

Course name: INDUSTRIAL, INFRASTRUCTURE & SUSTAINABLE PROJECT PREPARATION & APPRAISAL

Proposed dates: February 17, 2020 – March 27, 2020

Duration: 6 weeks

Rationale:

Economic development depends upon investment. New investment is a necessary condition for economic growth; in fact, investment is needed just to maintain the current level of economic activity as the productive capacity of the economy is diminished by technological depreciation over time.

Enhancing the value of produced goods and services that comprise a country's economy depends upon mobilization of capital. The private sector is generally the source of investment ideas, but government agencies responsible for development also have a role to play by informing project sponsors of national priorities and by stimulating investment through policies and incentives.

In countries where investment resources are scarce, there is a particular need to take care in their allocation. Project study and planning is the key to efficient utilization of these resources. Even in the industrialized countries many projects fail to meet expectations because they are poorly planned. A well-executed plan is a road map to successful investment.

Objective:

This programme has been designed for **six weeks** to improve and update the knowledge of officials in the areas of project preparation & appraisal techniques, decision-making process in the sector of industrial, infrastructure & sustainable opportunities that would lead to improved viability, returns and effective investment decisions.

Target Group:

Officials from any of the following organizations can participate:

- Industry & Economic Ministry
- Investment Promotional Agencies
- Chambers of Commerce & Industry
- Development Bodies participating in Industrial Development
- Development Financial Institutions
- Commercial Banks
- Consultancy Organisations Executing Projects
- Business and Management Development Organisations
- Industries, Business and Educational Establishments
- Institutions and organizations involved in framing infrastructure policies & implementing the same
- Academicians teaching Business Plan & DPR
- Agencies working for sustainability

Course Content

Module 1 - Project Development Cycle

The development of an industrial investment project from the stage of the initial idea until the plant is in operation. The cycle comprising three distinct phases, the pre-investment, the investment and the operational phases.

Module 2 - Framework to identify Industrial, Infrastructure & Sustainable Opportunities:

To find promising area and to screen according to the criteria, classify for further study

or later consideration. It requires first to develop selection criteria, and then scan sources of ideas and lists. Further, to profile the readily available data and then screen ideas v/s criteria for acceptability or rejection. The proposed programme will provide concrete examples of Indian success stories viz. 8 Maharatnas and 16 Navratnas in India. It will showcase our strength in government and private sectors like Reliance, Tata's, Birla's and Adani's contribution to infrastructural and industrial growth.

Module 3 -Project Analysis including Market Analysis, Technical Analysis & Financial Analysis:

Market analysis identifies the potential consumers and their needs, how these needs can be satisfied by the product. It will enable the learner to estimate the market share accessible to the project and demand forecasting and the sales revenues for consideration in financial analysis.

Technical Analysis: Designs the process, defines the engineering, technology, equipment, location and other technical parameters: estimates capital and operating cost, which are needed for financial analysis. Efforts will be made to provide some industry connect so as to open avenues for mutually beneficial commercial or policy level engagement.

India's most successful PPP models will be discussed for e.g. Ayushman Bharat Yojana, Arogya Raksha Scheme in Andhra Pradesh, Yeshasvini Health scheme in Karnataka, Contracting in Sawai Man Singh Hospital, Jaipur, Rajiv Gandhi Super-specialty Hospital, Raichur, Karnataka and IL&FS Education with RCM Reddy.

Govt's new PPP strategy which is seen boosting infrastructure creation will also be discussed.

Financial Analysis: Provides a prediction of financial benefits and costs. It is linked to market analysis that provides an idea of revenues to be generated by the project and to technical analysis that permits estimation of project costs.

Module 4 - Environmental Analysis:

An Environmental Analysis (EA) identifies problems, conflicts, or resource constraints that may affect the natural environment or the viability of a project. After predicting potential issues, the EA identifies measures to minimize problems and outlines ways to improve the project's feasibility.

Module 5 - Risk Analysis

Project Risk Analysis and Management is a process designed to remove or reduce the risks which threaten the achievement of project objectives. Risk categories are: Internal, External, Technical and Unforeseeable. It involves identification of various tools and techniques.

Module 6 - Infrastructure Development & Financing

There are some common characteristics of infrastructure assets that differentiate them from other assets such as Capital intensity and longevity; Economies of scale and externalities, Heterogeneity, complexity and presence of a large number of parties and Opaqueness. Improving the understanding about opportunities and challenges of financing instruments alternative to traditional debt, in different economic and regulatory environments, and in light of ongoing financial reforms.

The course will cover various aspects and different sectors, like power, road, agriculture, banking and trade. It will also entail visits to Gift City, ATIRA, Sardar Sarovar, and Statue of Unity.

Module 7 - Evaluating the rewards & risks for sustainable opportunities

Business sustainability is a necessary component of the business planning and

management cycles throughout any organization, and an integral part of any risk management process. Business sustainability seeks to help the organization develop a balanced and integrated approach to meeting its economic, environmental, and social responsibilities to its stakeholders.

Module 8 - National Cost-Benefit Analysis

Cost benefit analysis (CBA), sometimes called benefit cost analysis (BCA), is a systematic approach to estimating the strengths and weaknesses of alternatives (for example in transactions, activities, functional business requirements); it is used to determine options that provide the best approach to achieve benefits while preserving savings. The CBA is also defined as a systematic process for calculating and comparing benefits and costs of a decision, policy (with particular regard to government policy) or (in general) project.

Module 9 - Financing Sustainable Opportunities

Given the right applications and structures, the benefits of project finance can more than offset the higher transaction costs, increased time commitments, and higher debt rates typically associated with project financings. This briefing seeks to identify the areas of potential risk associated with project finance, and the ways in which these may materialise in the short and medium term for financial institutions.

Module 10 - Role of Business Management Organization as catalyst for promoting sustainable opportunities

Corporate Sustainability means internalizing environmental and social responsibilities into a reinvented core business strategy in a phased manner that enables the corporation to deliver lasting benefits to current and future generations of shareholders, employees and other stakeholders.

Module 11 - Entrepreneurial & Management Assessment

From Idea to Execution - Entrepreneurs often begin with an idea. The challenge lies in translating this idea into a profitable product or service. Realistic Goal Setting, Task Management, Risk Assessment and Management Knowledge of Different Project Management Methodologies.

Module 12 - Exercise & Group Presentation

Cases & Practices – Use of spread sheet for Financial Analysis – Use of Microsoft Project for Implementation

Industrial/Institutional Visits & Interactions

Expected Outcome:

- a) Understanding the process of business idea generation; project formulation, screening for pre-feasibility studies.
- b) Identifying data requirements and analyzing their suitability for preparation of feasibility studies.
- c) Understanding the stages of feasibility report preparation, and practically applying various techniques used and integrating the data gathered into a full-fledged business plan.
- d) Understanding the process of assessing a promoter on entrepreneurial competencies.
- e) Understanding the importance of environmental impact study and economic analysis on industrial projects, a major concern the world over.
- f) Understanding of computer supported comprehensive appraisal, viability and sensitivity analysis through spread sheet.
- g) Taking rational investment decisions.