

# West Africa Forum for Clean Energy Financing (WAFCEF) Business Plan Competition



## CALL FOR BUSINESS PROPOSALS

Applications must be received by April 30, 2013

### Sponsors and Organizers:

**Event Sponsors:** USAID Regional Clean Energy Investment Initiative (RCEII), Climate Technology Initiative Private Financing Advisory Network (CTI PFAN), ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE)



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**Co-Organizers / Event Partners:** African Development Bank (AfDB) through its Sustainable Energy Fund for Africa (SEFA), Banque Ouest Africaine de Développement (BOAD), and African Biofuels and Renewable Energy Company (ABREC), affiliated with ECOWAS Bank for Investment and Development (EBID)



**SUSTAINABLE  
ENERGY  
FUND  
FOR  
AFRICA**



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## Section 1 Introduction

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The ECOWAS Regional Centre for Renewable Energy and Energy Efficiency (ECREEE), the Climate Technology Initiative – Private Financing Advisory Network (CTI PFAN) and the Regional Clean Energy Investment Initiative (RCEII) of the U.S. Agency for International Development (USAID), together with their West Africa CTI PFAN partners are inviting West African entrepreneurs with promising clean energy projects (renewable energy resources and energy efficiency) to enter into a Business Plan Competition - the West Africa Forum for Clean Energy Financing (WAFCEF)<sup>1</sup>.

WAFCEF is being promoted by ECREEE, CTI PFAN, RCEII together with the African Development Bank (AfDB) through its Sustainable Energy Fund for Africa (SEFA), Banque Ouest Africaine de Développement (BOAD), and the African Biofuels and Renewable Energy Company (ABREC), which is affiliated with the ECOWAS Bank for Investment and Development (EBID).

The purpose of the Forum is to identify and nurture entrepreneurs, start-up companies and existing companies with promising clean energy projects by linking them with investors and financiers. West African businesses selected through the Business Plan Competition will receive free mentoring to help them polish their business plans, develop convincing investment pitches, and formulate a commercially, financially, socially and environmentally viable growth strategy that in turn will significantly enhance the possibility of obtaining financing.

WAFCEF will be held in Accra, Ghana over three days during the week of October 7, 2013, with final dates to be announced no later than July 1, 2013. At the Forum, five to ten (5-10) qualified projects will have the opportunity to present their Business Plans to invited investors and make a pitch for financing. As part of the competition, an Expert Panel including investors, industry specialists and business executives with a keen interest in enabling cleaner and greener projects in West Africa, will judge the Finalists' presentations and select the top three (3) projects for the West African Clean Energy Financing Awards<sup>2</sup>.

Prior to the Business Plan Competition Awards, all Investment Forum participants will be invited to attend a one-day Dialogue on Renewable Energy and Energy Efficiency which will provide an opportunity for dialogue with policymakers on policies, regulations and laws and investment in clean energy in West Africa.

## Section 2 Competition Guidelines

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### 2.1 ELIGIBILITY

Any entrepreneur or company actively operating and registered in ECOWAS countries of West Africa including: Benin, Burkina Faso, Cape Verde, Ivory Coast, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo may

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<sup>1</sup> WAFCEF is also referred to in this document as the Forum.

<sup>2</sup> The award is not a monetary award, but provides the winners with a high profile among the numerous investors who are part of CTI PFAN's global network and network in West Africa, increasing the likelihood of their access to financial support for their projects.

participate in the Business Plan Competition. Foreign persons or companies with projects in West Africa are also eligible.

### 2.1.1 Clean Energy Focus of Projects

The project / business must promote or use clean energy technologies, products or services, listed in Table 2-1.

Table 2-1: Clean Energy Technologies Eligible for Business Plan Competition	
Biomass	Energy Efficiency
Biogas	Geothermal power and thermal energy
Bio-fuels	Hydroelectric power
Clean Transport	Rural Electrification
Distributed and Off-grid Generation	Tidal / Wave / Ocean power
Energy Access	Solar power and thermal energy
Energy Storage and Conservation	Waste-to-Energy
	Wind power

### 2.1.2 Project Size in the Competition

In principle, only business proposals that require total (initial) capital in excess of US\$1 million (or any currency equivalent) but less than US\$50 million will be considered, although the WAFCEF organizers reserve the right to accept projects that do not fit within these guidelines if other features of the project are particularly exceptional.

### 2.1.3 Acceptable Proposals

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

- Greenfield and brownfield utility projects and distributed generation projects;
- New business ventures;
- Deployment of an existing clean technology;
- Commercialization of a new clean technology;
- Merger, acquisition or joint venture that will add value to an existing clean energy business;
- Other innovative proposals and business models focused on clean energy that have positive development impacts and result in greenhouse gas (GHG) emissions reductions.

Proposals must reasonably demonstrate that the project is *commercially and technically viable*.

### 2.1.4 Proprietary Information and Confidentiality

The WAFCEF organizers respect the confidentiality of all participants' business concepts and plans. Business concepts, overviews and plans will not be copied for any purposes other than use in the Business Plan Competition. The Expert Panel judges also recognize the sensitivity of the materials being presented and undertake that they are bound by the same considerations of confidentiality.

Applicants may choose to include an optional disclaimer on the cover sheet of their submissions, recognizing that it is not a legally binding agreement:

“This Business Plan is confidential and is presented solely for the purpose of evaluation in the West African Forum for Clean Energy Financing (WAFCEF) Business Plan Competition. This plan may not be reproduced or redistributed in whole or in part except for that purpose. By accepting a copy of this plan, the recipient agrees not to reproduce or disclose the contents of this plan to third parties without the prior written consent of its authors.”

Prospective participants in the WAFCEF Business Plan Competition may ask that confidentiality agreements be secured from PFAN Mentors, organizers, or members of the Expert Panel. While the organizers of the WAFCEF appreciate the concerns behind these requests, as a matter of convention and practicality, confidentiality agreements are not signed on behalf of WAFCEF.

### **Section 3 Submission of Applications and Supporting Materials**

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All submissions are to be made in electronic format. Consideration should be given to the size of individual files to ensure ease of transmission. To increase information security and authenticity, files should, where possible, be submitted in PDF format and accompanying financial models in Excel format.

**Application Package should include:**

1. The completed Application Form (as a PDF file); attached in Annex A.
2. The Project Data Sheet (as an excel sheet); a sample of the Project Data Sheet is attached in Annex B.
3. The completed Project Proposal (as a PDF file); Guidelines for Preparation of an Initial Project Proposal are attached in Annex C.

**All applications must be received by midnight (23:59 hours) GMT on April 30, 2013.**

**Applications can be submitted in English, French and Portuguese languages.**

### **Section 4 Selection Criteria & Stages**

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#### **4.1 INITIAL SELECTION: PROJECT PROPOSAL SUBMISSION**

Fifteen to twenty (15-20) projects of all the applications received will be selected for the Short-List, based on the assessment criteria presented in Table 4-1 (next page). Short-Listed projects can participate in the next round, which will include participation in Project Development and Financing Workshop to be held during the week of June 10, 2013, to design and further structure presentations of their Business Plans.

<b>Table 4-1: Selection Criteria for Short Listed Projects</b>		
<b>No.</b>	<b>Assessment Criteria</b>	<b>Weighting</b>
1.	<b>Value Proposition &amp; Business Model</b> <ul style="list-style-type: none"> <li>• clear statement of the underlying project / business rationale</li> </ul>	15%

	<ul style="list-style-type: none"> <li>• clear statement of the investment proposition</li> <li>• project's / business's commercial feasibility and profitability</li> <li>• clear business / project model</li> <li>• attractiveness of the proposition to investors</li> </ul>	
2.	<b>Market Understanding and Analysis</b> <ul style="list-style-type: none"> <li>• identification of the market segment</li> <li>• knowledge of the market size trends, barriers and prospects</li> <li>• description of the project's competitive strategy, strengths and weaknesses</li> </ul>	10%
3.	<b>Management Team</b> <ul style="list-style-type: none"> <li>• experience and track record of the project team</li> <li>• technical and management skills of the team to deliver the project</li> <li>• presence of solutions for potential management gaps</li> </ul>	10%
4.	<b>Operations &amp; Implementation Plan</b> <ul style="list-style-type: none"> <li>• construction and implementation of the value chain</li> <li>• inbound and outbound logistics</li> <li>• analysis of the activities necessary to transform the inputs / activities into the final project / product / service</li> </ul>	10%
5.	<b>Financials:</b> <ul style="list-style-type: none"> <li>• overview of capital expenditure, revenue and cost</li> <li>• explanation of assumptions</li> <li>• proposed financing structure</li> <li>• financial projections and scenario analysis</li> <li>• exit plans</li> <li>• match between the financials and the business projections</li> </ul>	15%
6.	<b>Risk Mitigation</b> <ul style="list-style-type: none"> <li>• identification of principal risks and appropriate mitigation strategies</li> </ul>	10%
7.	<b>Environmental &amp; Developmental Benefits</b> <ul style="list-style-type: none"> <li>• reduction of GHG and other environmental benefits</li> <li>• social and economic benefits (job creation, health, etc.)</li> </ul>	10%
8.	<b>Project Maturity</b> <ul style="list-style-type: none"> <li>• achievements up to date</li> <li>• implementation readiness</li> </ul>	5%
9.	<b>Growth / Replication Potential</b> <ul style="list-style-type: none"> <li>• business model scalability</li> <li>• demonstration of the potential for organic growth or replication</li> </ul>	5%
10.	<b>Technological, Product or Service Innovation</b> <ul style="list-style-type: none"> <li>• utilization of viable creative and innovative ideas</li> </ul>	5%
11.	<b>Professionalism and Presentation of the Proposal</b> <ul style="list-style-type: none"> <li>• structure and presentation of the document</li> <li>• ease of comprehension of the business idea</li> </ul>	5%
	<b>Total</b>	<b>100%</b>

At this stage the assessment will be focused more on the *potential for success* of the applicant projects. Attention will be paid to identifying proposals which are technically feasible, but have yet to develop a strong business angle.

#### 4.2 SECOND SELECTION: FIRST DRAFT OF BUSINESS PLAN

Projects selected for the Short List will attend a Project Development and Financing Workshop and will be qualified to receive free individual professional mentoring on the further development of their Business Plans.

After the Project Development and Financing Workshops, each project will be required to submit the first draft of their Business Plan. Based on the assessment criteria presented in Table 4-2, the first draft Business Plan and the PFAN Mentors' recommendations, projects will be further categorized as Semi-Finalists and Finalists. Only the selected Finalist projects

will be entitled to make presentations at the Forum to the Expert Panel that will be comprised of investors, financiers, and representatives of development institutions. The one-on-one mentoring will be designed to focus on the specific requirements of each Finalist project to prepare for the WAFCEF investor pitch. During the one-on-one mentoring period the assigned PFAN Mentors will make a recommendation as to whether each project is suitable for presentation at the Forum.

<b>Table 4-2: Selection Criteria for Finalist Projects</b>		
<b>No.</b>	<b>Assessment Criteria</b>	<b>Weighting</b>
1	Value Proposition & Business Plan	10%
2	Readiness for Implementation	10%
3	Market Analysis and Competitive Advantage	10%
4	Management Capability	15%
5	Technical & Operational Feasibility	15%
6	Economic Attractiveness	15%
7	Risk Mitigation	15%
8	Industry Expert Feedback	10%
	<b>Total</b>	<b>100%</b>

This portion of the *assessment will be focused on a critical review of the Finalists' Business Plans* considering, among other issues, whether each one of the presented Business Plans:

- Is thoroughly prepared;
- Is financially attractive;
- Has identified a strong market demand for the business;
- Shows a competitive advantage in the market;
- Demonstrates a strong, committed management team and / or a clear recognition of what additional management capabilities will need to be added;
- Has a sound investment structure, with identified exit strategies for investors; and
- Is well thought out, in terms of risks and opportunities involved.

The Semi-Finalist project teams may however continue to receive mentoring to further develop their Business Plans and be profiled at the WAFCEF.

#### **4.3 FINAL SELECTION: BUSINESS PLAN PRESENTATION AT THE FORUM**

Five to ten (5-10) Finalists will be given the opportunity to make an investor pitch presentation at the WAFCEF in front of the specially assembled Expert Panel. The assessment criteria presented in Table 4-3 will be used by the Expert Panel judges in the process of selecting the best projects and making the awards.

<b>Table 4-3: Expert Panel Selection Criteria for the WAFCEF Awards</b>		
<b>No.</b>	<b>Assessment Criteria</b>	<b>Score</b>
		<b>1-10</b>
1	Definition and knowledge of the market	
2	Definition of products or services (Value Proposition & Innovation)	
3	Credibility of revenue generation and growth strategy	

4	Credibility of management and implementation plan (marketing and operations strategies)	
5	Achievability of projected revenues and credibility of financial projections	
6	Identification of threats and opportunities, protection of competitive advantage	
7	Suitability and effectiveness of risk mitigation strategies	
8	Focus on critical elements for success of project	
9	Environmental impact & developmental benefits	
10	Definition and of investor exit strategy potential	
<b>Total</b>		

The Expert Panel members will be provided with a copy of the Finalists' business plans some days ahead of the WAFCEF for advanced review and preparation. The final decisions will however be made based largely on the presentation and its immediate impact. After each presentation there will be a round of Questions and Answers (Q&A) from the Expert Panel judges.

## Section 5 Timeline

The timeline of the competition is divided into three (3) stages as illustrated in Table 5-1.

<b>Table 5-1: Timeline for the West Africa Forum for Clean Energy Financing</b>			
<b>Stages:</b>		<b>Deliverables</b>	<b>Submission Dates*</b>
1	Proposal Submission for WAFCEF Business Plan Competition	1. Application Form 2. Project Proposal 3. Project Data Sheet	April 30, 2013
2	Mentoring and Business Plan Preparation of Short-Listed projects and Selection of Finalists	1. Draft Business Plan 2. Draft Project Data sheet 3. Draft Presentation	[August 1, 2013]
3a	West Africa Forum for Clean Energy Financing	1. Final Business Plan 2. Final Presentation	[October 9 and 11, 2013]
3b	West Africa Forum for Dialogue on Clean Energy Financing	Presentations on Policy, Regulatory and Legislative issues affecting Clean Energy sector in respective countries in West Africa.	[October 10, 2013]

\* Please note that dates in brackets are subject to change. Modifications will be communicated to applicants from whom submissions are received on April 30.

Following the WAFCEF Business Plan Competition, the organizers will invite the participants to take part in the West Africa Knowledge Sharing Forum for Dialogue on Clean Energy Financing.

### Stage 1: Project Proposal Submission

The submission of the Application Form together with the Project Proposal and Excel Project Data Sheet must be submitted by midnight 23:59 GMT, April 30, 2013 to investment-pfan@ecreee.org and westafrica@cti-pfan.net.

Application Form, template for the Project Data Sheet, and the Guidelines for the Preparation of the Project Proposal are in Annexes: A, B and C, attached to this Call for Proposals.

### Stage 2: Business Plan Preparation and Mentoring



This Stage consists of Project Development and Financing Workshops for the Short-Listed projects to be held during the week of June 10 followed by one-on-one mentoring of those projects.

Participation in the workshops will be free to all Short Listed projects.

By the end of the Project Development and Financing Workshops, the Short Listed projects' representatives are expected to have developed an initial (first draft) Business Plan that would at least detail the following items:

- Value Proposition and Business Model
- Market
- Team
- Operations/ Implementation
- Financials
- Risk Mitigation
- Exit Strategy

Guidelines for the presentation of the Business Plan will be presented at the Project Development and Financing Workshops and reinforced by the PFAN Mentors.

The final draft of the Business Plan including a two- to three-page Executive Summary as a stand-alone document (not the initial Executive Summary used as the Application) will be due one week before the WAFCEF.

Also in this Stage, the assigned PFAN Mentors will work individually with the Short-Listed projects on finalization of investor ready business plans. This mentoring support, up to four (4) working days (32 hours) in total, will be provided at no cost to five to ten (5-10) Finalists projects. This support will include an expense paid trip to the Workshop location, including accommodation and travel costs for one project representative. The selected Finalists will continue to receive mentoring up to the day of the Forum.

### **Stage 3: West Africa Forum for Clean Energy Financing (WAFCEF)**

The outline program of the Forum is as follows:

#### **Day 1 – WAFCEF Business Plan Competition Preparatory Workshop**

The first day will consist of a workshop where the Finalists will put the finishing touches on their investor pitch presentations. The workshop will be led by the PFAN Mentors and investment experts. There will be opportunity for mock presentations in preparation for the formal presentations on Day 2.

#### **Day 2 – WAFCEF Knowledge Sharing Forum**

The day before the Business Plans Competition awards, the Forum participants will be invited to participate in a dialogue on policies, regulations and legislation to foster investment in clean energy. All participants will be invited to discuss the latest trends and the needs of clean energy sector in West Africa.

#### **Day 3 –WAFCEF Business Plan Competition Forum**

The main intention of the Forum is to offer each Finalist the opportunity to make a 15-minute presentation to a number of interested investors invited to the Forum. This

presentation will be in front of investors and an Expert Panel of judges who will choose up to three winners of the West Africa Clean Energy Financing Awards.

The results of the presentation will be announced in the evening and prizes will be presented at the award reception and ceremony.

All projects at Stage 3 of the Business Plan Competition will be invited to participate in the reception event where Semi-Finalists and Finalists can continue to interact informally with investors.

## **Section 6 Mentors**

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Shortlisted Projects will be offered one-on-one mentoring (not to exceed four (4) days in total) within the scope of work as agreed between the organizers and the nominated PFAN Mentors.

Mentoring will be provided by industry experts, consultants and advisors who are members of the CTI PFAN Network (see [www.cti-pfan.net](http://www.cti-pfan.net)). The nominated CTI PFAN Mentors have extensive experience in providing such services within the clean energy markets internationally.

Mentoring input will be provided by e-mail and telephone exchange between the parties but funding is available to ensure that face to face meetings will be possible during Stages 2 and 3 of the Business Plan Competition.

## **Section 7 Expert Panel and Awards**

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### **Expert Panel**

The Expert Panel will consist of five (5) judges that are clean energy industry experts, investors and financiers familiar with the local business environment. To ensure suitability and objectivity of the judges and avoid possible conflicts of interests the Expert Panel will only be nominated and announced after selection of the Finalists for the Business Plan Competition.

### **The Awards**

The West Africa Forum for Clean Energy Financing Awards will be made by the Expert Panel to the three (3) businesses/projects that have best met the WAFCEF assessment criteria. It is anticipated that all projects participating in the Forum will continue to receive PFAN support in promoting their business plans and securing investment and be inducted into the PFAN development pipeline accordingly. In addition the three award winners will receive further intensive one-on-one coaching in progressing their business plans towards financial close, accessing investors and deal facilitation and to these ends will be showcased at other events of CTI PFAN, the Sponsors and Co-Organizers.

## **Section 8 Frequently Asked Questions**

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### ***1. How is the WAFCEF Business Plan Competition being organized?***

The West Africa Forum for Clean Energy Financing (WAFCEF) Business Plan Competition is being organized by ECREEE, RCEII and CTI PFAN, funded by USAID and West African PFAN partners, including ECREEE, BOAD, AfDB and ABREC together with EBID.

The evaluation of the business plans and other submitted documents will be supported by members of the West Africa PFAN Network and experts drawn from the industry within the region and internationally. A number of these individuals are expected to provide mentoring services for participants in the competition. RCEII will give final approval on the Finalists for each Stage based on recommendations from the PFAN Mentors and the Expert Panel.

The WAFCEF is to be held in Accra, Ghana, and will be organized in cooperation with co-sponsors.

The Expert Panel comprised of up to five judges will hear each of the presentations at the Forum, ask clarifying questions and will decide which businesses/projects should receive the awards.

## ***2. How will Mentoring support services be arranged and funded?***

The needs of each qualifying project will be reviewed with the organizers and an appropriate mentoring package agreed. The payment for these services will be made directly by the organizers to the assigned mentor.

## ***3. Who is responsible for the applicants' expenses and travel costs?***

All costs for the preparation, submission and correspondence related to application and participation in the WAFCEF will be at the respective project's own expense.

Pre-agreed third party costs for mentoring, travel and accommodation for those invited to attend the WAFCEF and when applicable the Project Development and Financing Workshops will be arranged by the organizers.

## ***4. What are the benefits of participation in the Business Plan Competition?***

- For those who qualify for Stage 2, there will be free pre-WAFCEF mentoring and post-WAFCEF coaching support. Mentoring is provided to assist in bringing Finalists' Business Plans to a stage where each one of those Business Plans is of a high quality and ready for presentation to potential investors.
- The Forum will bring together a range of investors who are active in the clean energy sector in West Africa. This will provide an opportunity for one on one contact to explore possible financing for the businesses. After the presentations, the organizers will facilitate follow-up meetings with investors, as appropriate and required.
- All project proposals submitted to the Business Plan Competition will be considered for induction into the CTI PFAN development pipeline. Such projects will be provided ongoing support and advice on the development and presentation of their business plans and will be profiled among the global CTI PFAN investor networks.

## ***5. What modes of presentation are to be used to support the Business Plan Presentations?***

Finalists may choose to use video or any other form of appropriate presentation media (within reason and logistical availability) to support Business Plan development under Stage 2. The final presentation in front of the Expert Panel of judges is however limited in time and much of their evaluation will be based on convincing them of the credibility of companies' business plans. As such Finalists should carefully consider the format and timing of their presentations and it is expected that each Finalist would only use a limited number of PowerPoint slides (and other media) to reinforce their presentation.

## **Section 9 West Africa Forum for Clean Energy Financing Organizers**

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The **Regional Clean Energy Investment Initiative (RCEII)** implemented by Nexant, Inc. is a three-year program designed to expand the coverage and activities of the Private Finance Advisory Network (PFAN) in West Africa by engaging with regional clean energy stakeholders with the objective of increasing access to financing for clean energy businesses, including renewable energy and energy efficiency. Nexant is a leading provider of technical and management consulting services worldwide. In the clean energy arena, Nexant's technology expertise are in biomass, solar, wind, clean coal, carbon dioxide capture and sequestration, geothermal, hydrogen, and natural gas. More information is available at [www.nexant.com](http://www.nexant.com).

**Climate Technology Initiative Private Financing Advisory Network (CTI PFAN)** is a multilateral, public-private partnership initiated by the CTI in cooperation with the UNFCCC Expert Group on Technology Transfer. CTI PFAN was established to bridge the gap that exists between investors and financiers on the one hand, and entrepreneurs and project developers on the other. CTI PFAN targets clean energy projects that may be suitable for private-sector finance at an early stage and then acts as a project financing coaching and consultancy service to guide such projects to bankability and financial closure. More information is available at [www.cti-pfan.net](http://www.cti-pfan.net).

**United States Agency for International Development (USAID)** promotes long-term and equitable economic growth by supporting entrepreneurship; agriculture and trade; sustainable energy initiatives; global health; democracy; conflict prevention and humanitarian assistance. USAID supports RCEII through its Bureau for Economic Growth, Education and the Environment (E3) in Washington, DC and West Africa USAID Regional Mission. More information is available at [www.usaid.gov](http://www.usaid.gov).

**ECOWAS Regional Centre for Renewable Energy and Energy Efficiency (ECREEE)** is a specialized agency of Economic Community of West African States (ECOWAS) that acts as an independent body, within the legal, administrative and financial framework of ECOWAS rules and regulations. The overall objective of ECREEE is to contribute to the sustainable economic, social and environmental development of West Africa by improving access to modern, reliable and affordable energy services, energy security and reduction of energy related GHG emissions and climate change impacts on the energy system. The specific objective of ECREEE is to create favorable framework conditions and an enabling environment for renewable energy and energy efficiency markets by supporting activities directed to mitigate existing barriers. More information is available at [www.ecreee.org](http://www.ecreee.org).

**Banque Ouest Africaine de Développement (BOAD)** (the West African Development Bank, WADB, in English). BOAD is a regional Multilateral Development Bank established in 1973 to serve the nations of Francophone and Lusophone West Africa. It is organized by

the Central Bank of West African States and its eight member governments: Benin, Burkina-Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo. BOAD's mission statement focuses on three development goals: poverty reduction, economic integration and promotion of private sector activity. The bank disburses long- and medium-term loans to BOAD member governments and public institutions, private businesses involved in development projects of regional importance, as well as lines of credit to finance micro-credit projects and small to medium private enterprises. More information is available at [www.boad.org](http://www.boad.org).

**African Development Bank (AfDB)** is a regional multilateral development bank, engaged in promoting the economic development and social progress of its regional member countries (RMCs), and contributing to poverty reduction. The Bank Group achieves its objectives by: mobilizing and allocating resources for investment in RMCs and providing policy advice and technical assistance to support development efforts. More information is available at [www.afdb.org](http://www.afdb.org).

**African Biofuels and Renewable Energy Company (ABREC)** was established in 2007 through the support of the World Bank, the ECOWAS Bank for Investment and Development (EBID), local financial institutions and other donor partners to promote the renewable energy and low carbon industry in Africa. ABREC manages the Africa Clean Energy Technical Assistance Facility and engages regularly with governments and other stakeholders to encourage renewable energy policy development and policy harmonization. More information is available at [www.faber-abref.org](http://www.faber-abref.org).

**ECOWAS Bank for Investment and Development (EBID)** is the principal financial institution of the Economic Community of West African States (ECOWAS). The overall objective of EBID is to contribute to the economic development of West Africa by financing projects and programs of ECOWAS and the New Partnership for Africa's Development (NEPAD). More information is available at [www.bidc-ebid.com](http://www.bidc-ebid.com).

I/We, hereby indicate our interest to participate in the West Africa Forum for Clean Energy Financing (WAFCEF) Business Plan Competition. In submitting this application I/we acknowledge the terms and conditions of the Business Plan Competition as outlined in the Guidelines.

Company Name:

Project Proposal Title:

Project Location:

Signed on behalf of the Project

Signature:

Name:

Date:

(Print)

## Annex B

## Project Data Sheet

Project Name		
Project Developer Name of Company / Person		
Legal Form of Project Developer		
Technology Area		
Location		
Brief Description of Project (Max 150 words)		
Development Status & Maturity	Type	
	Maturity	
	Milestones	
Installed / Design Capacity of Project / Project Outputs	Power	
	Output 1	
	Output 2	
	Contractual Arrangements	
Renewable Fuel Source / Project Inputs & Feedstock Identify & quantify the main inputs	Input 1	
	Input 2	
	Input 3	
	Contractual Arrangements	
Technology	Technology Use	
	IP	
GHG Reduction Potential	Annual GHG Reduction	
	Status of CER application	
Total Project Cost	Total Project Cost	
	Developer Contribution	
	Amount already invested	
Investment Proposal/ Details of the investment / financing you are looking for	Equity	
	Debt	
	Other	
Other Sources of Funds	Amount Committed	
	Amount already Invested	
Indicative Returns	Project IRR	
	Equity IRR	
	Payback Period	
Deal Structure and Buy-in Conditions	Buy-In	
	Revenue Sharing	
	Exit Strategy	

**Instructions to the Applicants:**

These Guidelines are provided as a guide for preparation and submission of an initial Project Proposal. The purpose of the Project Proposal is to present a high level overview of a project or business venture. The Guidelines have been designed to be as inclusive as possible. Accordingly, dependent on the type of proposal and its development status, not all aspects of the guidelines will always be relevant. Developers should attempt to provide available information to relevant areas in as much detail as possible and available at the time of submission. Applicants may choose to provide any additional information that they consider useful and not covered in this template. The template is meant as a guideline only. Applicants can choose their own format and structure of their Project Proposal document that meet the requirements listed below.

Section lengths are provided as indications only; however it would be advisable to limit the Proposal in total to 10-20 pages (including Annexes).

The emphasis of the Project Proposal should be on the presentation of a concise and credible plan that can be quickly and easily understood by readers who may not be fully familiar with the market, technology, risks and which will enable them to take an initial decision as to whether the project is bankable, meaning has investment potential, and may be suitable for further consideration, or further development work that will lead to support and advice from PFAN Network. Based on the appraisal of the Project Proposal PFAN may offer to provide support and advice to developers to further develop their project and structure the financing Project Proposal for introduction to investors and financiers. Part of this work will consist of the preparation (further development and refinement) of a bankable Business Plan and other supporting documents (see Guidelines for Business Plans).

Project Proposals should be factual and realistic. Claims where possible should be quantified and hard data using diagrams and charts needs to be provided, where appropriate.

Page setup, spacing, font size and type face are at the applicants' discretion but the document should be reader friendly.

All application files should be submitted in PDF (preferable) or WORD format and to the extent possible follow the suggested ***Project Proposal Outline***:

1. Introduction of Project;
2. Business Model;
3. Operating Timeline;
4. Proposed management, Implementation team and Organizational Structure
5. Technology description
6. Industry Analysis
7. Project Impacts
8. Proposed Investments/ Financing structure
9. Financial Analysis
10. Risks and Mitigation
11. Conclusion



Further details on the *Project Proposal* outline are provided below.

### **1. Introduction of Project (1/2 – 1 Page)**

Applicants should introduce the project with regards to the scope of the project (biomass, distributed generation, energy efficiency etc.), where it is located and who is involved. Highlight the market opportunity and the benefits of the proposed technological and business idea. Outline the amount and type of investment and financing being requested.

Briefly summarize the principal outcomes of the project:

- Commercial & Financial Returns (Internal Rate of Return (IRR) / earnings before interest, tax, depreciation and amortization (EBITDA) / Payback Period, etc.)
- Environmental Benefits (GHG Reductions / Certificate of Emissions Reduction (CER) values, etc.)
- Social & Developmental Benefits (access to power and to goods, increased employment, etc.)

### **2. Business Model (2 – 3 Pages)**

This section should represent the main bulk of the Project Proposal with the proposed business model, strategy and execution plan. It should include preliminary information on how the management wishes to develop the business. This section should also give a good indication of how developed the business plan is and at what stage of development the project currently is.

Issues within the business plan that have yet to be finalized or are yet to be developed should be highlighted. This also enables PFAN to focus on weak areas of the business plan that require further development and work. The following two subsections are optional, but provide PFAN an opportunity to better understand the business growth potential of the project:

**a. Operational Plan:** This Plan should include details with regards to operations planning, scheduling, manpower distributions and supply chain planning.

#### **b. Marketing Plan & Growth Strategy:**

- How will the project / product be positioned and marketed?
- What potential is there to replicate the project and to achieve economies of scale?
- What is the potential market? What market share is targeted?
- How will this be achieved and grown?

### **3. Operational Timeline (1/2 - 1 Page)**

The operational timeline gives an indication of the expected lifespan of the business. If the business is projected to continually expand, the expansion plans should be mentioned.

The development status of the project should also be outlined by answering the following questions:

- How mature is the project?
- What needs to be achieved before the implementation can begin?
- What approvals and licenses have been obtained and still need to be obtained?
- To what extent are these aspects within the control of the management team?

#### **4. Proposed Management, Implementation Team & Organizational Structure (1/2 - 1 Page)**

Introduce the proposed management / project team and their backgrounds and what they bring to the project. The structure of the management team should also reflect the scale and complexity of the business proposed. Introduce the main players and their respective roles in the project implementation team/ consortium: developer, investors, equipment suppliers, off-takers, customers, authorities etc.

#### **5. Technology Description (1 - 2 Pages)**

In this section, highlight technology (technologies) developed or that are being developed for the purpose of this project. This also includes technological ideas that are still in the drawing board phase, yet to be developed. The description should be easy to understand and straight forward. Developers might also want to highlight how their technology differs from other competitors. What specific benefits do the selected technologies bring to the project? The proposal should also disclose information regarding intentions to lease or purchase technologies from other suppliers. In this case how was the technology and the respective supplier chosen and why? And what will be the cost to the project of the technology? Results of technical feasibility studies should be provided summarized, if available.

#### **6. Industry Analysis (1 - 2 Pages)**

Indicate if the proposed business meets current market demand. If possible, list companies or projects with similar strategies or offerings as your proposed plan. Relevant market information: market information relevant to the project should highlight the potential for the project and the possibility of success now and in the future. Demonstrate an understanding of the economic environment in which proposed project is situated and the economic and competitive forces (threats and opportunities) that project will be exposed to and need to take into consideration.

#### **7. Project Impacts (1 Page)**

*a. Environmental Impact:* It is important to emphasize the environmental impacts (GHG reduction, air quality, energy efficiency over other processes, water quality, waste management & treatment, etc.) of this project qualitatively as well as quantitatively if possible. This section contributes heavily to the overall assessment of the project for PFAN.

*b. Social Impact (optional):* The social impact is an optional section. If included, positive externalities such as positive social impacts (technology & skills transfer, employment, health, female empowerment, education, poverty reduction, rural electrification, etc.) and other peripheral impacts can be included.

#### **8. Proposed Investment / Financing Structure (if known) (1 – 2 pages)**

Depending on project status the investment structure may be not at all clear or highly developed. Developers should however indicate their proposed / targeted financing structure (debt /equity ratio) and the total investment amount of the project. Schedules of capital expenditure and operational expenditure, and assumed timings of financing requirements, refinancing, and start of repayment ability can be useful in working towards an investment structure. Provision of a Source and Application of Funds table and schedule is recommended.

Developers should also indicate equity and financing amounts already committed by the project to third parties and what stake (% shareholding) these parties aim to retain in the project. Terms of existing investment and financing should be summarized.

### **9. Financial Analysis (1 – 2 Pages)**

The Financial Analysis is an important section. The PFAN team needs to make a judgment as to whether each project is capable of raising private sector finance. The Financial Analysis should ideally provide a good indication of the commercial feasibility of the project, payback time, investment returns and financial risk involved, based on the following parameters:

- Capital Cost of Project;
- Revenue Elements (and assumptions);
- Cost elements (and assumptions);
- Financial Projections;
- Financing Assumptions (interest cost, etc.);
- Project Operating Assumptions.

Any combination of recognized investment indicators and ratios may be used that are appropriate to the nature of the project: eg – Internal Rate of Return (IRR), Return on Capital (RoC), Return on Investment (RoI), Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA), Break Even, Payback Period, etc. If possible provide a financial model in an excel sheet format as an Annex.

### **10. Risks & Risk Mitigation (1/2 – 1 Page)**

Briefly identify the main risks that could arise to prevent or disrupt project implementation and the planned financial outcomes. Summarize the steps taken and planned to deal with and mitigate these risks. Provide an overview SWOT (Strengths – Weaknesses - Opportunities – Threats) analysis of your project.

### **11. Conclusion (1/2 Page)**

Highlight why the project is worthy of receiving support and coaching from PFAN and emphasize the potential, summarizing the potential for business success now and in the future.

**Remember! It's important to reiterate the chief strengths and benefits of the project and its competitive advantages!**