



Universidad
de Alcalá

GUÍA DOCENTE

Project Finance

**MÁSTER UNIVERSITARIO EN BANCA Y
FINANZAS (Finance & Banking)**

Universidad de Alcalá

Curso Académico 2019/20

GUÍA DOCENTE

Nombre de la asignatura:	Project Finance
Código:	201556
Titulación en la que se imparte:	MÁSTER UNIVERSITARIO EN BANCA Y FINANZAS (Finance&Banking)
Departamento y Área de Conocimiento:	Departamento de Economía y Dirección de Empresas
Carácter:	Presencial
Créditos ECTS:	3,5
Curso y cuatrimestre:	1º
Profesorado:	Gregorio Carrascal García Ph D Gregorio Manuel Serna Calvo Profesor Titular UAH
Horario de Tutoría:	16:30 – 17:30
Idioma en el que se imparte:	Inglés

1. PRESENTACIÓN

Project financing is an innovative and timely financing technique that has been used on many high-profile corporate projects. Employing a carefully engineered financing mix, it has long been used to fund large-scale natural resource projects, from pipelines and refineries to electric-generating facilities and hydro-electric projects. Increasingly, project financing is emerging as the preferred alternative to conventional methods of financing infrastructure and other large-scale projects worldwide.

Project finance is finance for a particular project, such as a mine, toll road, railway, pipeline, power station, ship, hospital or prison, which is repaid from the cash-flow of that project. Project finance is different from traditional forms of finance because the financier principally looks to the assets and revenue of the project in order to secure and service the loan. In contrast to an ordinary borrowing situation, in a project financing the financier usually has little or no recourse to the non-project assets of the borrower or the sponsors of the project. In this situation, the credit risk associated with the borrower is not as important as in an ordinary loan transaction; what is most important is the identification, analysis, allocation and management of every risk associated with the project.

The purpose of this course is to explain, in a brief and general way, the manner in which risks are approached by financiers in a project finance transaction. Such risk minimisation lies at the heart of project finance.

In a no recourse or limited recourse project financing, the risks for a financier are great. Since the loan can only be repaid when the project is operational, if a major part of the project fails, the financiers are likely to lose a substantial amount of money. The assets that remain are usually highly specialised and possibly in a remote location. If saleable, they may have little value outside the project. Therefore, it is not surprising that financiers, and their advisers, go to substantial efforts to ensure that the risks associated with the project are reduced or eliminated as far as possible. It is also not surprising that because of the risks involved, the cost of such finance is generally higher and it is more time consuming for such finance to be provided.

Financiers are concerned with minimising the dangers of any events which could have a negative impact on the financial performance of the project, in particular, events which could result in: (1) the project not being completed on time, on budget, or at all; (2) the project not operating at its full capacity; (3) the project failing to generate sufficient revenue to service the debt; or (4) the project prematurely coming to an end.

The minimisation of such risks involves a three step process. The first step requires the identification and analysis of all the risks that may bear upon the project. The second step is the allocation of those risks among the parties. The last step involves the creation of mechanisms to manage the risks.

Prerrequisitos y Recomendaciones (si es pertinente)

2. COMPETENCIAS

Competencias genéricas:

1. Project Financing discipline includes understanding the rationale for project financing, how to prepare the financial plan, assess the risks, design the financing mix, and raise the funds. In addition, one must understand the cogent analyses of why some project financing plans have succeeded while others have failed. A knowledge-base is required regarding the design of contractual arrangements to support project financing; issues for the host government legislative provisions, public/private infrastructure partnerships, public/private financing structures; credit requirements of lenders, and how to determine the project's borrowing capacity; how to prepare cash flow projections and use them to measure expected rates of return; tax and accounting considerations; and analytical techniques to validate the project's feasibility.

3. CONTENIDOS

Bloques de contenido (se pueden especificar los temas si se considera necesario)	Total de clases, créditos u horas
Presentation of the course. Introduction to project Finance	• 4 h
Case I: Power generation	• 4 h
Case II: Renewable Energy	• 4 h

Cronograma (Optativo)

Semana / Sesión	Contenido
01 ^a	• Presentation of the course. Introduction to project Finance
02 ^a	• Case I: Powergeneration - Case study (1)
03 ^a	• Case II: RenewableEnergy - Case study (2)

4. METODOLOGÍAS DE ENSEÑANZA-APRENDIZAJE.-ACTIVIDADES FORMATIVAS

4.1. Distribución de créditos(especificar en horas)

Número de horas presenciales:	12
Número de horas del trabajo propio del estudiante:	18
Total horas	30

4.2. Estrategias metodológicas, materiales y recursos didácticos

	The course will deal with both theory and practical areas of structuring a project financing initiative. Focus will be on understanding the terminology involved and practical hands on experience in order to apply that theory to real project situations. It is intended therefore to help professionals to apply information and decision making in real situations.
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5. EVALUACIÓN: Procedimientos, criterios de evaluación y de calificación¹

The evaluation will be based on oral participation (50%) and final exam (50%).

ATTENDANCE

Essential. All absences must be notified. Only justified absences will be considered. Reasons for absence must be duly documented, as all absences regarding health etc. must be authorised by the Professor so that the coordinator can account for the absence with an authorised report from the Professor.

Non-justified absence during one session will result in the loss of 0.2 points out of 0.5.

Non-justified absence during two sessions will result in the loss of 0.4 points out of 0.5.

Non-justified absence during three or four sessions will result in the loss of 0.5 points out of 0.5.

6. BIBLIOGRAFÍA

Bibliografía Básica

- Project Finance. Graham D. Vinter. Sweet & Maxwell. Project management. ISBN 0421909501
- Introduction to Project Finance. Andrew Fight. 2006. Butterworth-Heinemann. Economic development. 208 pages. ISBN 075065905X

Bibliografía Complementaria (optativo)

¹Es importante señalar los procedimientos de evaluación: por ejemplo evaluación continua, final, autoevaluación, co-evaluación. Instrumentos y evidencias: trabajos, actividades. Criterios o indicadores que se van a valorar en relación a las competencias: dominio de conocimientos conceptuales, aplicación, transferencia conocimientos. Para el sistema de calificación hay que recordar la **Normativa del Consejo de Gobierno del 16 de Julio de 2009**: la calificación de la evaluación continua representará, **al menos, el 60%**. Se puede elevar este % en la guía.