**Annex 1: Training modules for capacity building program**

**1. Fundamentals of Infrastructure Bonds**

* + Overview of infrastructure bonds: Purpose, types (e.g., revenue bonds, project bonds), features, and differences from other debt instruments.
  + Key stakeholders: Issuers, investors, governments, and development banks.
  + Role of regulators in ensuring transparency, investor protection, and market stability.

**2. Regulatory Framework and Compliance**

* + National and international regulations governing infrastructure bonds (e.g., SEC rules, IOSCO principles).
  + Compliance requirements for issuers (disclosures, credit ratings, auditing, taxation).
  + Cross-border infrastructure bonds and jurisdictional challenges.

**3. Risk Assessment and Mitigation**

* + Identifying risks unique to infrastructure projects (construction delays, revenue volatility, political/regulatory risks).
  + Quantitative risk assessment tools (stress testing, scenario analysis, Monte Carlo simulations).
  + Mitigation strategies (escrow accounts, guarantees, insurance).

**4. Financial Analysis and Valuation**

* + Evaluating project feasibility studies and financial models.
  + Cash flow analysis, debt service coverage ratios (DSCR), and internal rate of return (IRR).
  + Assessing creditworthiness of issuers and projects (credit rating methodologies).

**5. Legal and Contractual Due Diligence**

* + Reviewing legal structures and capital structures (SPVs, escrow agreements, collateral).
  + Contract enforcement, dispute resolution mechanisms, and investor rights.
  + Bankruptcy laws and restructuring frameworks for infrastructure projects.

**6. Environmental, Social, and Governance (ESG) Considerations**

* + Integrating ESG criteria into bond assessments (e.g., climate resilience, community impact).
  + Monitoring ESG compliance post-issuance.

**7. Project Due Diligence and Verification**

* + Technical feasibility of infrastructure projects (engineering reports, demand forecasts).
  + Forensic accounting and fraud detection in project documentation.
  + Independent third-party verification processes.

**8. Market Dynamics and Investor Perspectives**

* + Understanding investor appetites (institutional vs. retail, domestic vs. foreign).
  + Pricing mechanisms, yield curves, and secondary market liquidity.
  + Impact of macroeconomic factors (interest rates, inflation) on infrastructure bonds.

**9. Stakeholder Engagement and Communication**

* + Effective communication with issuers, investors, and policymakers.
  + Public reporting standards and transparency requirements.
  + Crisis communication in case of project defaults or controversies.

**10. Ethics and Anti-Corruption Measures**

* + Identifying conflicts of interest and bribery risks in bond approvals.
  + Best practices for maintaining regulatory independence and integrity.
  + Anti-money laundering (AML) checks in bond transactions.

**11. Post-Issuance Monitoring and Enforcement**

* + Tracking project milestones and financial performance.
  + Enforcement mechanisms for non-compliance (penalties, bond recalls).
  + Handling defaults and restructuring processes.