

Global Project Sponsors Report 2020

An aerial photograph of a long, winding highway bridge spanning across a body of water. The bridge has multiple lanes and is supported by several tall, dark pillars. The water is a deep blue-grey, and the sky is a soft, hazy orange and yellow, suggesting a sunset or sunrise. In the background, there are dark, silhouetted mountains or hills. The overall mood is serene and majestic.

PROXIMO
R E S E A R C H

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Foreword

Welcome to Proximo's Global Project Sponsors Report 2020.

We'd like to thank all those that took the time to fill out the market surveys for this report – we knew when we started that it was a long questionnaire and greatly appreciate your participation.

Your efforts have produced an independent report based on the opinions of project sponsors and borrowers across multiple sectors – providing insight into how the project finance lending/structuring market is perceived by its client base and how it might better serve that client base.

For those involved in project finance – where deals are often custom solutions to a unique set of risks and borrower requirements and are delivered over years rather than months – perceptions of what borrowers are looking for from the market tend to reflect the intricacies of deals most recently worked on. There is very high awareness and servicing of individual borrower needs and concerns, as reflected in the survey that follows, but project finance practitioners tend to be sector based, so the bigger market picture – the issues typical to all project borrowers, regardless of sector or geography, and the differences – is less clear, simply because of the way the market functions. This report, which we plan to repeat annually, gives that broader market picture.

Although the survey was conducted largely prior to covid-19, because much of project finance feeds development of essential infrastructure – deals that are both financially robust in design and likely to bounce back first once a degree of normality returns to the market – the report gives very strong indicators of what project borrowers will be looking for post-covid-19, at least in sectors other than oil and gas which has its own unique set of additional problems.

Some argue covid-19 could change how the world functions for the long term, and with it the types of infrastructure and energy required by users. But the demand for project finance to meet those changing requirements will remain. So, what project and infrastructure borrowers were, and are, looking for in terms of support from the project finance sector will be as relevant post covid-19 as it was before.

Thanks again to all those that helped in the production of this report. If any readers have ideas on how we might improve or expand it for 2021 please contact me – market feedback, good and bad, is always welcome.



Sean Keating,
Editor,
Proximo

Executive Summary

Shortening tenor lengths on bank loans are a concern for key project finance players. Participants in the survey repeatedly identified shorter tenors on project loans as a major obstacle to successful project finance deals. As new Basel capital requirements for banks come into force around the world, bank appetite for long-term debt has diminished and there is a disconnect between the tenors that developers need on project loans and the tenors banks are able to deliver.



Institutional investors are viewed as central to the long-term future of project finance.

[Faint, illegible text block]

ECA/DFI backing on deals is considered less important.

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There is little incentive for project financiers to pursue ESG-linked debt.

The transition from fossil fuels to renewable energy is a long-term process that will require significant investment. However, the current market environment is not conducive to this transition. Project financiers are primarily concerned with the short-term return on investment, and ESG-linked debt is often seen as a higher risk, lower return investment. This is due to the fact that ESG-linked debt is often more expensive than traditional debt, and it is often subject to more stringent requirements. As a result, project financiers are unlikely to pursue ESG-linked debt unless there is a significant incentive to do so.



Oil and gas will be one of the hardest hit sectors by the COVID-19 pandemic.

The COVID-19 pandemic has had a significant impact on the global economy, with many sectors experiencing a sharp decline in demand. The oil and gas sector is particularly vulnerable, as it is heavily dependent on global trade and economic activity. The pandemic has led to a significant drop in oil prices, which has had a major impact on the sector's profitability. Additionally, the pandemic has led to a shift in consumer behavior, with many people reducing their driving and using public transport less frequently. This has led to a decrease in demand for oil and gas, further exacerbating the sector's challenges.

Introduction

Project financing, in all its forms, has resilience built in. It invariably comes with very strong covenants that trap cash to meet project debt obligations in times of stress. While the recent double whammy of extreme oil price volatility and fallout from the coronavirus pandemic has hit many projects hard, particularly those where the structure is optimised for refinancing this year, the general ratings agency consensus is that the vast majority of projects (operational and in development) will get through the crisis, albeit with some restructuring.

Although the speed and extent to which end-user demand, and hence project cashflows, will return to pre-crisis levels is impossible to predict, project finance borrowers tend to operate in essential infrastructure sectors which adds to their resilience – in short, of all financial markets, project finance is one of the most likely to bounce back relatively quickly.

Given that likelihood, the following survey gives insights into what project borrowers will be looking for once a degree of normality returns to the market platform) to give factual context to trends and opinions highlighted by the survey responses.

Survey responses were collected in the last months of 2019, before the coronavirus pandemic reached its present severity. The report incorporates information about the effects of the pandemic on project finance, whilst concurrently giving strong indicators of what the project finance market will look like after the crisis dissipates. The report is not purely based on borrower opinion – it also uses Proximo's project finance data (hosted on TXF's Tagmydeals platform) to give factual context to trends and opinions highlighted by the survey responses.

Aim of the report

There is currently no empirical, independent report that canvasses the views of project sponsors and borrowers. This report looks to fill that gap, providing insight into how the project finance lending market is perceived by its client base and how it might better serve that client base.

Methodology

The report is based on data collected using a mixed methods design that involved a quantitative and a qualitative component. The quantitative data was collected using an online survey platform (SurveyMonkey) while telephone interviews were used to collect the qualitative data.

The survey

The survey questions were designed exclusively for sponsors and borrowers active in the project finance space. The questions cover:

Background and demographics:

This data gives you a picture of the types of project sponsor that took part in the survey.

Project financing:

Covering most of the report, these questions delve into project sponsors' views on pricing and tenor across the different sectors (and how these are expected to change over the next two years), challenges in raising project finance, disrupters in the market, factors that influence decision making, and the role of outside forms of economic support.

Sustainability:

These questions explore how growing investor awareness of sustainability is impacting how project sponsors operate, and their views on its wider influence over the project finance space.

The telephone interviews

To explain the quantitative trends, in-depth, semi-structured phone interviews were conducted with five respondents to understand **why** and **how** the patterns occurred.

The topic guide for the interview was based on each individual's survey responses to ensure that the conversation remained focussed. Interviews were conducted between March and April 2020, lasted between 15 minutes and 25 minutes, and were audio recorded for accuracy and further analysis. Any qualitative data used throughout this report has been anonymised with all identifying information removed to protect the anonymity of the interviewee.

The Proximo perspective

Throughout the survey, Proximo provides its interpretation on some of the key findings. These comments are designed to be thought provoking and offer a more holistic view on the implication of the data for the industry.



Findings

- Background and demographics
- The intricacies of project financing
- A closer look at sustainability

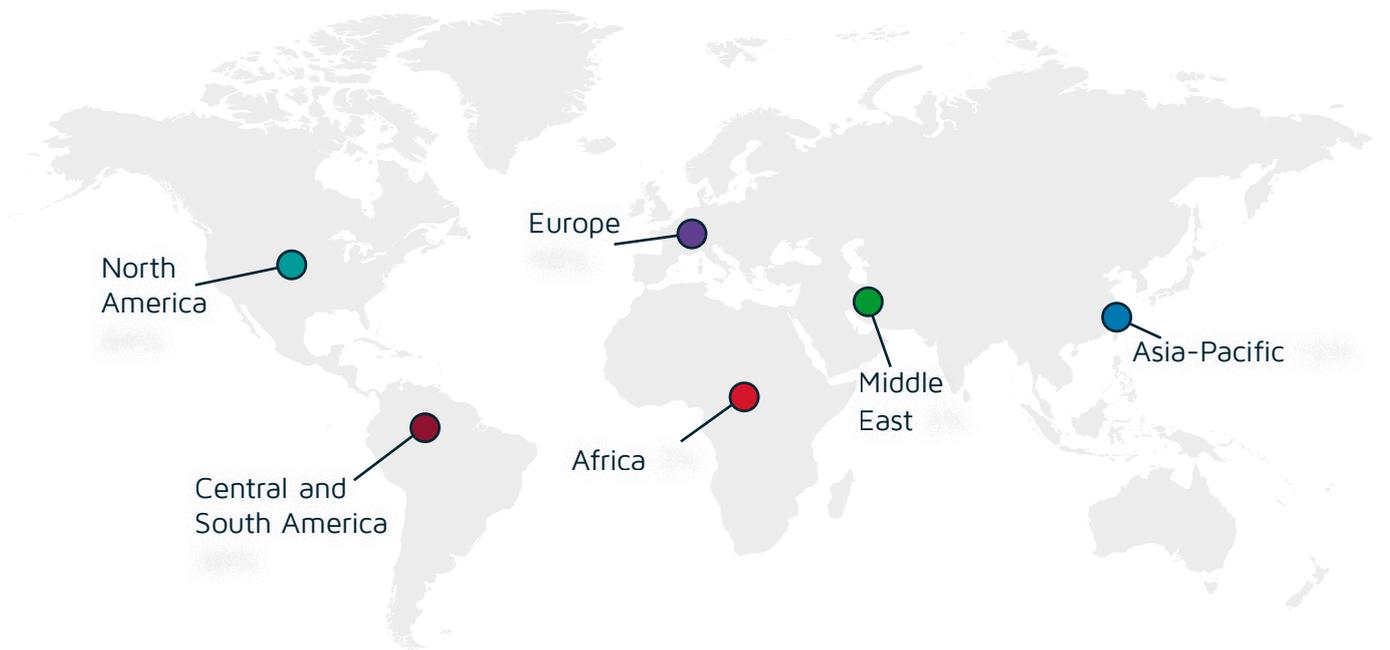


Background and demographics

In total, 52 project sponsors took part in the survey.

80% of project sponsors are based in North America, 10% in Europe, 5% in Africa, 2% in the Middle East and 1% in Asia-Pacific.

Figure 1: Region of operation



Participants in the survey are most active in the Americas, with 80% of project sponsors based in North America, 10% in Central and South America. Europe, Africa, the Middle East and Asia-Pacific are also active regions for project sponsors.

The survey also shows that project sponsors are most active in the Americas, with 80% of project sponsors based in North America, 10% in Central and South America. Europe, Africa, the Middle East and Asia-Pacific are also active regions for project sponsors.

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Figure 2: Project finance sectors



A brief look to the future

When projecting regional growth according to sector over the next five years, 43% of respondents thought that North America would see the greatest growth in renewables.

Renewables was also thought to be the fastest growing sector over the next five years, though that growth is still not yet fully understood through the impact of global events as reported in North America and across America and the world. As the most developed in terms of infrastructure and communications, North America has the capacity to move forward quickly in North America. These figures are subject to change. A clear point of interest is that 43% of respondents thought that Canada and North America would see the most growth in mining (Figure 2).

Over the last few years, 43% of respondents have reported an increase in the number of projects in North America. This is a result of a number of factors, including the fact that there is already a lot of investment in the sector. The sector is also a result of a number of factors, including the fact that there is already a lot of investment in the sector. This is a result of a number of factors, including the fact that there is already a lot of investment in the sector.

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The International Energy Agency (IEA) reported in November 2019 that North America would see 20% growth in production with 100,000 barrels per day by 2020. However, by January 2020, the IEA reported that this will not be the case. In accordance with what development strategists foresee as well as the oil industry, the market has significant challenges. The IEA's report suggests that as a result of the crisis, the oil industry will struggle to find investment in the near future. Furthermore, the report suggests that the oil industry will struggle to find investment in the near future. Furthermore, the report suggests that the oil industry will struggle to find investment in the near future.

As most all regions that composed of 2020 are not to be significantly affected by the oil price crash, investment might not be severely slowing down. Most markets displaying the highest growth. However, such a prediction must be treated with the caveat of very low growth potential. No oil price at all.

Figure 3: Predicted regional growth in project finance over the next 5 years

	2020	2021-2025	2020-2025
Oil & gas	20%	20%	20%
Mining	20%	20%	20%
Transport	20%	20%	20%
Power	20%	20%	20%
Renewables	20%	20%	20%
Communications	20%	20%	20%
Social infrastructure	20%	20%	20%
	2020	2021-2025	2020-2025
Oil & gas	20%	20%	20%
Mining	20%	20%	20%
Transport	20%	20%	20%
Power	20%	20%	20%
Renewables	20%	20%	20%
Communications	20%	20%	20%
Social infrastructure	20%	20%	20%

The intricacies of project finance

- The details
- A look to the past
- Greenfield projects
- Can project finance expect outside help?
- Variety is the spice of (project finance) life
- The importance of a bank's international footprint
- The ratings agencies: overrated or underestimated?

The details

Most respondents (81%) indicated that they intend to raise project financing over the next 12 months (figure 4).

When asked about the source of their financing, 60% of project sponsors indicated that the project financing would be in the form of a loan, and 39% of project sponsors indicated that the project financing would be in the form of a grant. The remaining 1% of project sponsors indicated that they would not raise financing over the next 12 months.

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Project sponsors by source

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Figure 4: Respondents' plans to raise project finance over the next 12 months



Figure 5: Project financing over the next 12 months, by sector



Figure 6: Project financing over the next 12 months, by facility type



The high completion of agreements (88%) shows in our view to be due to the need to identify in the short term financing given the heavy North American and European demographics of the sector and the number of refinancing of conventional projects to the private and second- and third-hand. Agreements under the 100 projects have reached more by 2019 to 2020 to 2017-2018. But their growing tendency to focus now 60% of the total amount after 12 months of project completion from the financing flexibility and avoid negative carry on guaranteed projects.

Average deal size averaged, the average amount invested by the investor in project finance over the next 12 months was \$128 million (Figure 7). This is set to show the average deal size of \$100 million provided by respondents between February 2019 and February 2020. The average size of deals over the next 12 months may, of course, be reduced due to the economic shock brought by COVID-19. Within the sample, the anticipated average total on project finance deals in 2020 (Figure 8) and the anticipated average amount in 2020 (Figure 9).

The average term between February 2019 and February 2020 reflected in respondents was 11 years. The divergence between the average term reported by respondents and the global average can largely be explained by the respondents' heavy involvement in the North American project finance market as a whole group. North America is a more conventional market.

The high of quality available in the North American project finance market for long-term debt also explains the average term of 11 years as developers have had more to offer long-term debt than the respondents figure is reflective of the single sector more commonly found in European project finance markets. Nevertheless, the 2019 Capital Requirements Directive (CRD IV) which implements the Basel III capital requirements, has caused average term lengths to drop in recent years as project finance has been reduced from approximately 17% in 2019.

Figure 7: Average amount invested in project finance over the next 12 months



Figure 8: Average tenor for project financing deals over the next 12 months



Figure 9: Average pricing for project financing over the next 12 months: prospective pricing



A look to the past

Looking back at the last 24 months, 65% of those surveyed indicated that they had been involved with project finance over that period (figure 10).

Looking back at the last 24 months, 65% of those surveyed indicated that they had been involved with project finance over that period (figure 10). This indicates a strong interest in project finance among the surveyed group. The data suggests that project finance is a significant part of the business operations for many of the respondents. This involvement could be due to the increasing complexity and scale of infrastructure projects, which often require specialized financing solutions. The survey results highlight the growing importance of project finance in the current market environment.

Figure 10: Involvement with project financing over the past 24 months



Figure 11: Perception of pricing over the past 24 months

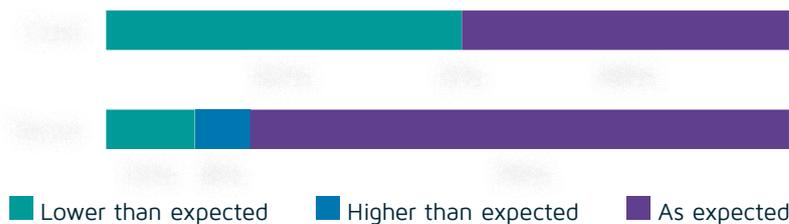


Figure 12: Perception of change in cost and tenor change over the past 24 months



In terms of respondents' views, their views negatively affected the costs of project finance over the last 24 months. 20% of respondents felt that the cost of capital had a significant impact, although 40% thought that project cost was only moderate. This amount of the sample also thought that their clients had a moderately detrimental impact on their project finance. Most respondents thought that a lack of liquidity, the cost of debt, and increased rates have had the effect of delaying project financing (Figure 12).

A key indicator here is that 60% of respondents think the most significant problem is increasing challenge in securing project financing, with more than 10% thinking that lower ratings are very significant (Figure 13). To see what processes, average term lengths for project finance contracts, total interest is reduced to the implementation of these guidelines in the G20. G20 is managed in total capital requirements of 20% is the weighted average, 50% of which must be Tier 1 capital, a capital conservation buffer of 2.5%, and a countercyclical buffer of 2.5%.

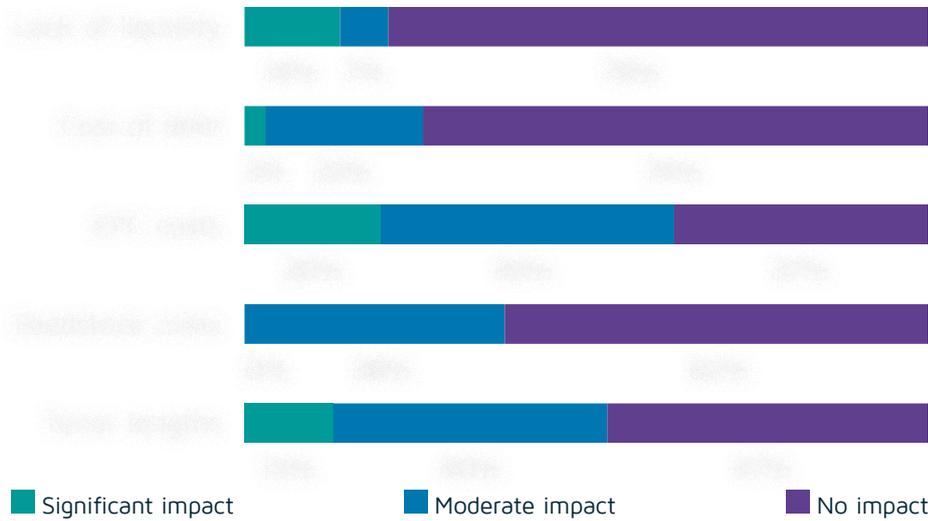
Notably, 60% also think the freedom to engage in systems risk buffer of up to 2%. This shows that the capital requirements of 10% is not to be as high as 10%. There is also a average rate of 20% of unassigned assets and project finance is directly supported by a liquidity coverage

ratio of 100%, which is higher to previous levels. Based on 2019 data, 2019.

Although these requirements are designed to provide capital from a financial crisis, allowing higher capital markets has made it costly for banks to sustain the long-term on the high-risk side. This project finance approach, banks have had to shorten their term to short-term projects, and the opportunity to diversify, but it is not clear they have also created additional for developing, stable financing risk.

The G20 has already implemented many of the Basel III guidelines on 100% of capital is currently held from Basel III will be affected to the project finance industry worldwide. In the Basel requirements, although they are allowed to produce the stability of implementation of the requirements to the end of 10 January 2019 in light of the Basel III outline 2015. 2019 Capital banks on the currently holding capital restrictions for capital, allowing around 100% total or capital to meet growth during the crisis should 2020, provided, however, there are short-term, subsequently releases and are unable to access the difficulties faced by project finance as a consequence of Basel III.

Figure 13: Perception of the challenges that have detrimentally impacted the raising of project finance



Greenfield projects

Those surveyed anticipated that oil and gas would be the sector with the highest pricing for greenfield projects, carrying an expected average pricing of 10.5% (with a range of 8.5% to 12.5%), followed by power (9.5%, with a range of 7.5% to 11.5%), and social infrastructure (8.5%, with a range of 6.5% to 10.5%).

Renewables was expected to have the lowest average pricing of 7.5% (with a range of 5.5% to 9.5%), followed by transport (7.5%, with a range of 5.5% to 9.5%), and mining (7.5%, with a range of 5.5% to 9.5%). The average for construction was 8.5%, with 5.5% for oil and gas (Figure 14).

Overall, respondents anticipated that the average pricing for greenfield projects would be 8.5% (with a range of 6.5% to 10.5%).

Figure 14: Perception of anticipated competitive debt pricing for greenfield projects

Sector	Anticipated average pricing (%)
Oil & gas	10.5%
Power	9.5%
Communications	8.5%
Renewables	7.5%
Transport	7.5%
Social infrastructure	8.5%
Mining	7.5%

Figure 15: Perception of the best predicted pricing for greenfield projects

	Best predicted pricing
Oil & gas	55%
Transport	45%
Power	35%
Renewables	25%
Communications	15%
Social infrastructure	10%

Over 20% of the respondents predicted the best pricing for greenfield projects would be in the oil & gas sector, with transport and power sectors following. This is reflective of the oil & gas sector's high market value and the fact that it is a mature sector with established infrastructure. However, it is worth noting that the oil & gas sector is also a high-risk sector, with high volatility in prices and a high risk of supply disruption. This is due to the fact that the oil & gas sector is heavily dependent on global oil and gas markets, which are subject to significant volatility. This is due to the fact that the oil & gas sector is heavily dependent on global oil and gas markets, which are subject to significant volatility. This is due to the fact that the oil & gas sector is heavily dependent on global oil and gas markets, which are subject to significant volatility.

The best predicted pricing for greenfield projects is an indication of the market's perception of the value of these projects. This is due to the fact that the oil & gas sector is a high-value sector, with a long history of investment. This is due to the fact that the oil & gas sector is a high-value sector, with a long history of investment. This is due to the fact that the oil & gas sector is a high-value sector, with a long history of investment.

Oil & gas projects are also seen as having a high potential for growth, which is why they are seen as a high-risk sector. This is due to the fact that the oil & gas sector is a high-risk sector, with high volatility in prices and a high risk of supply disruption. This is due to the fact that the oil & gas sector is a high-risk sector, with high volatility in prices and a high risk of supply disruption.

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Paul Clark, a director at ICBC Standard, goes further than this, saying:

"I don't necessarily agree that an RBL for a crossover investment grade rated company such as Chrysaor priced at 225 basis points over versus a single B rated company who's 10 times smaller than Chrysaor being priced at 325 basis points over is rational. It just doesn't reflect the underlying risks. I would actually argue a lot of RBLs are probably under-priced and reflect banks' cost of funding more than credit risk." He also notes that banks do not always look to RBLs as their primary source of revenue but use RBLs to acquire "ancillary opportunities like the debt capital market or equity capital market issuances, as well as advisory services."

Participants noted that RBLs are not the only source of debt financing. They are highly subject to market conditions. In the event of a RBL, banks will not want to be in a competitive bid to secure the debt. Participants noted that RBLs are often used as a secondary source of financing, which will not be used unless the primary source is not available. This will be highly dependent on the size and nature of the project and the sponsor's risk tolerance. Participants noted that RBLs are often used as a secondary source of financing, which will not be used unless the primary source is not available. This will be highly dependent on the size and nature of the project and the sponsor's risk tolerance.

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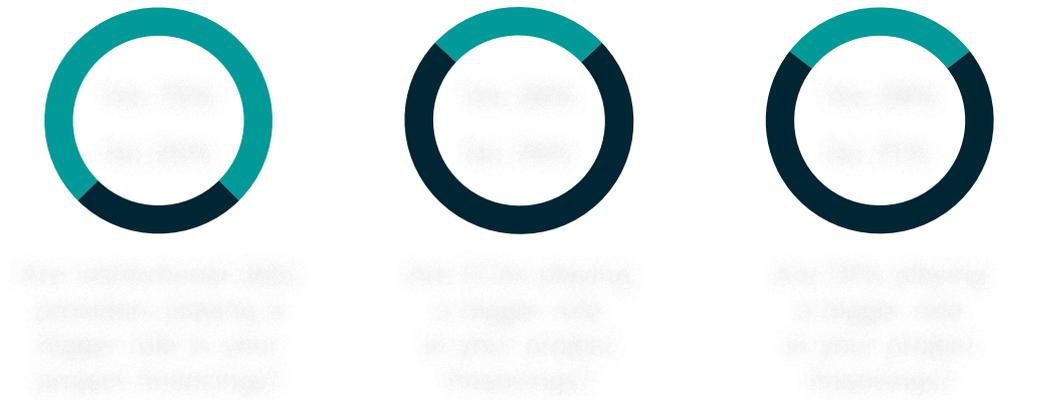
Can project finance expect outside help?

A significant number (75%) of participants noted that institutional investors were taking more substantial roles in project finance deals (figure 16).

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Figure 16: Perception on the impact of institutional investors, ECAs and DFIs in project financing



Overall, the impact of institutional investors, ECAs and DFIs is perceived as positive, with 85% of respondents reporting a positive impact, 75% reporting a positive impact, and 70% reporting a positive impact. The remaining percentages represent the negative impact perceived by respondents.

When asked about the impact of institutional investors, ECAs and DFIs on project financing, 85% of respondents reported a positive impact, 75% reported a positive impact, and 70% reported a positive impact. The remaining percentages represent the negative impact perceived by respondents.

The Proximo perspective

There has long been scepticism about long term infrastructure investor appetite for the market – better returns elsewhere and they would be off.

While that is certainly valid for non-specialised funds, many institutions have built up considerable expertise in project and infrastructure finance, having hired large numbers of ex-project finance bankers and lawyers to their teams. Covid-19 will undoubtedly test appetite – but institutional investors are here to

The fact that these investors are increasingly active in infrastructure financing is a positive sign for the market. It indicates a continued strong interest in infrastructure, which is essential for the long-term growth of the global economy.

The interest in infrastructure financing by institutional investors is particularly strong in the US and UK, reflecting their wealth and the strong infrastructure markets in these regions. However, there is still a need for more infrastructure financing globally, particularly in emerging markets. The key to attracting institutional investors is to provide clear, transparent information and to ensure that the infrastructure assets are well-structured and supported by strong government policies.

support their public interests such as transportation infrastructure, clean energy, food, and health related, which require government involvement projects will also construction and the other institutions need to be encouraged to follow suit.

A second reason is a lack of confidence in project finance amongst some national leaders of some which is a clear priority to deal with. These leaders need to have more project finance expertise but it would also depend on being well informed. They need to be more involved in project finance. Another problem is the negative view on project finance

institutions which are a big barrier to infrastructure spending. We think that the global view of a project's structure and related government debt have fundamentally affected investors' risk appetite. There is still risk.

Nevertheless, there again, based on an in-depth assessment of global infrastructure funding, there are options concerning the participation of state-owned entities and an equity investment. There are several ways available to be operators of such participation. It is however a requirement to have leading in project finance.

Variety is the spice of (project finance) life

In an assessment of the importance of various project finance instruments to their business models,

the most common view is that project finance is not important and that the main source of financing is bank loans. A high number of these countries (60%) with high economic growth are not important to their business, with 20% saying the sector is important. These results are consistent with the importance of project finance to their business. These results suggest that project finance is not important to their business. These results suggest that project finance is not important to their business. These results suggest that project finance is not important to their business.

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for investment in transport which government has been instrumental in providing.

The world is not free of uncertainty, however, when it comes to funding infrastructure, particularly in emerging markets. The world is not free of uncertainty, however, when it comes to funding infrastructure, particularly in emerging markets. The world is not free of uncertainty, however, when it comes to funding infrastructure, particularly in emerging markets.

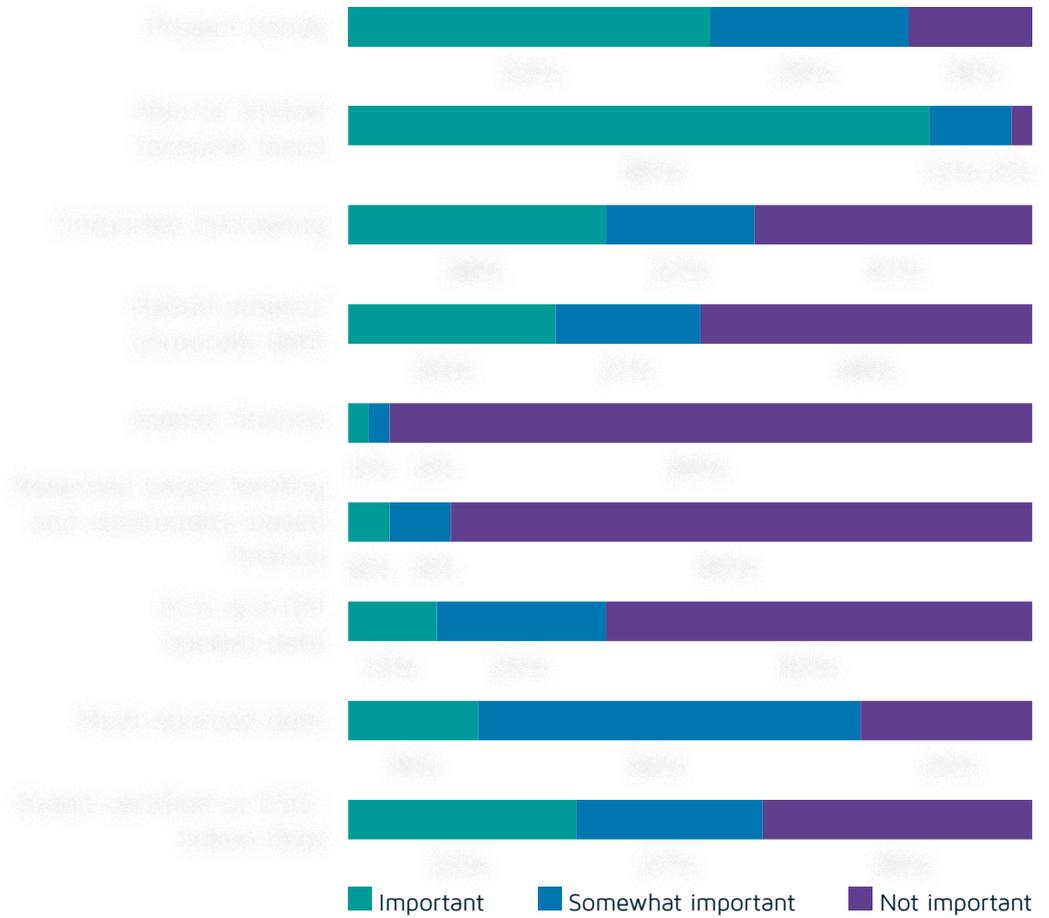
stay and are a growing and very useful source of funding diversification.

The Proximo perspective

The difference in mandates between ECAs and DFIs, the former being commercial, government-backed sales tools to boost exports, does not always co-operation between the two in emerging markets easy.

And borrowers often complain that due diligence processes, particularly at ECAs, take too long to be practicable for projects that carry a strict timetable and penalties for overruns. Both have a role to play, but many borrowers still see them as lenders of last resort because of the pressures they can add to project time constraints.

Figure 17: Perception on the importance of project finance instruments to their own business



The importance of a bank's international footprint

Asked about what project sponsors considered most significant when selecting a bank for project finance, all respondents felt that global footprint was important.

80% of respondents said that global footprint was the most important factor when selecting a bank for project finance. 100% of respondents thought that the absence of a global footprint was a significant disadvantage.

Figure 18: Perception on the most important attributes to developers when choosing a bank for project finance



When asked to rank their most important attributes to consider when choosing a bank for project finance, 100% of the sponsors thought that speed to market was the most important attribute, followed by reputation at 65%.

Speed to market is the most important attribute when choosing a bank for project finance. This is due to the fact that sponsors are often in a hurry to get their project financed, and speed to market is a key factor in their decision-making process.

There is a strong correlation between speed to market and reputation when choosing a bank for project finance. This is because sponsors are often looking for a bank that has a good reputation and is known for its speed to market. This is why speed to market is the most important attribute, followed by reputation.

Other important attributes include speed of the service, transparency and communication, and their own experience of the banking institution or service. These attributes are all important to sponsors when choosing a bank for project finance.

Speed of the service is an important attribute when choosing a bank for project finance. This is because sponsors want to get their project financed as quickly as possible. Transparency and communication are also important attributes, as sponsors want to know what they are getting into.

Figure 19: Perception on the importance of possible changes in project finance

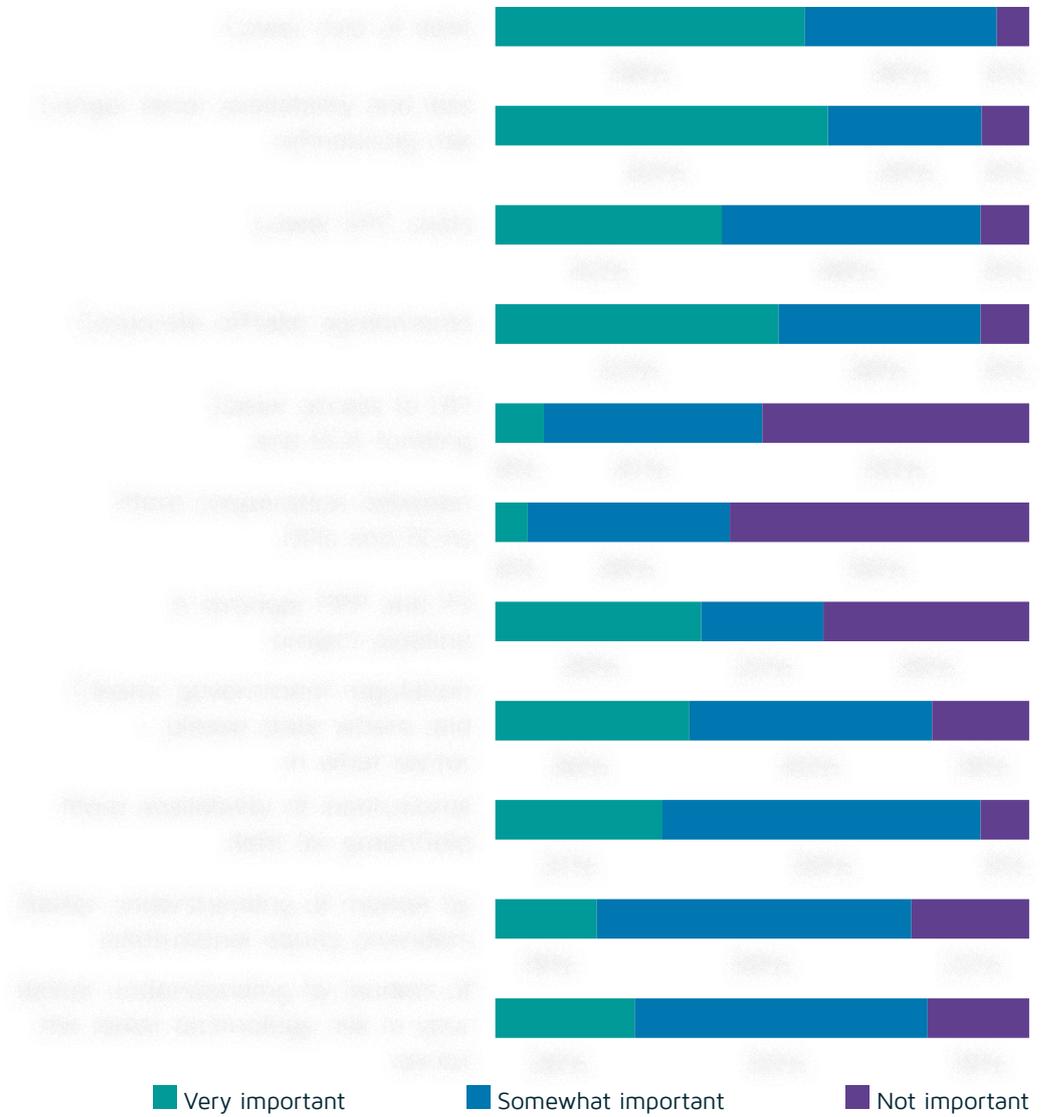


Figure 20: Perception on the importance of getting a rating for a deal a worthwhile investment



The ratings agencies: overrated or underestimated?

Those surveyed had a very mixed view of the experience of the performance of ratings agencies in project finance:

70% of respondents were positive about the performance of ratings agencies in project finance, with 28% of respondents being positive and 42% being neutral. However, 28% of respondents were negative about the performance of ratings agencies in project finance, with 10% of respondents being negative and 18% being neutral.

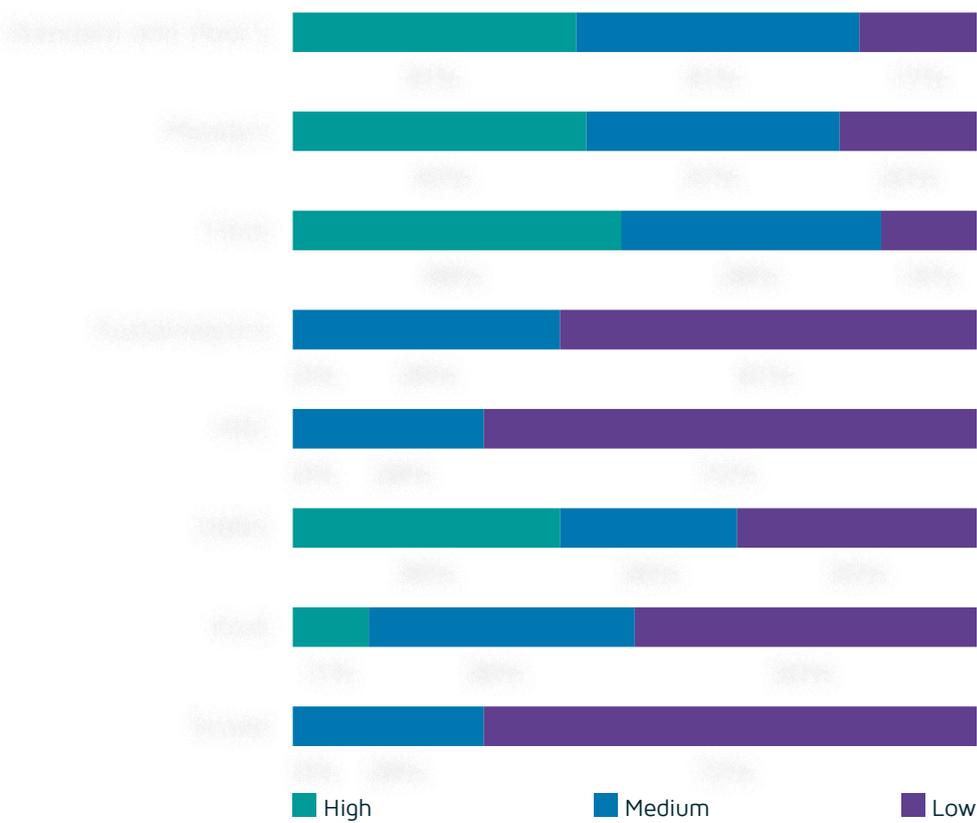
When asked to rate the performance of ratings agencies in project finance, 28% of respondents rated it as high, 42% as medium, and 30% as low. This indicates that while a significant portion of respondents are positive about the performance of ratings agencies, there is still a notable amount of dissatisfaction.

Methodology is an important part of the ratings process, and while the agencies are generally seen as providing a good service, there are some concerns about the transparency of their methodologies. Some respondents felt that the agencies were not being as open as they should be about how they arrived at their ratings. This is particularly true for the agencies that are not as well known, and it is something they need to address going forward. The credibility of their ratings methodologies is not the issue – the problem appears to be at the customer service level rather than disappointment about the actual ratings received.

The Proximo perspective

Ratings agencies do a good job walking the line between their customers' expectations and providing realistic, independent ratings evaluations. But clearly perceptions of the quality of their service are not as high as they should be, which is something they need to address going forward. The credibility of their ratings methodologies is not the issue – the problem appears to be at the customer service level rather than disappointment about the actual ratings received.

Figure 21: Perception on the experience of the ratings agencies in project finance





A closer look at sustainability

- “I think it is a bit of a buzzword”



“I think it is a bit of a buzzword”

Over half (55%) of the sample said they did not consider banks’ sustainability credentials significant (figure 22).

The survey also revealed that most respondents (70%) who were not considering banks’ sustainability credentials significant were not themselves aware of any banks’ sustainability credentials or were not aware of any banks’ sustainability credentials.

Figure 22: A global view of banks’ sustainability credentials. The survey revealed that 55% of respondents did not consider banks’ sustainability credentials significant. The respondents who did not consider banks’ sustainability credentials significant were not themselves aware of any banks’ sustainability credentials or were not aware of any banks’ sustainability credentials.

“I think it is a bit of a buzzword. I don't think banks' sustainability credentials are really central to my decision-making. It's not a real concern, but when it comes down to it, sustainability will always come second to financial gain.”
Project sponsor in North America

The survey also revealed that most respondents (70%) who were not considering banks’ sustainability credentials significant were not themselves aware of any banks’ sustainability credentials or were not aware of any banks’ sustainability credentials. The survey also revealed that most respondents (70%) who were not considering banks’ sustainability credentials significant were not themselves aware of any banks’ sustainability credentials or were not aware of any banks’ sustainability credentials.

The survey also revealed that most respondents (70%) who were not considering banks’ sustainability credentials significant were not themselves aware of any banks’ sustainability credentials or were not aware of any banks’ sustainability credentials. The survey also revealed that most respondents (70%) who were not considering banks’ sustainability credentials significant were not themselves aware of any banks’ sustainability credentials or were not aware of any banks’ sustainability credentials.

However, there is an opportunity for the banks to be more proactive in communicating their sustainability credentials and to ensure that their sustainability credentials are clearly and consistently communicated.

It will be interesting to see how these approaches are affected when the market returns to the normal state. The survey also revealed that most respondents (70%) who were not considering banks’ sustainability credentials significant were not themselves aware of any banks’ sustainability credentials or were not aware of any banks’ sustainability credentials.

...importance of a bank's sustainability credentials to you. ...importance of a bank's sustainability credentials to you. ...importance of a bank's sustainability credentials to you.

Figure 22: Perception on the importance of a bank's sustainability credentials to you



Figure 23: Perception on the benefit of separating a project into green and non-green elements



Figure 24: Perception on whether or not there is pressure from shareholders to raise ESG-linked or green project debt



Figure 25: Perception on whether or not there is any real pricing benefit to getting green certification or an ESG rating for project financing





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About Proximo Research

Proximo Research supplies some of the most detailed market insights into the project finance industry. Using an in-depth and robust methodology that combines quantitative trends with thought provoking qualitative insights, Proximo Research provides unique and proprietary data and analysis based on primary sources. In addition, it offers a bespoke research service to paying clients. Working in collaboration, Proximo Research collect, collate, analyse and write reports to the focus and scope of the research, with the final product being a thought leadership piece to be used by the client as they choose.

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