approval prior to Congressional review).** Eximbank officers will work diligently to prepare a Board presentation and be prepared to orally answer any questions. It typically takes longer than expected to get a presentation to the Board.
- 14) **Draft Documents.** Ideally, legal counsel can share drafts or model documents which build off of similar deals.
- 15) **Congressional Review and Final Eximbank Board Approval.** All Eximbank transactions in excess of \$100million are referred to the Eximbank oversight committees ( Committee Chair & Ranking member ) for a 30 day comment period. If no material objections are raised by the Congressional Committee members, then the transaction will be referred to the Eximbank Board for Final Approval.
- 16) **Bank Credit Facilities.** Throughout the process the Financial Advisor will be negotiating for favorable Eximbank terms and conditions. The Bankers will also coordinate with Legal Advisors on the loan agreement and conditions precedent.
- 17) **Business & Economic Consultant Reports.** The Board will need to evaluate various reports before approval, then there will be “Conditions Precedent” to closing which will call for enhanced or updated reports.
- 18 & 19) **Environmental & Regulatory Assessment.** Ideally, this is finalized before the Board and the written reports meet the Condition Precedent conditions.
- 20) **Legal Advisors** will lead the documentation process and help drive the Team to Closing.
- 21,22,23) **Eximbank Closing.** Eximbank, Commercial Banks, Financial Advisors, and the Sponsors will work towards meeting all Conditions Precedent and a Closing.
- 24) **Eximbank Operating Memo.** A memo is provided showing what is required to make the first draw request.