



TRAINING PROGRAM ON

**FEASIBILITY STUDIES
PREPARATION AND
EVALUATION**

— ORGANIZED BY —

**INSTITUTE OF NILE BASIN
COUNTRIES STRATEGIC
STUDIES AND RESEARCH
FAYOUM UNIVERSITY
FAYOUM - EGYPT**



GOALS

- Providing participants with the needed knowledge and skills relevant to feasibility studies.
- Analyzing financial and non-financial projects' feasibility.
- Allowing participants to know about the concept, importance, and the components of the feasibility study and how to prepare it.
- Linking the subject's descriptive side to the applicative one so as to present some feasibility studies for projects to which simple preliminary feasibility studies have been done.
- Assisting trainees to set up a general structure for feasibility studies of proposed projects.

CONTENTS

- The concept of investment, investment project, the process of project evaluation, comparison, and steps of investment decision making.
- Types, qualities, phases and components of feasibility studies .
- Financial feasibility studies, project profitability, and sides of non-financial feasibility (technical, environmental, legal, market and social) .
- Study cases, practical exercises, and using computers in estimating some economic feasibility studies.
- Writing down the final report for the feasibility study and making the investment decision.

WORKSHOP DURATION

- **MODULE 1:** Preparation of feasibility study 5 days.
- **MODULE 2:** Evaluation of feasibility study 5 days.
- Six direct contact training hours per day for each module.
- Participants have to abide by the program's time-table; in case of non-punctuality, the participant's institution will be informed.
- It is a full-time program.



ELIGIBILITY TERMS

- A university degree in economics or development economics or a university certificate in other social sciences fields that include syllabus of economics.
- Participants should be working in departments of (planning, economic studies and researches).
- Participants should be on executive level (levels of operations and assisting supervision).
- Participants should be on high supervision level (future leaders) – mid-supervision level.
- Participants' field of work should be related to the program they apply for.

PRE & POST TRAINING KSA ASSESSMENT

A pre-workshop assessment shall be utilized to assess the level of the attendees and the same assessment will be used at the end of the course to perform an post-course assessment.

WORKSHOP METHODOLOGY

The course will be delivered in a face-to-face, class room format using power point presentation. Short quizzes shall be used to assess the understanding of individual lessons. Interactive discussions and case studies (group format) shall be used to allow attendees practice on the subject and reinforce the theory through hands-on experience throughout the course.

VENUE

The Institute for Nile Basin Countries Strategic Studies and Researches , Fayoum University , Fayoum , Egypt.



WORKSHOP INSTRUCTORS

The instructors are a group of experts from different disciplines from Egypt .

WORKSHOP OUTLINE

1. DEFINING A FEASIBILITY STUDY:

Understand basic information about the nature and purpose of a feasibility study, and why you should prepare a feasibility study.

2. MARKET FEASIBILITY STUDY:

Understand how to prepare the market components of feasibility studies, including a description of the industry, current market, anticipated future market potential, competition, sales projections, potential customers and clients, and other revenue generating resources.

3. TECHNICAL FEASIBILITY STUDY:

Understand the technical and logistical aspects of how your project will produce, store, and deliver its products or services. A technical feasibility includes the details of how you will deliver a product or service.

4. FINANCIAL FEASIBILITY STUDY:

Learn how to prepare the financial component of feasibility studies. Estimate start-up capital, identify and list sources of capital, and estimate potential returns on investments.

5. ORGANIZATIONAL STRUCTURE:

Understand the details of your project's organizational structure to help make your feasibility study more attractive to potential investment. An Organizational Feasibility study defines the legal and corporate structure, and offers pertinent background information about institutions involved in the project.

6. FEASIBILITY STUDY CONCLUSIONS:

This is an important part of the Feasibility Study writing process because you need to draw conclusions that you want the decision-making to see. It is critical that your data and other information support your conclusions.

7. PRESENTING A COMPLETED FEASIBILITY STUDY:

This last, but important lesson, offers guidelines on how to assemble your entire Feasibility Study together in a professional-looking package.

8. FEASIBILITY STUDY CASE STUDIES:

The entire Workshop will be thought through example feasibility study.



ASSESSMENT

All assessments will be conducted in the workplace. Assessment tasks consist of e.g: quizzes, practical discussions, case studies, role plays, on-site exercises, hands-on.

CERTIFICATES

Certificates will be awarded to the learners who completed and pass in the assessments and who completed at least 80% of the attendance report.

TRAINING MATERIAL

This training material covers the feasibility study of new investment projects. The material illustrates the different types of feasibility studies with an emphasis on the economic appraisal of any new investment project. The material is divided into three main units, proceeding from the basic to the advanced. Each unit is designed to include some training goals to be achieved by the end of the unit. In addition, each unit contains some real life examples. The material ends with a guideline for project analysis.

KEY POINTS ABOUT THE WORKSHOP

By attending this workshop, you will gain insights into technique of project investment analysis, tools & techniques for analyzing project risks and practical case studies on how to evaluate investment projects effectively. This training workshop provides you with the opportunities to:

- **ANALYZE** the opportunities and optimizations of project investment
- **IDENTIFY** practical techniques to effective project investment and feasibility studies
- **HEAR** the financial drivers of your project.
- **EXPLORE** project appraisal techniques and how to use them to effectively select the right projects
- **LEARN** how to effectively minimize and manage risk in project investment
- **UNDERSTAND** the complexity of the Decision to invest
- **UNDERSTAND** the scale of the investment decision
- **KNOW** the certainty of the estimates and risks
- **DEVELOP** the information required for a Business Plan



TRAINING UNITS

UNIT 1: PROJECT CYCLE

- Identification (Conception)
- Formulation and Design (Preparation)
- Appraisal
- Implementation
- Operation
- Ex-post Evaluation

UNIT 2: BASIC CONCEPTS OF A FEASIBILITY STUDY

- Project, plan, programs, policies and strategies
- Economic life of a project and an asset employed in the project.
- Feasibility study for new projects and existing projects
- Incremental net benefit
- Project phasing
- Investment and operation stages

UNIT 3: IDENTIFYING PROJECT COSTS AND BENEFITS

- Investment and Operation Periods
- Direct Transfer Payments
- Costs of Projects
- Tangible Benefits of Projects
- Secondary Costs and Benefits
- Intangible Costs and Benefits

UNIT 4: PRICING PROJECT COSTS AND BENEFITS

- Finding Market Prices
- Predicting Future Prices
- Prices for Internationally Traded Commodities
- Financial Export and Import Parity Prices

UNIT 5: MEASURES OF PROJECT WORTH

- Undiscounted Measures
- Pay-back Period
- Discounted Measures
- Net Present Value (NPV)
- Benefit Cost Ratio (B/C)
- Internal Rate of Return (IRR)
- Pros and Cons of Each Measure



TRAINING UNITS

UNIT 6: SOURCES OF FINANCE AND LOAN REPAYMENT

- Self and External Finance (Equity and Loans)
- Terms of Loan
- Loan Repayment

UNIT 7: FINANCIAL ANALYSIS

- Capital Investment Cost
- Income Statement (Profit and Loss)
- Cash-Flow Statement (Sources and Funds)
- Balance Sheet

UNIT 8: ECONOMIC ANALYSIS

- Determining the Premium on Foreign Exchange
- Adjusting Financial Prices to Economic Values
- direct transfer payments
- price distortions in traded & non-traded items
- Economic Export and Import Parity Values
- Tradable but Non-traded Items
- Valuing Intangible Costs and Benefits

UNIT 9: RISK AND SENSITIVITY ANALYSIS

- Qualitative risk analysis
- Probabilistic risk analysis
- Risk prevention and mitigation
- Sensitivity analysis



EFFECTIVE PLANNING AND SERVICES PROJECT (EPSP)

TRAINING WORKSHOP ON "FEASIBILITY STUDY - PREPARATION"

	1 ST DAY	2 ND DAY	3 RD DAY	4 TH DAY	5 TH DAY
1ST SESSION 09:00 – 11:00	<ul style="list-style-type: none"> Overview of the Workshop The need for a feasibility study Basic concepts <ul style="list-style-type: none"> Project, plan. programs, policies and strategies 	<ul style="list-style-type: none"> Basic concepts (cont'd) <ul style="list-style-type: none"> Project phasing Feasibility study for new projects Feasibility study for existing projects 	<ul style="list-style-type: none"> Identifying project costs and benefits <ul style="list-style-type: none"> Objectives, costs, and benefits Cost of a project Tangible benefits 	<ul style="list-style-type: none"> Pricing Project Costs and Benefits <ul style="list-style-type: none"> Prices reflect value Finding market prices Predicting future prices Changes in relative prices 	<ul style="list-style-type: none"> Developing the feasibility report <ul style="list-style-type: none"> Feasibility Study Report
11:00-11:30	++++++ COFFEEBREAK ++++++				
2ND SESSION 11:30 – 14:30	<ul style="list-style-type: none"> Basic concepts (cont'd) <ul style="list-style-type: none"> Project life cycle Identification (Conception) Formulation (Preparation) Appraisal (technical, institutional, economic, and financial) 	<ul style="list-style-type: none"> Basic concepts (cont'd) <ul style="list-style-type: none"> With and without project and incremental net benefit Why using constant prices 	<ul style="list-style-type: none"> Identifying project costs and benefits (cont'd) <ul style="list-style-type: none"> Direct costs Ongoing costs 	<ul style="list-style-type: none"> Pricing Project Costs and Benefits (cont'd) <ul style="list-style-type: none"> Inflation Prices for internationally traded commodities Financial Export and Import Parity Prices 	<ul style="list-style-type: none"> Market Feasibility Technical Feasibility Financial Feasibility
14:30-15:00	++++++ COFFEEBREAK ++++++				
3RD SESSION 15:00-17:00	<ul style="list-style-type: none"> Basic concepts (cont'd) <ul style="list-style-type: none"> Project life cycle (cont'd) Implementation Operation Ex-post evaluation Determinants of project economic life Assets' economic life 	<ul style="list-style-type: none"> Basic concepts (cont'd) <ul style="list-style-type: none"> Time value of money (compounding and discounting) Exercises on time value of money 	<ul style="list-style-type: none"> Identifying project costs and benefits (cont'd) <ul style="list-style-type: none"> Secondary costs and benefits Intangible costs and benefits 	<ul style="list-style-type: none"> Measuring Benefits <ul style="list-style-type: none"> Benefit mapping Stakeholder engagement Examples to measuring benefits specially for service sectors 	<ul style="list-style-type: none"> Wrap-up Workshop evaluation Closing ceremony

N.B: The iteration of this training module is 6 times. Participants of this module are staff from MPMAR and selected employees of related sectors. The topics of the first two days are the same in the 6 iterations. Only the topics of the following three days are sectoral-specific (production sectors and service sectors), i.e. identifying project costs and benefits would differ according to the project type.



EFFECTIVE PLANNING AND SERVICES PROJECT (EPSP)

TRAINING WORKSHOP ON "FEASIBILITY STUDY - EVALUATION"

	1 ST DAY	2 ND DAY	3 RD DAY	4 TH DAY	5 TH DAY
1ST SESSION 09:00 – 11:00	<ul style="list-style-type: none"> Overview of the workshop Measures of project worth <ul style="list-style-type: none"> Undiscounted measures (Pay-back period) Discounted measures Net Present Value Benefit Cost Ratio Internal Rate of Return 	<ul style="list-style-type: none"> Sources of finance and loan repayment <ul style="list-style-type: none"> Self and external finance (equity and loans) Terms of Loan (grace period and repayment period) Exercises on loan repayment 	<ul style="list-style-type: none"> Determining economic values <ul style="list-style-type: none"> Determining the premium on foreign exchange Adjusting financial prices to economic values 	<ul style="list-style-type: none"> Case study <ul style="list-style-type: none"> Project Rationale Project Location Project Objectives Project Description Project Capacity Project Investment Cost 	<ul style="list-style-type: none"> PRESENTING THE RESULTS OF BENEFIT-COST ANALYSIS
11:00-11:30	+++++ COFFEEBREAK +++++				
2ND SESSION 11:30 – 14:30	<ul style="list-style-type: none"> Discounted measures (cont'd) Net Present Value (NPV) Benefit Cost Ratio (B/C) Internal Rate of Return (IRR) Exercises on measures of project worth 	<ul style="list-style-type: none"> Basic financial statements <ul style="list-style-type: none"> Capital investment cost Fixed assets Pre-operational Cost Working capital Exercises on capital investment cost 	<ul style="list-style-type: none"> Determining economic values <ul style="list-style-type: none"> Tradable and non-tradable goods Import and export parity prices Exercises on economic analysis 	<ul style="list-style-type: none"> Case study (cont'd) <ul style="list-style-type: none"> Financing Plan Annual Operating Cost Annual Revenue 	<ul style="list-style-type: none"> PRESENTING THE RESULTS OF BENEFIT-COST ANALYSIS
14:30-15:00	+++++ COFFEEBREAK +++++				
3RD SESSION 15:00-17:00	<ul style="list-style-type: none"> Discounted measures (cont'd) Exercises on measures of project worth Quantity and sales breakeven points Exercises on breakeven points 	<ul style="list-style-type: none"> Basic financial statements (cont'd) <ul style="list-style-type: none"> Capital Investment Cost Income statement Cash-flow statement Balance sheet Exercises on basic financial statements 	<ul style="list-style-type: none"> Risk and sensitivity analysis <ul style="list-style-type: none"> Identifying and assessing the risks of the preferred option Exercises on sensitivity analysis 	<ul style="list-style-type: none"> Case study (cont'd) <ul style="list-style-type: none"> Financial Statements Project Indicators Sensitivity Analysis 	<ul style="list-style-type: none"> WRAP-UP WORKSHOP EVALUATION CLOSING CEREMONY

N.B: The iteration of this training module is 3 times. Participants of this module are only staff from MPMAR. As they attended the first training module which include two days on the basic aspects of feasibility studies, they move direct to the Appraisal topics (cost – benefit analysis). The analysis is applicable never the less of the project type (production sectors and service sectors).