



PROJACS ACADEMY  
by egis



# Project Finance Techniques & Tools

تقنيات وأدوات تمويل المشاريع

24 – 26 October 2023

Jeddah / KSA

## Introduction

If an important capital project does not achieve the financial and economic goals of the promoter organisation, it can result in financial losses, waste of resources and impacts across wider reputational spheres. The aim of this training course is to avoid such situations by giving participants the tools and techniques of modern economic and financial project appraisal.

Careful risk assessment in the project planning and appraisal phase is key to ensuring the successful outcome of large projects and the wider growth of the organisation and economy.

The three-day training course on Project Finance Techniques & Tools aims to equip delegates with modern tools and techniques. Delegates will acquire skills of project evaluation and selection, identifying and comparing economic, social and other measurable elements of projects, as well as the dependencies and risk factors relating to them.

## Objectives

**By the end of this training course, participants will be able to:**

- Understand and use economic & financial analytical tools and techniques using real-world examples
- Prepare a risk identification process within a project appraisal
- Make (and/or) contribute to strategic financial decisions and risk assessments
- Appreciate the suitability of differing risk management solutions
- Recognise the benefits of the PPP project model

## Who Should Attend?

- Project and contracts personnel in both public and private sectors
- Project Management Professionals
- Technical specialists seeking broader perspectives of project planning & implementation
- Government officials, ministries, public sector agencies
- Financial decision makers, whose techniques of decision making and analysis will be improved through attendance
- Managers involved in planning, risk assessments and decision making

## Course Outline

### Day One

#### **Source of Finance**

- Potential funding sources.
- Capital markets in financing projects:
- Evaluation of the Types of Finance
- Equity Finance
- Debt Finance
- The Cost of Weighted Average Cost of Capital (WACC)
- Capital Asset Pricing Model (CAPM)
- Different measures of risks.
- Mini Case study

#### **Investment Decisions**

- The most appropriate valuation techniques for different economic sectors.
- Applying time-adjusted measures.
- Social cost-benefit analysis in project appraisal
- Decision making using EVA and NPV.
- Modified internal rate of return (MIRR).
- Application of real option to project valuations.
- Integration of financial, economic and social appraisals to investment decisions.
- Impact of inflation on financial viability and risks.
- Foreign exchange risks.
- Financial and economic analysis for selecting a high quality projects.
- Sensitivity analysis, scenario analysis and simulation.
- Mini case study

#### **Managing, Controlling and Modelling Cash flow**

- Development of Cash Flow Statement.
- Cash versus Profit
- The Cash Conversion Cycle
- Calculating and Managing the Cash Flow Cycle
- Cash Flow Ratios.
- Working Capital.
- The Cost of Maintaining Working Capital.
- Maintaining the Optimum level of Working Capital
- Working Investment Ratios.
- Preparing a Monthly Cash Flow Forecast.
- Mini Case study

## **The Challenge of Financial Economic Decision-Making**

- The practice of financial/economic analysis
- The value-creating company
- Corporate value and shareholder value
- A dynamic perspective of business
- The agency problem and corporate governance.
- What information and data to use?
- The nature of financial statements.
- The context of financial analysis and decision-making

## **Day Two**

### **Revisit the key concepts in decision making**

- Course Summary and Checklists
- Cash Budgets & Capital Budgets reviewed.
- Financial Skills and Further Development.
- Open Forum
- Course Review

### **Project Structure Selection**

- Planning structures for delivering projects
- Defining a risk tolerance baseline for all activity, plus incremental procedures for high-value, complex projects
- Scaling risk management to the size and complexity of a programme or project
- Project structures to address risks from the points of view of:
- Concession contract models
- Foreign direct investments
- Joint ventures
- Service outsourcings
- Keeping structures & financing flexible to accommodate changes

### **Risk Identification & Assessment**

- Risk identification
- Developing a risk matrix with risk ratings based on probability and impact
- Types of Risk
- Risk assessment/analysis
- Sensitivity Analysis – (“what if analysis”)
- identifying risks
- identifying the impacts of risk
- estimating the likelihood of risks occurring
- estimate the cost of risk
- Risk response/mitigation planning

- Monitoring and Communicating Risk

### **Risk Management**

- Objective of project risk management
- Tools and techniques for risk management
- Avoidance – modifying a project plan
- Transference – shifting consequences and responsibilities
- Mitigation – preventative action
- Acceptance – accepting risk outcomes
- Limitations of risk management
- Use of insurance & external/3rd party mechanisms in risk strategies
- Constructing a risk-adjusted project cost model
- Using risk factors to test affordability
- The roles of incentives, sanctions and risk sharing
- Using project design, financial and organisational arrangements as risk management tools

### **Day Three**

#### **The PPP Contract Model**

- The general principles of how project appraisal, selection, design and risk management ensure more measurable, controllable, successful projects
- What are Public-private partnerships (PPPs)
- The dynamics of PPPs & how key risk areas can be managed
- Use of PPPs in different sectors and services
- The roles and relationships of public and private parties
- Principal ways PPP contracts can be properly managed
- What are the lessons for adopting and/or adapting PPP models across future projects?

#### **Project Funding Solutions**

- Embedding risk management into normal operations
- Allotting appropriate resources for risk management activities
- Integrating risk management into project protocols and controls
- Risk management monitoring and control throughout the project lifecycle to improve and guide risk management processes
- Evaluating effectiveness of risk response actions (and making adjustments within the project cycle)
- Summaries of conclusions and group discussions



### Training Method

- Pre-assessment
- Live group instruction
- Use of real-world examples, case studies and exercises
- Interactive participation and discussion
- Power point presentation, LCD and flip chart
- Group activities and tests
- Each participant receives a 7" Tablet containing a copy of the presentation, slides and handouts
- Post-assessment

### Program Support

This program is supported by interactive discussions, role-play, case studies and highlight the techniques available to the participants.

### Schedule

**The course agenda will be as follows:**

- |                     |                  |
|---------------------|------------------|
| • Technical Session | 08.30-10.00 am   |
| • Coffee Break      | 10.00-10.15 am   |
| • Technical Session | 10.15-12.15 noon |
| • Coffee Break      | 12.15-12.45 pm   |
| • Technical Session | 12.45-02.30 pm   |
| • Course Ends       | 02.30 pm         |

### Course Fees\*

- **15,000 Saudi Riyals** including 15% VAT

## المقدمة

إذا لم يحقق المشروع رأسمالي مهم الأهداف المالية والاقتصادية للشركة المروجة، فقد يؤدي ذلك إلى خسائر مالية وإهدار للموارد وتأثيرات عبر مجالات السمعة الأوسع. الهدف من هذه الدورة التدريبية هو تجنب مثل هذه المواقف من خلال تزويد المشاركين بأدوات وتقنيات تقييم المشاريع الاقتصادية والمالية الحديثة.

يعد التقييم الدقيق للمخاطر في مرحلة تخطيط وتقييم المشروع أمراً أساسياً لضمان النتيجة الناجحة للمشاريع الكبيرة والنمو الأوسع للمنظمة والاقتصاد.

تهدف هذه الدورة التدريبية التي تستمر ثلاثة أيام حول تقنيات وأدوات تمويل المشاريع إلى تزويد المشاركين بالأدوات والتقنيات الحديثة. سيكتسب المشاركون مهارات تقييم المشروع واختياره، وتحديد ومقارنة العناصر الاقتصادية والاجتماعية وغيرها من العناصر القابلة لقياس المشاريع، فضلاً عن التبعيات وعوامل الخطر المتعلقة بها.

## الاهداف

بنهاية هذه الدورة التدريبية، سيكون المشاركون قادرين على:

- فهم واستخدام الأدوات والتقنيات التحليلية الاقتصادية والمالية باستخدام أمثلة من العالم الحقيقي
- إعداد عملية تحديد المخاطر ضمن تقييم المشروع
- اتخاذ (و / أو) المساهمة في القرارات المالية الاستراتيجية وتقييم المخاطر
- تقدير مدى ملائمة حلول إدارة المخاطر المختلفة
- التعرف على فوائد نموذج مشروع الشراكة بين القطاعين العام والخاص

## الحضور

- موظفو المشاريع والعقود في كل من القطاعين العام والخاص
- محترفو إدارة المشاريع
- المتخصصون الفنيون الذين يبحثون عن وجهات نظر أوسع لتخطيط المشروع وتنفيذه
- المسؤولون الحكوميون والوزارات ووكالات القطاع العام
- صناع القرار المالي ، الذين سيتم تحسين تقنياتهم في صنع القرار والتحليل من خلال الحضور
- المديرون المشاركون في التخطيط وتقييم المخاطر وصنع القرار