

ENGINEERING & CONSTRUCTION RISK INSTITUTE

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Inventory of Additional Risks for Development Financed Projects

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Purpose: The purpose of the inventory is to list risks which may arise because of the requirements of third party financing and suggest potential remedies to the risks. The inventory assumes that loan requirements are fixed and, therefore, the risk cannot be managed by changing the terms of the loan. Best risk management practice is to utilize the potential remedies listed below as early as possible in the development project life cycle. Risk issues considered are:

- Cash flow
- Currency
- Material sourcing requirements
- Standard of project completion
- Force Majeure
- Inflation
- Country risks

Application: The inventory is designed to assist the risk identification process associated with prospects or projects which include non-recourse third party financing.

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