**"FINANCIAL UNIVERSITY**

**UNDER THE GOVERNMENT OF THE RUSSIAN FEDERATION"**

**(FINANCIAL UNIVERSITY)**

**Department of World Economy and World Finance**

**A. S. Fedyunin**

**International Practice of Project Financing (in English)**

**SYLLABUS**

***Level of Study:*** *Master’s Degree*

***Field of Study:*** 40.04.01. "Jurisprudence"

***Study Program:*** "Investigation of financial and economic crimes"

**1. Name of a subject** International practice of project financing (in English)

**2. Mapping of learning outcomes (list of competences), with the relevant indicators described and subject learning outcomes indicated**

The section lists the graduates’ coded competencies that are to be developed during the learning process, indicators that show their development (generalized descriptions of specific actions performed by the graduate that clarify and reveal the competence content), learning outcomes (knowledge, skills) with indicators of competence development (in the form of a table):

Table 1

|  |  |  |  |
| --- | --- | --- | --- |
| Competence code | Competence | Competence development indicators[[1]](#footnote-1) | Learning outcomes (skills[[2]](#footnote-2), and knowledge) and indicators that show competence development |
| DKN-2 | The ability to detect, prevent and prevent financial and economic crimes, as well as to identify and eliminate the causes and conditions that contribute to their commission | 1. Demonstrates knowledge of legal norms of material and procedural branches of law in the field of detection, suppression and prevention of financial and economic crimes.  2. Has knowledge and skills of applying the latest achievements of science and practice in the field of detection, suppression and prevention of financial and economic crimes, as well as identifying and eliminating the causes and conditions that contribute to their commission.  3.Shows knowledge of the application of the theory and practice of methods for identifying and eliminating the causes and conditions that contribute to the commission of financial and economic crimes, as well as the mechanism for using forces and means to identify and eliminate them. | To know: features of application of legal norms of material and procedural branches of law in the field of detection, suppression and prevention of crimes of financial and economic nature in the field of project financing.  Be able to: competently assess the effectiveness of the application of legal norms for the prevention of financial and economic crimes in the field of project financing.  Know: modern methods of project management and features of the organization of project management of various types in order to identify, prevent and prevent possible crimes.  To be able to: how to make decisions and assess their implications for the detection and suppression of violations of financial and economic nature.  Know: the theory and practice of identifying and eliminating the causes and conditions that contribute to the commission of financial and economic crimes in the field of project financing.  Be able to: use methods to identify and eliminate the causes and conditions that contribute to the Commission of financial and economic crimes in the field of project Finance. |

**3. Place of the subject in the curriculum**

The discipline " International practice of project financing (in English)" refers to the module of disciplines on the choice of the variable part for students studying in the direction 40.04.01. "Jurisprudence", the direction of the master's program "Investigation of financial and economic crimes".

**4. Workload in credits and academic hours, with class work (lectures and seminars) and self-study indicated**

Table 2

|  |  |  |
| --- | --- | --- |
| **Type of work** | **Total**  **(in credits and hours)** | **Semester (Module) 5 (in hours)** |
| **Overall workload** | 3 credits, 108 | 108 |
| ***Class work*** | 32 | 32 |
| *Lectures* | 8 | 8 |
| *Seminars, practicals* | 24 | 24 |
| *including interactive activities* | 6 | 6 |
| ***Self study*** | 76 | 76 |
| Formative assessment |  | *Control paper work* |
| Summative assessment |  | *Credit* |

**5. Subject content (with the thematic components indicated)**

**Topic1. Features of investment projects financing. Key characteristics of international project finance practice**

Investment project and the conditions for its implementation. Direct and portfolio investments. Participants in the investment process. Projects funding sources. Asset finance. The variety of sources and forms of financing for long-term projects used in international practice. Risks arising from the implementation of investment projects.

The emergence of project financing, its essence, basic characteristics and advantages. Differences of project financing from syndicated lending and venture financing, its types. The most important principles of project financing. The project finance cycle and its stages. Project finance facilities and its main participants. The largest foreign projects implemented within the framework of project financing. The Eurotunnel project as a classic example of project financing. Russian legislation and project finance practices in RF.

**Topic 2. Features of the project finance process**

Multiple participation in project financing. Creating a project firm, its role in the development and implementation of the project. Sponsors of the project. Banks as organizers of financing. The role of insurance companies in project financing. International experience of the state's participation in project financing. Public-private partnership (PPP).

The legal basis and documentation of project financing. Product sharing agreement. A special purpose vehicle (SPV). Ensuring the project implementation. Requirements for project financing from investors and ensuring the return of invested funds.

**Topic 3. Assessing the effectiveness of the project within the framework of project financing**

Period of the investment project implementation and evaluation of its final results.

Component elements of the investment project cash flow. Main criteria for assessment of investment projects efficiency in project financing. Use of discounting when taking into account the time factor in the process of investment projects evaluation, net discounted income, internal rate of return and payback period of the project. Combination of socio-economic and commercial attractiveness of the project, public funds efficiency. Analysis of the investment project with the help of Project Expert software and selection of the optimal financing model for the project.

**Topic 4. International experience in project financing**

Project financing models, their comparative characteristics. Financing with full and limited recourse to the borrower, as well as without recourse. Classification of sources of financing for long-term investments and types of project financing by sources of funds. Estimation of the efficiency of using own and borrowed funds, characterization of the effect of financial leverage and the price of funds. Possibilities to use free cash flow, depreciation fund, profit and changes in working capital for investment projects financing. Restrictions on the financing of investments from owners’ funds.

**Topic 5. Banks' participation in project financing**

The role of banks and banking syndicates in project financing. Banks' participation in investment lending, project financing and financing of construction projects. Multinational banks as participants in project financing. Loans from international financial institutions (IBRD, IFC, EBRD, etc.) as sources of funds for project financing. Participation of state financial institutions in project financing. Russian banks' participation in project financing. Risks of banks in project financing.

The main requirements imposed by the bank on the borrower. Basic terms of investment lending. Documentation provided to the bank when receiving a loan. Assessment of creditworthiness and credit risk of the project. Setting an interest rate on a loan. Control over the use of the issued loan. Mortgage collateral and collateral insurance, other forms of loan repayment security. Loan repayment procedure for project financing.

**Topic 6. International project financing risks management practice**

The concept of uncertainty and risk. The economic nature of project risks and their impact on long-term investment performance. Risk classification, analysis and evaluation at different stages of the project lifecycle. Force majeure. Risk of incompletion of the project. Technological risk. Market risks. Interest rate and currency risk. Political and regulatory risks. Risk of project participants. Legal risks. Features of project financing risk management in Russia.

Risk management methods, guarantees, insurance, hedging. The role of investment experts and consultants in risk management. Methods of accounting for uncertainty and risk. Identification of key risk factors and sensitivity analysis. Analysis of project development scenarios. The concept of sustainability of the project.

**6. List of teaching and methodological materials needed for the students self-study**

**6.1. List of questions for student self-study and types of out-of-class activities**

The section lists types of out-of-class activities that correspond to items in the subject content description.

There is a list of questions the students should answer while working independently.

| **Topics** | **Questions for self-study** | **Methods of extracurricular independent work** |
| --- | --- | --- |
| Topic1. Features of investment projects financing. Key characteristics of international project finance practice | The emergence of project financing, its essence, basic characteristics and advantages. The most important principles of project financing. Project finance facilities and its main participants. Participants in the investment process. | Study of educational literature and regulatory documents. Preparing for the seminar. Doing homework. Search for information on the Internet. Preparation of reports on recommended topics. Solving situational problems. |
| Topic 2. Features of the project finance process | Creating a project firm, its role in the development and implementation of the project. The role of insurance companies in project financing. Public-private partnership (PPP). Product sharing agreement. A special purpose vehicle (SPV). Ensuring the project implementation. | Study of educational literature and regulatory documents. Preparing for the seminar. Doing homework. Search for information on the Internet. Preparation of reports on recommended topics. Solving situational problems. |
| Topic 3. Assessing the effectiveness of the project within the framework of project financing | Period of the investment project implementation and evaluation of its final results. Use of discounting when taking into account the time factor in the process of investment projects evaluation, net discounted income, internal rate of return and payback period of the project. Public funds efficiency of the project.  Selection of the optimal financing model for the project. | Study of educational literature and regulatory documents. Preparing for the seminar. Doing homework. Search for information on the Internet. Preparation of reports on recommended topics. Solving situational problems. |
| Topic 4. International experience in project financing | Project financing models, their comparative characteristics. Estimation of the efficiency of using own and borrowed funds, characterization of the effect of financial leverage and the price of funds. Restrictions on the financing of investments from owners’ funds. | Study of educational literature and regulatory documents. Preparing for the seminar. Doing homework. Search for information on the Internet. Preparation of reports on recommended topics. Solving situational problems. |
| Topic 5. Banks' participation in project financing | The role of banks and banking syndicates in project financing. Multinational banks as participants in project financing. Loans from international financial institutions (IBRD, IFC, EBRD, etc.) as sources of funds for project financing. Russian banks' participation in project financing. Risks of banks in project financing. Risks of creditor banks in project financing. Loan repayment procedure for project financing. | Study of educational literature and regulatory documents. Preparing for the seminar. Doing homework. Search for information on the Internet. |
| Topic 6. International project financing risks management practice | The concept of uncertainty and risk. Force majeure. Risk of incompletion of the project. Technological risk. Market risks. Political and regulatory risks. Features of project financing risk management in Russia. Analysis of project development scenarios. The concept of sustainability of the project. | Study of educational literature and regulatory documents. Preparing for the seminar. Doing homework. Search for information on the Internet. |

Table 3

|  |  |  |
| --- | --- | --- |
| **Itemized subject content** | **Questions the students should answer within the self-study process** | **Types of out-of-class activities** |
| 1. |  |  |
| …. |  |  |

**6.2. List of questions/assignments/topics for students’ preparation to formative assessment**

The section may include the following:

Templates of questions the students need to answer when preparing for a test; templates of assignments that might be found in tests;

Templates of questions the students need to answer when preparing for performing an analysis or making a calculation;

Templates of topics for essays, summaries, creative home assignments;

Templates of questions the students need to answer when preparing for business games, roundtable discussion sessions, debates (based on a certain topic and relevant recommendations) conducted during a seminar; a list of assignments that should be done by a team of students when preparing for a co-authored work presentation.

Other types of assessment.

**Indicative topics of term papers**

1. The concept, essence and features of project financing.
2. Methods of the investment project implementation.
3. Participants of the project financing.
4. International practice of using various sources of project financing.
5. The role of the state in project financing.
6. International experience in project risk management.
7. Documentation of the project and the legal risks.
8. Agreements on product sharing and the possibility of its using in project financing.
9. Use of leasing in project financing.
10. Features of the investment project analysis at project financing.
11. Using CAPM and WACC indicators in project funding.
12. The role of multinational banks in project financing.
13. Banking syndicates in project financing.
14. Using NPV, APV, IRR and MIRR indicators in project financing.
15. Eurotunnel project.
16. The terminology of project financing.
17. Project financing in the BRICS countries.
18. Project financing in Latin America.
19. The emergence of project financing.
20. Prospects of project financing development.
21. Project financing in the USA.
22. Project financing in Europe.
23. Project financing in China.
24. Project financing in Russia.
25. Use of project financing in (industry).

**Questions to get credit**

1. Investment project and the conditions for its implementation.
2. Participants in the investment process.
3. Fund sources for project financing.
4. Asset finance.
5. Direct and portfolio investments.
6. The variety of sources and forms of financing for long-term projects used in international practice.
7. The emergence of project financing, its advantages.
8. The most important principles of project financing.
9. The largest foreign projects implemented within the framework of project financing.
10. The project financing cycle and its stages.
11. The role of the project firm in the development and implementation of the project.
12. Sponsors of the project.
13. Public-private partnership (PPP).
14. The legal basis and documentation of project financing.
15. Requirements for project financing from investors and ensuring the return of invested funds.
16. Component elements of the investment project cash flow.
17. Use of discounting when taking into account the time factor in the process of investment projects evaluation, net discounted income, internal rate of return and payback period of the project.
18. Combination of socio-economic and commercial attractiveness of the project, public funds efficiency.
19. Analysis of the investment project with the help of Project Expert software and selection of the optimal financing model for the project.
20. Project financing models, their comparative characteristics.
21. Financing with full and limited recourse to the borrower, as well as without recourse.
22. Classification of sources of financing for long-term investments and types of project financing by sources of funds.
23. Estimation of the efficiency of using own and borrowed funds, characterization of the effect of financial leverage and the price of funds.
24. Restrictions on the financing of investments from owners’ funds.
25. The role of banks and banking syndicates in project financing.
26. Banks' participation in investment lending, project financing and financing of construction projects.
27. Risks of banks in project financing.
28. Assessment of creditworthiness and credit risk of the project.
29. The main requirements imposed by the bank on the borrower.
30. Documentation provided to the bank when receiving a loan.
31. Setting an interest rate on a loan.
32. Control over the use of the issued loan.
33. Loan repayment procedure for project financing.
34. Risk classification, analysis and evaluation at different stages of the project lifecycle.
35. Force majeure and the risk of project failure.
36. . Market risks in project financing.
37. Interest rate and currency risk in project financing.
38. Legal risks in project financing.
39. Risk management methods, guarantees, insurance, hedging.
40. The role of investment experts and consultants in risk management.
41. Uncertainty and risk-taking methods.
42. Analysis of project development scenarios.
43. Multinational banks as participants in project financing.
44. Loans from international financial institutions (IBRD, IFC, EBRD, etc.) as sources of funds for project financing.
45. Participation of state financial institutions in project financing.
46. The Eurotunnel project as a classic example of project financing.
47. Russian legislation and project financing practices in RF.
48. Russian banks' participation in project financing.
49. State involvement in project financing in the Russian Federation.
50. Features of project financing risk management in Russia.

**7. Mandatory and optional reading list**

**Mandatory reading list**

1. E. R. Yescombe. Principles of Project Finance. Academic Press, 2017. eBook SBN: 9780124157552

Йескомб Э.Р. Принципы проектного финансирования: пер. с англ. /Э.Р. Йескомб - М.: Альпина Паблишер, 2015 - 408 с. - То же [Электронный ресурс]. - Режим доступа: <http://lib.alpinadigital.ru/ru/library/book/7936>

2. Никонова И.А. Проектный анализ и проектное финансирование / Никонова И.А. - М.: Альпина Паблишер, 2012 - 154 с.

Никонова И.А Проектный анализ и проектное финансирование [Электронный ресурс] / Никонова И.А. - М.:Альпина Пабл., 2016. - Режим доступа: http://znanium.com/catalog.php?bookinfo=916273

3. Федотова М.А. Проектное финансирование и анализ: Учебное пособие для студ. бакалавриата и магистратуры, обуч. по эконом. напр. и спец. / М.А. Федотова, И.А. Никонова, Н.А. Лысова; Финуниверситет - М.: Юрайт, 2019 - 144 с. - То же [Электронный ресурс]. - 2017. - Режим доступа: https://www.biblio-online.ru/book/7BAE1EBA-D4F0-4250-8A27-597495F38962

**Optional reading list**

1. Esty, B.C. Modern Project Finance : A Casebook / B.C. Esty // .— .— 562 p.
2. Influence of debt financing on the effectiveness of the finite duration investment project / Brusov P., Filatova T., Eskindarov M. et al. // Applied Financial Economics. — 2012 .— Vol. 22, Issue 13.-P.1043-1052
3. Prodanov, S. Capital Budgeting: A distance learning academic course book / S. Prodanov ; D.A. Tsenov Academy of Economics .— 2-nd Edition .— Veliko Tarnovo : ABAGAR Publishing House, 2012 .— 272 p. .— на англ. языке. — ISBN 978-619-168-008-5.
4. Salihova I. E. (Салихова И.Э.) Peculiarities of the finance in the construction industry // Молодой ученый. — 2014 .— № 18.-С.440-442 .
5. Tregub I. (Трегуб И.) Investment Project Risk Analysis in the Environment of Russian Economy [Electronic resource] : Working Paper № 685, March 8, 2014 / Tregub I., Oblakova A. ; Forum for Research on Empirical International Trade (F.R.E.I.T.) // [http://www.freit.org/WorkingPapers/Papers/Other/FREIT658.pdf .— 2014](http://www.freit.org/WorkingPapers/Papers/Other/FREIT658.pdf%20.—%202014).

**8. List of IT resources, incl. the list of software, information and reference systems (as appropriate).**

**8. 1. Software:**

1. Windows, Microsoft Office software;

2. Project Expert.

**8.2. Databases and information and reference systems**

1. www.iea.org
2. www.imf.org
3. www.ipfa.org
4. www.moodys.com/
5. www.oecd.org
6. www.opec.org
7. www.projectfinancemagazine.com
8. www.standardandpoors.com
9. www.un.org
10. www.unctad.org
11. www.worldbank.org
12. www.wto.org

**8.3. Certified software/hardware used for information protection**

No certified software or hardware is used.

1. To be filled in when the updated Financial University educational standards and federal state educational standards of higher education “3++” are implemented. [↑](#footnote-ref-1)
2. Skills are described when the Financial University educational standards of the 1st generation and federal state educational standards of higher education “3+” are implemented. [↑](#footnote-ref-2)