

TRAINING PROGRAMMES ON “PROJECT APPRAISAL, RISK ANALYSIS AND RISK MANAGEMENT”

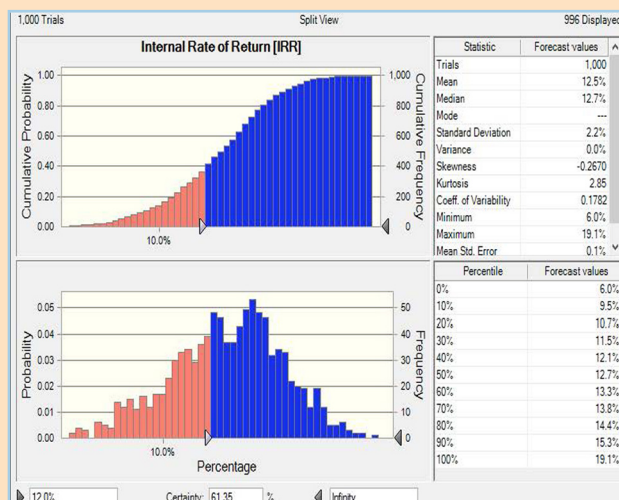
PROJECT APPRAISAL CONSULTANTS will conduct two training programmes of four days each, on “Project Appraisal, Risk Analysis and Risk Management” as mentioned below:

First Programme: 17th October to 20th October 2016 (09:30 AM to 05:00 PM)

Second Programme: 01st February to 04th February 2017 (09:30 AM to 05:00 PM)

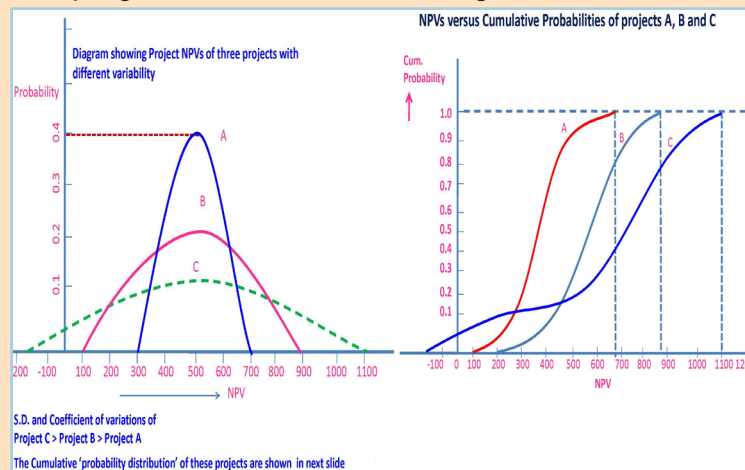
Venue : Lecture Room 1 (Annexe), India International Centre, 40-Max Mueller Marg, New Delhi-110003

These are high impact and specialised training programmes in project / investment appraisal. The programmes cover financial project appraisal, quantitative risk analysis and risk management options. Risk analysis covers sensitivity analysis, scenario analysis and Monte Carlo simulation for quantifying risks. Monte Carlo simulation of project returns (NPV, IRR, BC Ratio) will be done by using Crystal Ball Decision Optimiser software. Risk Management will cover all risk management options, use of models to reduce project risks for all stakeholders and development of efficient risk management options in all types of projects including PPP projects.



The programmes will be conducted with case exercises and by use of latest project appraisal techniques as are being taught in the leading universities, the world over and also accepted by international and national lending institutions. The participants will be required to do case exercises, on pro-forma cash flow statements, calculation of Net Present Value (NPV), IRR, BC ratio, Scale Analysis, integration of inflation in Project Appraisal, Sensitivity Analysis and identification of risk variables, Scenario Analysis (by use of Scenario Manager and Toggle), Quantitative Risk Analysis by the use of Monte Carlo simulation and development of Risk Management options for different stakeholders.

The programmes have been designed for officers from IAS, Central Services, State Civil / Finance



/ Planning Services, Central / State PSU's, Banks, Engineering Departments, Civil Services Training Institutes, NGO's, Private organisations, Investment Companies/Banks etc., who examine projects / programmes and propose (or take) decisions for their implementation. The programmes have been designed to equip the participants with latest skills for undertaking comprehensive project / investment appraisal.



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CONTENTS

PROJECT APPRAISAL

- Classification of costs, financial / economic costs, real and nominal costs, accounting concepts, revenue, receipts, expenses, expenditure, accounts payable, accounts receivable, accrual and cash forms of accounting.
- Opportunity cost of public funds, different methods used to calculate discount rate, Inflation Index, Inflating, deflating, discounting, compounding, annuity, Weighted Average Cost of Capital (WACC). Real and nominal discount rates and discount factors, real and nominal interest rates.
- Different components of proforma cash flow statements, preparation of Pro forma Cash Flow Statements (from perspectives of owners, lenders, Government Budget & Economy).
- Different investment criteria, Net Present Value (NPV), Internal Rate of Return (IRR), Benefit Cost Ratio (BCR), Payback period, Cost Effective methods. Which method to use and where? **Participants to do case exercises.**
- Distributive appraisal of projects, assignment of differentiated distributional weights to costs/benefits. Differences between financial and economic appraisal of projects.
- Effects of inflation on project viability – what is inflation? Effects of inflation on financing project investment, depreciation deductions and tax saving, interest expenses and tax deductions, Cost of Goods Sold [COGS], First In First Out [FIFO] and Last In First Out [LIFO], Loan repayments and the need to have Desired Cash Balance [DCB]. **Participants to do case exercises on intergration of inflation in project appraisal.**
- Incremental/Scale analysis to determine optimum Scale/Size of a project. Graphical presentations of scale/size versus NPV, Incremental NPV (Δ NPV), IRR and Incremental / Marginal IRR (MIRR). Optimum time to invest / start a project or close a project, under different scenarios. **Participants to do case exercises on incremental analysis.**

RISK ANALYSIS

- Endogenous / exogenous risks, systematic / unsystematic risks, Expected Value of a risk.
- What is Sensitivity Analysis? Why and how is it done? How to identify sensitive and risk variables. Usefulness and limitation of sensitivity analysis. **Participants to do case exercises.**
- What is Scenario Analysis? What are worst case, best case and most expected case scenarios? Limitations of scenario analysis. **Participants to do case exercises on scenario analysis by use of ‘Scenario Manager’ and ‘Toggle’in Excel.**
- What is Quantitative Risk Analysis? Why should we do it? Characteristics of different types of probability distributions, assignments of probability distributions to sensitive project variables. Selection of projects by risk averse/ risk neutral and risk lover. Value of Information and cost of uncertainty. Usefulness and limitations of risk analysis in project appraisal. Risk premium and its estimation.
- Steps to do Risk Analysis by use of Monte Carlo Simulation by Crystal Ball Decision Optimizer software. Defining assumptions and assigning probabilities, defining forecasts, selecting simulation numbers, use Monte Carlo simulation to obtain project return (NPV, IRR/ BC Ratio) distributions both, with and without correlations. Interpretation of project output results and variability. **Participants to do complete Risk Analysis exercises.**

RISK MANAGEMENT

- Various risk management options such as - reduce protection level or regulation level, obtain correct data about project variables, avoid high impact risks, various risk mitigation methods such as contingency planning, creating risk reserve, Insurance, risk management through contracts, risk sharing, risk pooling, risk transfers and risk spreading. Reduction in project return variability by assigning correlations among project variables.
- Risks in PPP- Projects, Risk-Return allocations in PPP projects between private and public sectors. Tradeoffs between higher / lower financial costs and lower / higher risks. **Participants to do case exercises on Risk Management in Public Private Partnership - project**
- **Case exercises on ‘Quantitative Risk Management’** of various options relating to risk spreading/pooling, product diversification, risk sharing with stakeholders including labour, indexing output prices to input costs, risk transfer / shifting through contracts.

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FACULTY

The faculty who will teach this programme have taught in leading Universities such as Harvard University, Duke University etc. and have worked at top level positions in States as well as Central Government in India. The lead faculty for this programme is:

Jarnail Singh is the Chief Executive Officer of Project Appraisal Consultants and is responsible for managing the entire operations of the Programme. He is a Master of Science in Electrical Engineering (Distinction) from Punjab University and Master in Public Administration from Harvard University (USA). As a member of the Indian Administrative Service, he has held several important positions in India including Secretary to Government of India, Chief Secretary of Manipur State and Joint Secretary to Prime Minister. He was top scorer of “Appraisal of Development Expenditure” during MPA program at Harvard and later on he worked as a Teaching Assistant of this course for graduate students at the Harvard University. He has also taught in the “Program in Investment Appraisal & Management (PIAM)” conducted by the Harvard Institute for International Development (HIID). He is a recipient of the “Prime Minister’s Award for Excellence in Public Administration” for the year 2007-08.



Dr. Deo Narayan Sharma is a senior fellow at Duke Centre for International Development (DCID), Duke University, USA. He has been working in Executive Programs of DCID on Project Appraisal and Risk Management and Fiscal Decentralization and Local Government since 2001. Dr. Sharma had taught the Program on “Program in Investment Appraisal & Management” at Harvard Institute for International Development (HIID). Now, he teaches “Economic Appraisal and Stakeholder Analysis for Investment Appraisal” in overseas countries for John Deutsch International Executive Program, Department of Economics of Queen’s University, Kingston, Ontario, Canada, Social Cost Benefit Analysis at IDE Advanced School in Tokyo, Japan. Dr. Sharma is a partner of Project Appraisal Consultant in Delhi and also serves as a senior economist at Cambridge Resource International, a private international consulting firm based in Cambridge, Massachusetts, USA.



Other faculty members include experienced civil servants who have studied this area in world class universities.

SCHEDULE OF THE PROGRAMMES

Day	09:30 -11:00 hrs	11:15 -13:00 hrs	13:45-15:15 hrs	15:30 - 17:00 hrs
Day One	Programme inauguration, Classification of Costs, Preparation of Proforma Cash flow statements from perspectives of owners, lenders, economy,	Cost of Public Funds , Different Investment Criteria, Net Present Value [NPV, Internal Rate of Return [IRR]] Methods	Benefit Cost Ratio, Pay Back Period, Cost Effective Methods, Distributive Appraisal, Difference between Financial and Economic Appraisal	Exercises on Proforma Cash Flow statements from different perspectives, Calculation of NPV, IRR and BC Ratio
Day Two	Incremental / Scale analysis - Determination of Optimum Size of a Project, Timing of Investment, Sensitivity Analysis	Scenario Analysis - Theory and steps for doing Scenario Analysis by Scenario Manager and Toggle in Excel	Exercises on Scale Analysis, Sensitive Analysis and Identification of Risk Variables	Exercises on Scenario Analysis by use of Scenerio Manager and Toggle
Day Three	Effects of Inflation on Project Viability	Case exercise on integration of Inflation in project appraisal	Quantitative Risk Analysis (Monte Carlo Simulation) Risk Premium and its Estimation	Step by step exercise on Quantitative Risk Analysis by Monte Carlo Simulation - use of Crystal Ball Decision Otimiser
Day Four	Quantitative Risk analysis exercise by participant-I	Quantitative Risk analysis exercise by participants-II	Risk Management in Projects including PPP projects	Case exercises on Risk Management options



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INFORMATION, LOGISTICS AND REGISTRATION

PROGRAMME DATES

First training programme : 17th October to 20th October 2016
Second training programme : 01st February to 04th February 2017
Teaching schedule : 09:30 AM to 05:00 PM daily

VENUE

Venue : Lecture Room 1 (Annexe), India International Centre, 40 - Max Mueller Marg, New Delhi -110003

TEA AND LUNCH

The participants would be provided tea at 11:00 AM and 03:15 PM as well as lunch at 01:00 PM.

The participants would be required to make their own arrangements for stay in Delhi. The participants must bring their own laptop computers for doing case exercises. Lecture notes and reading materials will be provided.

TRAINING FEES

The fee for the training programme is ₹46,000 (₹40,000 plus ₹6,000 as Service Tax plus two cesses) per participant. Training fee would be payable through Cheque or bank draft in favour of “Project Appraisal Consultants LLP” payable at Delhi or can be transferred to bank account of “Project Appraisal Consultants LLP”, details of which can be obtained through email. The cheque/bank draft and nominations should be sent to following address:

JARNAIL SINGH
B0/2, Welcomgroup CGHS Ltd.
Plot 6, Sector - 3,
Dwarka, New Delhi -110078

NOMINATIONS : Nomination and registration can be done through Email as given below and also through letter as given in preceding paragraph (Use of email preferred for quick registration).

FOR ENQUIRY & REGISTRATION CONTACT EMAIL: ceo@project-appraisal.com, info@project-appraisal.com
jarnailsingh@project-appraisal.com, jarnail65@gmail.com

PREVIOUS PROGRAMMES

Project Appraisal Consultants have conducted six such programmes; first from 10th to 14th February 2014, second from 03rd to 07th March 2014, third from 03rd to 05th December 2014, fourth from 02nd to 05th February 2015, fifth from 12th to 15th October 2015 and sixth from 1st to 04th February 2016. These programmes were attended by 216 participants from 63 organisations from Central/State Governments, Central/State PSU's/Banks/organisations, national training institutes, private organisations etc. These programmes have received excellent gradings.



PROJECT APPRAISAL CONSULTANTS

B0/2, Welcomgroup C.G.H.S. Ltd, Plot 6, Sector 3, Dwarka, New Delhi -110078

P: 011-45669365, +919868216710, +919818009365, www.project-appraisal.com, www.projectappraisal.in