



United Nations
Economic Commission for Europe



**Financing Energy Efficiency Investments for
Climate Change Mitigation**



Business Development Course Programme

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Financing of projects ?

International Financial Institutions

Owners of good projects

There are no good projects

It is impossible to get a loan





Business Development Course Programme

- Increased financial skills among project developers, consultants, ESCO staff, project owners
- Development of projects of relevance for the Investment Fund and development of local capacities and skills that will have a larger impact on the market development

- Albania
- Belarus
- Bosnia & Herzegovina
- Bulgaria
- Croatia
- FYR Macedonia
- Kazakhstan
- Moldova
- Romania
- Serbia
- Russian Federation
- Ukraine



Business Development Course Programme



Objective

To train the participants in financial engineering and business planning skills to develop energy efficiency and renewable energy investment projects and prepare bankable pre-feasibility project proposals (first version of Business Plan)



Targeted participants

Project developers, ESCO staff, local consultants utilities, representatives of project owners and representatives from NC and NPI.

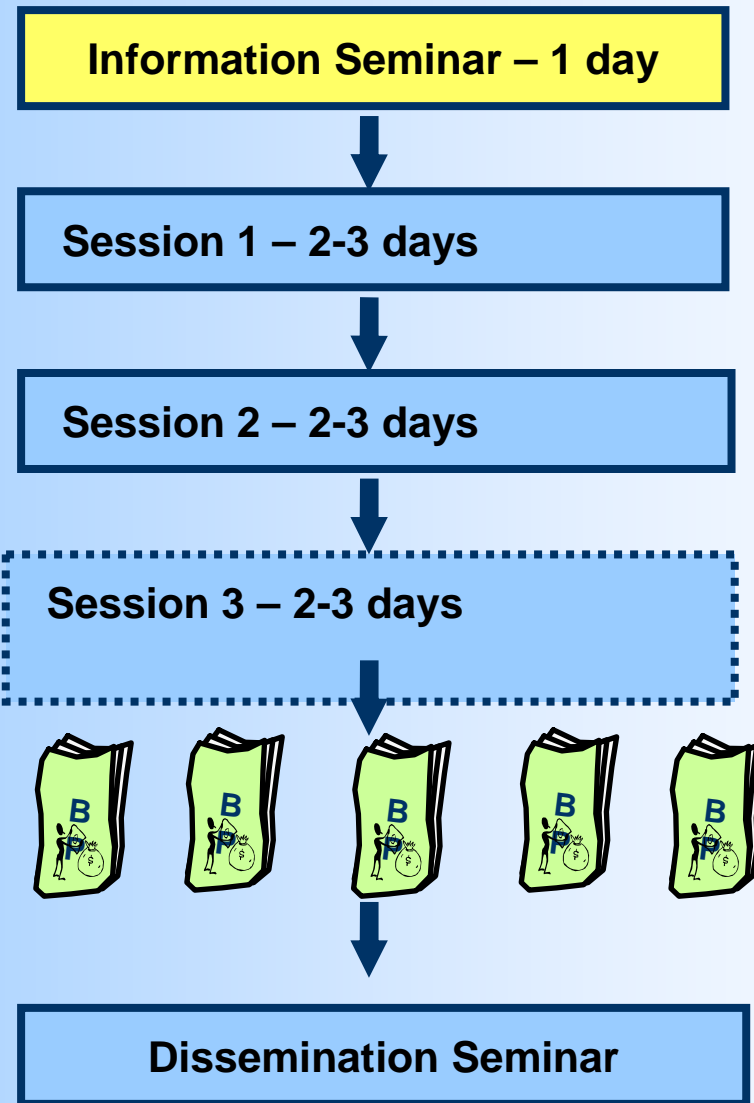


Targeted outcome

- 25 - 30 project developers, representatives of project owners and consultants trained;
- 15-20 Business Plans ready to be submitted to IFI's and banks



Structure of the Business Development Course Programme





Draft Time Schedule

Milestones	Month
Planning completed, participant requirements clarified with NC/NPI	+ 1
Participants selected	+ 2
Session 1 completed	+ 3
Session 2 completed	+ 4
Session 3 completed	+ 5
Pre-feasibility Study/Business Plan completed	+ 6



Information Seminar

Participants

- **NC and NPI**
- **Policy makers**
- **Decision makers in companies with potential investment projects**
- **Project developers**

Objectives

- **Raising awareness on economic benefits of EE and RE projects**
- **Providing information on general requirements of IFIs and banks to an investment project**
- **Providing information on the Course Programme and reception of applications**

Outcomes

- **Policy makers' support**
- **Project developers' understanding of the level of involvement and expected results**



Selection of participants – Involvement of NPI

- Participants

- ☞ Project design and technical and economic evaluations
- ☞ Sources of equity available
- ☞ Commitment to completing personal work between the sessions

- Involvement of NPI

- ☞ Knowledge of the specific context:
 - who develops projects in the country ?
 - what projects can benefit from the Fund ?



Core Programme - Project Development



Types of projects:

- EE or RE projects suitable within a pipeline of projects for instance financed by an ESCO, equipment supplier, off taker or for instance a number of small hydro power plants, solar energy installations, etc

and/or:

- Larger EE or RE projects

2 or 3 Sessions?

- Capacities and skills of the participants
- To what level have the projects already been prepared.
- With thorough preparation and selection process, and good remote expert consultations, two sessions might be enough.
- For the future “trainers”, a third sessions is recommended

Projects developed potentially financed by the Fund and/or by other sources





Project development – 1st session

- Programme introduction/ Presentation of participants
- Financial engineering and business planning
- Profitability calculations
- Project information; how to describe your project in a Business Plan
- Environmental benefits, including exercise and introduction of software/excel tool
- Measurements and verification (IPMVP)
- Financing plan (exercise and introduction of software/excel tool to calculate disbursement and repayment plan)
- Financial schemes and sources (including equity and mezzanine financing, third party financing and performance contracting, ESCO's)
- Criteria and requirements of financial institutions
- Personal work introduction



Project development – 2nd session

- **Plenary presentation of homework**
- **Market of the company described in the Business Plan**
- **Project and company cashflow, including exercise and introduction of software/excel tool**
- **Financial projections, including cashflow, sensitivity and financial analysis**
- **Risk assessment; evaluation of the main risk elements of relevance for each project**
- **Project implementation and management; how to organise project implementation and verification, roles and responsibilities, tendering procedures, time schedule**
- **Individual consultations on each project/Business Plan**
- **Personal work introduction**



Project development – 3rd session

- **Plenary presentation of homework**
- **Presentation techniques; how to present your project in a clear and understandable way – for the financial institutions/investors**
- **Financial schemes and sources (2); tailored to the meet the needs of the participants and the projects being developed**
- **Individual consultations on each project/Business Plan**
- **Personal work introduction**



Participants should be provided with supporting materials



➤ **Pre-feasibility Study/Business Plan Template**



➤ **“Business Planning Manual” (introduction/description of all the chapters of the Pre-feasibility Study/Business Plan)**



➤ **Software/excel tools for economic and financial calculations; profitability, disbursement plan, repayment plan, cashflow and for environmental calculations**

➤ **Criteria and requirements of the Investment Fund and other relevant financial institutions**



Dissemination Seminar

- Raising awareness through showing outcomes of the training sessions
 - Presentation of prepared business plans
 - Demonstrating various ways of project financing
 - Presenting the EEEE Investment Fund
- Financial institutions invited for feedback and a possible first contact with project developers

Training of Policy Makers

- Provide clear and concise information on the general requirements of the financial institutions to an investment project
- Provide information on main economic, institutional and regulatory barriers that need to be addressed in order to assist project owners in leveraging necessary investments



Capacity Building on Investment Project Development



... promoting market formation so that self-sustaining EE and RE projects are developed, financed and implemented locally.



Thank you for your attention !