



People

new economic model, transfer of know-how in Power Station operations

Planet

an additional, reliable and low-cost source of power

Profits

risk-adjusted return for all project stakeholders

Laibin B - Pioneering power station project – turnaround to completion in record time.

Orchestrating China's first wholly foreign-owned infrastructure investment

In the mid 90s, the Central Government of China had identified foreign investment in BOT projects as a priority in developing infrastructure necessary to fuel its intended growth.

Graham led the negotiations to complete the commercial, financial and

security agreements on behalf of the bid-winning consortium and investors Electricité de France (EDF) and GEC Alsthom (GECA). The team won the bid against 31 competitors, raised and closed the US\$ 517 million of finance in a record time of less than two years.

With active participation and backing of the State Planning Commission and Ministry of Power. To meet the significant demand for infrastructure in China. Supported by the French export credit agencies, COFACE/DREE with, Barclays, HSBC and Credit Agricole Indosuez.



The situation – more contracts than days

Laibin B was of great importance to all stakeholders. For EDF and GECA, success would position them well, in what was likely to be the fastest growing power market in the World.

The project appeared on the surface to be on track; in reality, it was way behind and in turmoil. The lead finance negotiator had been asked to step down and the international law firm's partner-in-charge had decided to go on sabbatical, yet the date with the deputy prime minister of China had been fixed, and couldn't be moved.

With more than 100 complex agreements to produce and complete, and only 90 days, Graham received a call for help.

To add further complication, a significant number of offshore authorisations and internal Chinese "chops" (a thousand-year-old seal system) had to be achieved before the lenders would agree to sign.

The approach

With time of the essence, Graham quickly mapped out a punishing, multi-shift and multi-team approach, orchestrating the new process by working hand in hand with the Bank's lead lawyer.

He rapidly established credibility, both as a leader and decision maker. Through his tireless energy and unique humour-under-pressure style, he managed to both build and maintain momentum, creating a multi-faceted, yet one-team approach, establishing and keeping pace.

Such was the punishing nature of the programme, that Graham and the team returned home for only one night in those ninety days, spending time in London, Hong Kong and Beijing to close out the issues, resolve the challenges and meet the Great Hall deadline.

The result

The date at the Great Hall was kept. The project was successful and market positions established.

The plant itself provided an additional, reliable and low-cost source of power to enable the sustainable development of the region. The project also stood the test of time, GECA as contractor was able to re-cycle its investment and the entire ownership was successfully transferred back to the PRC on the due date, some fifteen years after construction.

Since the early days of Laibin B, the PPP market in China has gone from strength to strength as part of China's significant growth.

In September 2016, public-private partnerships (PPPs) funded local projects worth a total of 12.46 trillion yuan (\$1.83 trillion) with 10,471 projects having been introduced, according to the Ministry of Finance.

Laibin B was Project Finance Deal of the Year two years in succession.

“Graham’s personality and humour reinvigorated a demoralised team; his ability to focus on the key issues enabled prioritisation and progress. His energy drove the project relentlessly forward. It was tough, exhausting and highly demanding, but one of the highlights of my career and I attribute its success to the leadership shown by Graham and the enormous difference he made.”

Mark Bygraves, Chief Executive of ELEXON
[ELEXON were the administrator of the electricity wholesale balancing and settlement arrangements for Great Britain.]



Call +44 (0) 7747 082277
hello@grahamolver.com