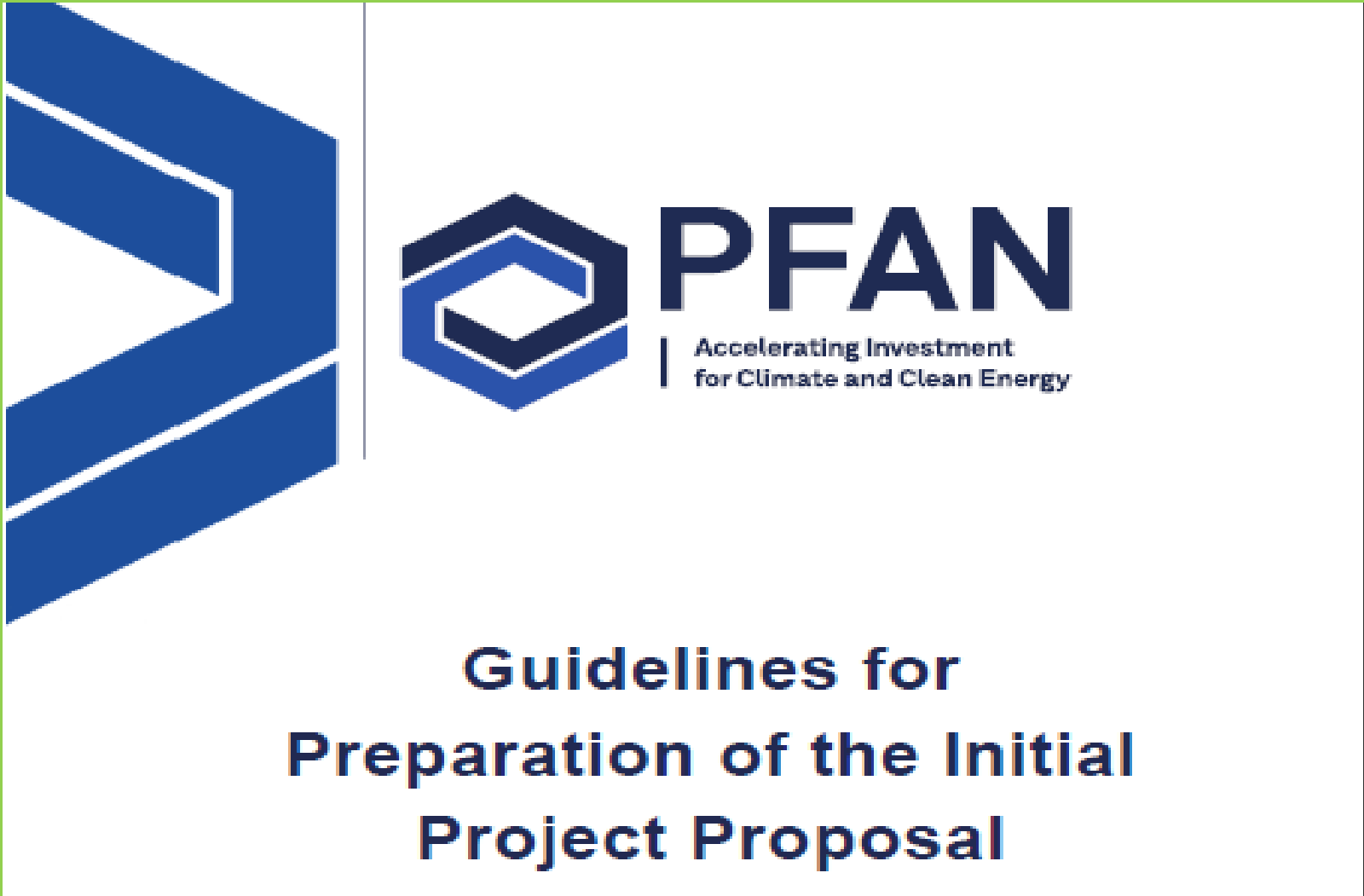


# The Private Financing Advisory Network (PFAN)



## **Guidelines for Preparation of the Initial Project Proposal**



**PFAN**

Accelerating Investment  
for Climate and Clean Energy

## **Call for Proposal**

### **Project Development and Financing Initiative for Climate & Clean Energy in Asia**

**Applications must be received by  
19th July 2017 – 6 p.m. CEST  
(Central European Summer Time)**

# Application Guidelines

## Eligibility

Any person or company actively operating their project in Asia.

## Focus of Call for Proposal

The project / business must promote or use clean energy and climate technologies, products or services, including, but not limited to:

### Clean Energy Proposals

Biomass /Rural Electrification & Energy Access /Biogas /Distributed & Off-grid Generation /Bio-fuels /Energy Storage & Conservation /Solar /Energy Efficiency and Demand Reduction / Wind / Waste to Energy /Hydropower Emissions Reduction  
Tidal / Ocean/ Clean Transport /Energy Products from Forestry

# Investment Amount

In principle, applicant should be seeking total investment in excess of US\$1 million, and up to US\$50 million.

**Proposals eligible for the initiative, may include, but are not limited to:**

- Greenfield & brown field utility projects, independent power producer and distributed generation projects (for both thermal and electrical energy);
- Existing projects which are operating at low or pilot scale and which are ready for scale-up;
- Projects which increase access to energy for remote communities including rural electrification, off-grid and mini-grid projects, thermal energy and clean cooking solutions;
- New or expanding business ventures in clean energy and related technologies, including downstream projects (focused on deployment of existing technologies) and upstream projects (focused on development and commercialization of a new clean technology);
- Merger, acquisition or joint venture, which will add value to an existing / current clean energy / technology business.

# FORMAT, STRUCTURE & CONTENT OF THE PROPOSAL

Project Developers can choose their own format and structure of the Project Proposal to best suit the requirements of their project

Developers are advised to be factual and realistic provide quantifications and supporting data, using diagrams, charts and graphics where appropriate.

# **PROJECT PROPOSAL LENGTH/DATA VOLUMES AND ORGANISATION OF INFORMATION**

not exceed **20** pages including the cover page

A maximum of **3** annexes may be used to provide  
**additional information**

The total data volume of the files submitted to PFAN  
should not exceed **20 MB**.

# ACCEPTABLE FILE FORMATS

- ✓ The Proposal Document and any other text based documents should be provided in MS WORD;
- ✓ Cash flow & financial models should be provided in MS EXCEL format.
- ✓ **Do not convert excel files to PDF or copy large excel sheet extracts to Word;**

# Proposal format

**1 EXECUTIVE SUMMARY (1/2 – 1 PAGE)** Briefly summarise the principal outcomes of the project:

Commercial & Financial Returns (IRR / RoC / EBITDA / Payback Period etc.)

Other Economic Benefits (GHG Reductions / CER values etc.)

Social & Developmental Benefits

**2 VALUE PROPOSITION AND BUSINESS MODEL (2-3 PAGES)**

**3 MANAGEMENT & MANPOWER STRUCTURE (1/2 – 1 PAGE)**

Organizational Structure / Management Roles and Responsibilities /

Management Expertise and Credentials /Manpower Distribution /Partnerships

**4 TECHNOLOGY (1-2 PAGES)**

Technology choice /Technology supplier /Commercial Impact of Technology Choice

**5 MARKET ANALYSIS (1-2 PAGES)**

Policy & Regulation /Market Sizing /Social environment /

Competition Analysis /Competitive Advantage Analysis

**6 PROPOSED INVESTMENT / FINANCING STRUCTURE (1-2 PAGES)**



# 6 PROPOSED INVESTMENT / FINANCING STRUCTURE (1-2 PAGES)

- ✓ Total investment cost of the whole project
- ✓ The investment amount being sought from the investor
- ✓ Whether the investment is targeted as equity or debt (
- ✓ What amount the Developer will invest from his own funds
- ✓ Other sources of financing
- ✓ Projected returns for equity holders (as appropriate);
- ✓ Projected rates of interest and anticipated repayment schedules for debt holders;
- ✓ Anticipated period of investment and payback periods;
- ✓ Estimated project execution timelines and estimated costs during construction period including rolled-up interest costs.
- ✓ The Investment / Borrowing Vehicle: what is the legal entity (private limited company / public company etc.)?

# **A. EQUITY ASK**

## **A. EQUITY ASK**

**Investment Vehicle**

**Investment (Ask) Amount**

**Valuation:**

**Financing Leverage**

**Use of Funds**

**Returns:**

**Investment Conditions & Expectations**

**Exit Strategies**

**Investor**

# B. DEBT ASK

**Borrower:**

**Borrowing (Ask) Amount:** what is the amount of debt requested?

**Financing Leverage:**

be raised? From which investors? Are the equity providers already committed? If yes, what are the terms of their investment?

**Use of Funds:** table / schedule is recommended.

**Terms & Conditions:** what is the requested / proposed rate of interest and period of borrowing? What are the proposed repayment terms? What security / collateral is being offered? Debt cash flows should also be provided in the financial model to reflect the investment flows from the investor's perspective. These may calculate and show appropriate indicators such as EBITDA, interest cover ratios, loan life cover ratios etc.

**Financing Institution:** what sort of lending institution is being targeted and why? DFI, development bank, commercial bank, other. PFAN covers a wide range of debt providing institutions including all of the above

# 7 FINANCIAL ANALYSIS (1-2 PAGES + ANNEXES)

A brief description

A summary of key assumptions

## **CAPEX Assumptions;**

- ✓ Operating Expense Assumptions;
- ✓ Revenue Assumptions;
- ✓ Operating Volume Assumptions;
- ✓ Financing Assumptions (cost of capital, interest rate etc.)

**For Equity investments**

**For Debt investments**

**Project / Business Cash Flows & Returns:**

**Debt Cash Flows (If appropriate**

**Equity Cash Flows (If appropriate**

# **PFAN Checklist for Preparation of Project Proposals & Business Plans**

- 1. GENERAL: DESCRIPTION OF PROJECT/  
INVESTMENT**
- 2. PROJECT STRUCTURE**
- 3. SCOPE & STRUCTURE OF INVESTMENT**
- 4. PROJECT & COMMERCIAL RATIONALE**
- 5. TECHNOLOGY**
- 6. ENABLING ENVIRONMENT**
- 7. MANAGEMENT & ORGANISATION**
- 8. PROJECT STATUS & IMPLEMENTATION TIMELINE**
- 9. FINANCING / FINANCIAL CONSIDERATIONS**
- 10. PROJECT IMPACTS**
- 11. RISKS / STRESS TESTING & SCENARIO ANALYSIS**
- 12. OTHER CONSIDERATIONS**

# Evaluation Criteria for Project Submission

No.	Assessment Criteria	Weighting
1	Value Proposition & Business Model	15%
2	Market Understanding and Analysis	15%
3	Management Team	20%
4	Operations & Implementation Plan	10%
5	Financials	10%
6	Risk Mitigation	10%
7	Environmental & Social Benefits	10%

Thank you