

## COURSE OVERVIEW FM0260 Project Finance – Intermediate Level

### Course Title

Project Finance – Intermediate Level

### Course Date/Venue

Session 1: September 23-27, 2024/Fujairah Meeting Room, Grand Millennium Al Wahda Hotel, Abu Dhabi, UAE  
Session 2: December 16-20, 2024/ Fujairah Meeting Room, Grand Millennium Al Wahda Hotel, Abu Dhabi, UAE



### Course Reference

FM0260

### Course Duration/Credits

Five days/3.0 CEUs/30 PDHs



### Course Description



***This practical and highly-interactive course includes real-life case studies and exercises where participants will be engaged in a series of interactive small groups and class workshops.***



This course is designed to provide participants with a detailed and up-to-date overview of project financing. It covers the rationale for project financing; the project financing from direct financing; the authorities responsible in financing large projects and the sources of funds for large projects; the project viability; and the technical feasibility, economic viability, creditworthiness, risk and implications in project financing.



During this interactive course, participants will learn the purpose and design of security arrangements and direct security interest in project facilities; the requirements and guidelines in structuring the project; the preparation of project financing plan; the process of discounted cash flow analysis, financial modeling and project evaluation; the real options analysis and the sources of project funds; the elements in managing project risks; the issues for the host government; the benefits of project financing and its potential future applications; and the project finance and practical solutions applicable in the organization.

## Course Objectives

Upon the successful completion of this course, each participant will be able to:-

- Apply and gain an in-depth knowledge on project financing and review its requirements and appropriateness
- Discuss the rationale for project financing as well as its advantages and disadvantages and compare project financing from direct financing
- Identify what is special about large projects and distinguish how large are “large” projects
- Determine the authorities responsible in financing large projects and the sources of funds for large projects
- Analyze project viability by being aware of its technical feasibility, economic viability, creditworthiness and risk and emphasize its implications in project financing
- Explain the purpose and design of security arrangements as well as its direct security interest in project facilities
- Discuss the requirements and guidelines in structuring the project and prepare the project financing plan
- Review and improve the process of discounted cash flow analysis and carryout financial modeling and project evaluation
- Evaluate a project using real options analysis and identify the sources of project funds
- Determine the elements in managing project risks and emphasize the issues for the host government
- Recognize the benefits of project financing and its potential future applications
- Present case studies and examples of project finance and suggest practical solutions applicable in the organization

## Exclusive Smart Training Kit - H-STK®



Participants of this course will receive the exclusive “Howard Smart Training Kit” (H-STK®). The H-STK® consists of a comprehensive set of technical content which includes **electronic version** of the course materials, sample video clips of the instructor’s actual lectures & practical sessions during the course conveniently saved in a **Tablet PC**.

## Who Should Attend


This course provides an overview of all significant aspects and considerations of project finance for finance directors, finance controllers, senior management accountants and other finance people who have been entrusted with the responsibility of managing the finances of the organizations. Further, this course is applicable to project managers, project engineers, supervisors and project team members, bank managers, credit, sales & business associates, general managers, technical managers, engineering managers, planning managers and department managers.

### Course Certificate(s)

Internationally recognized certificates will be issued to all participants of the course who completed a minimum of 80% of the total tuition hours.

### Certificate Accreditations


Certificates are accredited by the following international accreditation organizations: -

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The International Accreditors for Continuing Education and Training (IACET - USA)

Haward Technology is an Authorized Training Provider by the International Accreditors for Continuing Education and Training (IACET), 2201 Cooperative Way, Suite 600, Herndon, VA 20171, USA. In obtaining this authority, Haward Technology has demonstrated that it complies with the **ANSI/IACET 2018-1 Standard** which is widely recognized as the standard of good practice internationally. As a result of our Authorized Provider membership status, Haward Technology is authorized to offer IACET CEUs for its programs that qualify under the **ANSI/IACET 2018-1 Standard**.

Haward Technology's courses meet the professional certification and continuing education requirements for participants seeking **Continuing Education Units (CEUs)** in accordance with the rules & regulations of the International Accreditors for Continuing Education & Training (IACET). IACET is an international authority that evaluates programs according to strict, research-based criteria and guidelines. The CEU is an internationally accepted uniform unit of measurement in qualified courses of continuing education.

Haward Technology Middle East will award **3.0 CEUs** (Continuing Education Units) or **30 PDHs** (Professional Development Hours) for participants who completed the total tuition hours of this program. One CEU is equivalent to ten Professional Development Hours (PDHs) or ten contact hours of the participation in and completion of Haward Technology programs. A permanent record of a participant's involvement and awarding of CEU will be maintained by Haward Technology. Haward Technology will provide a copy of the participant's CEU and PDH Transcript of Records upon request.

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British Accreditation Council (BAC)

Haward Technology is accredited by the **British Accreditation Council for Independent Further and Higher Education** as an **International Centre**. BAC is the British accrediting body responsible for setting standards within independent further and higher education sector in the UK and overseas. As a BAC-accredited international centre, Haward Technology meets all of the international higher education criteria and standards set by BAC.

### Course Instructor(s)

This course will be conducted by the following instructor(s). However, we have the right to change the course instructor(s) prior to the course date and inform participants accordingly:



**Dr. Ahmed Hayek, PhD, MSc, BSc, CFA, CIA** is a **Senior Finance & Banking Consultant** with extensive years of experience in the areas of **Governmental & Budget Accounting, Fixed Assets Accounting, Budget Estimation, Financial Statement Analysis, Tax Accounting, Advance Cost Accounting, Accounting Information System, Managerial Accounting, Cost Accounting, Advanced Financial Accounting, Governmental and Non for Profit Accounting, Specialized Financial Accounting, Forecasting & Cost, Accounting for Financial Entities, Financial Planning Control & Performance Measurement; Budgeting & Costing for Decision Making, Strategic Cost Accounting, Strategic Cost & Managerial Accounting, Financial Planning, Financial Management, Project Risk Management Concepts, Budgeting & Cost Control, Invoice Processing & Management, Fund Management, Budgeting & Cost Control, Project Accounting, Inventory Management & Forecasting Techniques, Stock Control, Advanced Budgeting & Forecasting, Budgeting Best Practices, Budgetary Controls, Communications Management; Interpersonal, Teamwork & Team Management, Materials Inventory Management, Effective Purchasing Skills, Procurement Strategies, Procurement & Purchasing Management, Contract & Risk Management, Managing Tenders & Specifications, Tendering & Bidding Evaluation, Supply Chain Management, Risk Based Audit, Accounting Principles, Islamic Auditing, Accounting Applications Using a Computer, Intermediate Accounting and Auditing. He is currently the **Assistant Professor** wherein he is providing guidance and supervision to graduate students, participating in departmental meetings, and providing academic support to Professors and other faculty members.**

During his career life, Dr. Ahmed has gained his practical and field experience through his various significant positions and dedication as **Accounting Department Head, Business Department Dean, Assistant Professor, Associate Professor, Internal Auditor, External Senior Auditor, Program Coordinator, Teller and Senior Instructor/Trainer** from various companies such as the Higher Colleges of Technology, American University in the Emirates, Jarash Private University, Telecommunications Regulatory Commission, PWC and Cairo Amman Bank and Al Balqa Applied University.

Dr. Ahmed has **PhD, Master's and Bachelor's** degree in **Accounting**. Further, he is a **Certified Instructor/Trainer**, a **Certified Internal Auditor (CIA)**, a **Certified Financial Accountant (CFA)** and has published various scientific papers, received numerous awards and delivered trainings, courses, workshops and conferences worldwide.

### Training Methodology

All our Courses are including **Hands-on Practical Sessions** using equipment, State-of-the-Art Simulators, Drawings, Case Studies, Videos and Exercises. The courses include the following training methodologies as a percentage of the total tuition hours:-

- 30% Lectures
- 20% Practical Workshops & Work Presentations
- 30% Hands-on Practical Exercises & Case Studies
- 20% Simulators (Hardware & Software) & Videos

In an unlikely event, the course instructor may modify the above training methodology before or during the course for technical reasons.

### Course Fee

**US\$ 5,500** per Delegate + **VAT**. This rate includes H-STK® (Howard Smart Training Kit), buffet lunch, coffee/tea on arrival, morning & afternoon of each day.

### Accommodation

Accommodation is not included in the course fees. However, any accommodation required can be arranged at the time of booking.

### Course Program

The following program is planned for this course. However, the course instructor(s) may modify this program before or during the course for technical reasons with no prior notice to participants. Nevertheless, the course objectives will always be met:

#### **Day 1**

0730 – 0800	Registration & Coffee
0800 – 0815	Welcome & Introduction
0815 – 0830	<b>PRE-TEST</b>
0830 – 0915	<b>What is Project Financing?</b> What is Project Financing? • A Historical Perspective • Requirements for Project Financing • Appropriateness of Project Financing • An Example
0915 – 0930	Break
0930 – 1030	<b>The Rationale for Project Financing</b> Prior Studies' Explanations • The Need for Contracts • The Advantages of Separate Incorporation • Countering the Underinvestment Problem • Reallocating Free Cash Flow • Reducing Asymmetric Information & Signaling Costs
1030 - 1230	<b>The Rationale for Project Financing (cont'd)</b> More Efficient Structuring of Debt Contracts • More Effective Corporate Organization & Management Compensation • Project Financing Versus Direct Financing • Advantages of Project Financing • Disadvantages of Project Financing
1230 – 1245	Break

1245 – 1420	<b>What is Special about Large Projects?</b> <i>How Large are “Large” Projects? • Length of Project Contracts • Initial Project Capital Structure • Why Studying Project Finance is Useful • Why Study How Large Projects are Financed?</i>
1420 – 1430	<b>Recap</b> <i>Using this Course Overview, the Instructor(s) will Brief Participants about the Topics that were Discussed Today and Advise Them of the Topics to be Discussed Tomorrow</i>
1430	<i>Lunch &amp; End of Day One</i>

**Day 2**

0730 – 0900	<b>Who Finances Large Projects?</b> <i>Sources of Funds for Large Projects • Project Bonds’ Default Risk • Lead Arrangers, Managing Underwriters and Advisors</i>
0900 – 0915	<i>Break</i>
0915 – 1100	<b>Analyzing Project Viability</b> <i>Technical Feasibility • Economic Viability • Creditworthiness • Conclusion as to Viability • Assessing Project Risks • Completing Risk • Technological Risk • Raw Material Supply Risk</i>
1100 – 1230	<b>Analyzing Project Viability (cont’d)</b> <i>Economic Risk • Financial Risk • Currency Risk • Political Risk • Environmental Risk • Force Majeure Risk • Implications for Project Financing • The Cogeneration Project</i>
1230 – 1245	<i>Break</i>
1245 – 1420	<b>Designing Security Arrangements</b> <i>Purpose of Security Arrangements • Direct Security Interest in Project Facilities • Security Arrangements Covering Completion • Security Arrangements Covering Debt Service • Types of Purchase &amp; Sale Contracts • Raw Material Supply Arrangements • Supplemental Credit Support • Insurance • The Cogeneration Project</i>
1420 – 1430	<b>Recap</b> <i>Using this Course Overview, the Instructor(s) will Brief Participants about the Topics that were Discussed Today and Advise Them of the Topics to be Discussed Tomorrow</i>
1430	<i>Lunch &amp; End of Day Two</i>

**Day 3**

0730 – 0900	<b>Structuring the Project</b> <i>Undivided Joint Interest • Corporation • Partnership • Limited Liability Company • The Cogeneration Project</i>
0900 – 0915	<i>Break</i>
0915 – 1100	<b>Preparing the Project Financing Plan</b> <i>General Considerations • Construction Financing • Long-Term Financing • Withholding Tax Considerations • Estimating the Borrowing Capacity of a Project</i>
1100 – 1230	<b>Preparing the Project Financing Plan (cont’d)</b> <i>Loan Repayment Parameters • Borrowing Capacity, Assuming Full Drawdown Immediately Prior to Project Completion • Borrowing Capacity, Assuming Periodic Loan Drawdowns • Application to a Hypothetical High-Speed Rail Project • Annual Coverage Tests</i>
1230 – 1245	<i>Break</i>

1245 – 1420	<b>Discounted Cash Flow Analysis</b> Incremental After-Tax Cash Flows • The Hurdle Rate • Estimating the Cost of Capital for a Project • Net Present Value Analysis • Internal Rate of Return Analysis • Comparing IRR & NPV Analyses
1420 – 1430	<b>Recap</b> Using this Course Overview, the Instructor(s) will Brief Participants about the Topics that were Discussed Today and Advise Them of the Topics to be Discussed Tomorrow
1430	Lunch & End of Day Three

#### Day 4

0730 – 0900	<b>Financial Modeling &amp; Project Evaluation</b> Preparing Cash Flow Projections • Preparing Projected Financial Statements • Evaluating a Project's Debt Capacity
0900 – 0915	Break
0915 – 1100	<b>Financial Modeling &amp; Project Evaluation (cont'd)</b> Measuring Expected Rates of Return • Sensitivity Analysis
1100 – 1230	<b>Using Real-Options Analysis to Evaluate a Project</b> Description of the Oil Field Project • Project's Real Options • Evaluating the Project • Traditional DCF Analysis • Sensitivity of Option Value to Oil Price Volatility & to Reserve Dispersion
1230 – 1245	Break
1245 – 1420	<b>Sources of Project Funds</b> Equity • Long-Term Debt Market • Commercial Bank Loans • Fixed-Rate Debt Market • International Capital Market • Supplier Credits • Governmental Assistance • World Bank Loans • Inter-American Development Bank • Local Sources of Capital
1420 – 1430	<b>Recap</b> Using this Course Overview, the Instructor(s) will Brief Participants about the Topics that were Discussed Today and Advise Them of the Topics to be Discussed Tomorrow
1430	Lunch & End of Day Four

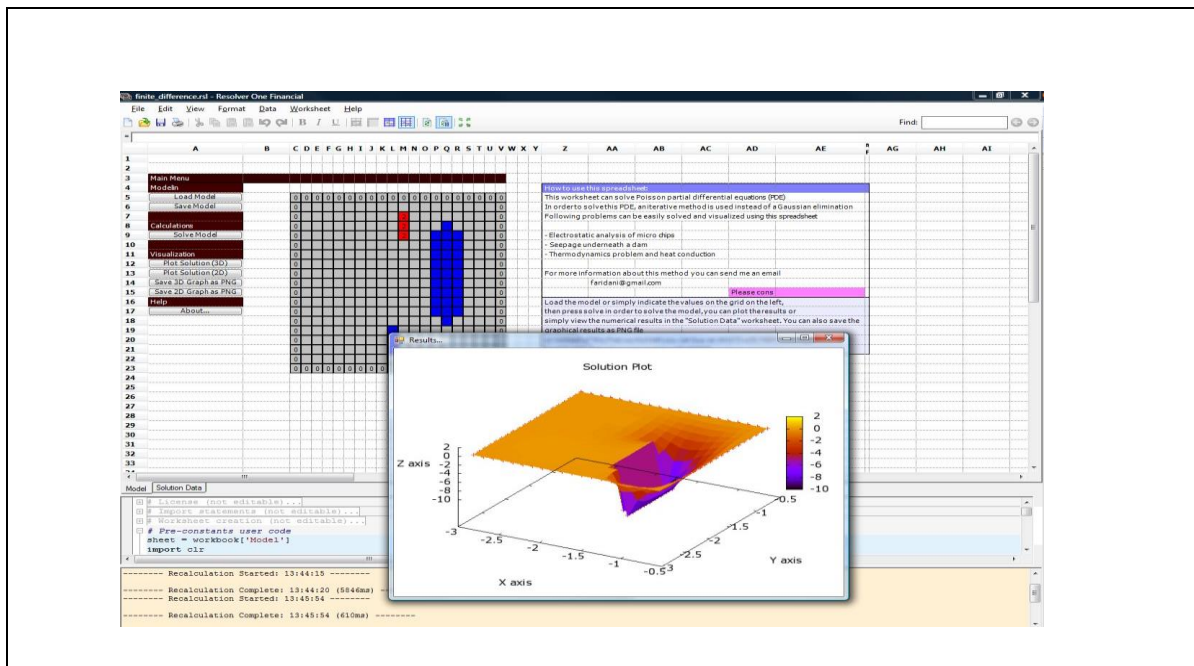
#### Day 5

0730 – 0900	<b>Managing Project Risks</b> Interest-Rate Swaps • Credit Default Swaps • Options • Forwards & Futures • Hedging • Hedging with Options • Hedging Foreign Exchange Risk
0900 – 0915	Break
0915 – 1100	<b>Issues for the Host Government</b> Contribution to the Host Jurisdiction's Economic Development • Host Jurisdiction's Expected Economic Return • Impact on the Availability of Hard Currency • Exposure of the Host Government to the Project's Obligation to Repay Project Debt • Desirability of Precedents
1100 – 1230	<b>Issues for the Host Government (cont'd)</b> Hibernia Oil Field Project • Public-Private Infrastructure Partnerships • Public-Private Financing Structures • Legislative Provisions that can Affect Public-Private Partnerships
1230 – 1245	Break

1245 – 1400	<b>Conclusions</b> <i>Reaping the Benefits of Project Financing • Recognizing When Project Financing can be Beneficial • Potential Future Applications of Project Financing • Organizational (Re)form • Financial Engineering</i>
1400 – 1415	<b>POST-TEST</b>
1415 – 1430	<i>Presentation of Course Certificates</i>
1430	<i>Lunch &amp; End of Course</i>

### Practical Sessions

This practical and highly-interactive course includes real-life case studies and exercises:-



### Course Coordinator

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