

Project Financing Costs and Barriers

Introduction

When any organisation is looking to undertake additional investment and to expand its operation, or undertake a substantial change in the way that it operates, for example, through management buyout, the issue of project financing will come to the forefront. In this research paper, the overall issue of project financing will be looked at with reference to how syndicated loans operate, in the USA. This proposal will look at the aims and objectives of the research as well as considering the various research methodologies that may be available, before going on to draw conclusions and state the next steps.

Aims and Objectives

The aim of this research is to look at the costs and barriers that are associated with project financing, in the USA. In order to achieve this, it has been deemed appropriate to look specifically at the way in which syndicated loans operate. Syndicated bank loans are seen as an increasingly important method of obtaining project finance, across a wide range of jurisdictions. Therefore, by looking at the processes associated with syndicated loans, in the USA, and comparing them with another jurisdiction such as the UK, a greater understanding of project financing can be obtained. This will also enable the research to look at the costs and risks associated with this type of project financing and identify any ways in which this could be mitigated, either through the use of alternative methods of project financing, or putting in place measures associated with the syndicated loan.

The objectives identified as being relevant when undertaking this research include the need to gain an understanding of the legal structures and costs that may be associated with project financing will be ascertained. This will also aim to act as reference for any organisation looking to obtain project finance, in the future.

Methodology

This research will be undertaken entirely through the use of secondary research and will involve looking at academic analyses, as well as legal instruments that dictate how syndicated loans operate. Where appropriate, case studies will be considered, as well as the practical application of rules associated with syndicated loans as the practical application is equally important to determining what the true costs are likely to be. Consideration will be given to any bias that may be displayed in the secondary research; also, it will be noted that

financing issues vary, dramatically, from year to year; therefore, the older research is less likely to be valuable than more recent research.

Conclusions

In summary, the aim of this research is to look at project financing, in the USA, with specific reference to syndicated loans, in order to determine the legal and financial costs associated with obtaining this type of project finance. The initial steps of this research are, therefore, to look at the processes associated with syndicated loans and to identify the various steps that must be undertaken, in order to achieve the necessary level of security, when undertaking this type of financing method.

References

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