**Business Plan**

**[project name]**

[date]

|  |  |  |
| --- | --- | --- |
| [picture or illustration]   |  |  | | --- | --- | | [This template is meant to be used for the first version of the Business Plan, to present your project for the financial institution. Most of the financial institutions have their own templates which should be used in your further versions] | General explanation  - to delete - | |
| [company logo and address] |

|  |  |  |
| --- | --- | --- |
| Project title | Project no. | Date |
|  |  |  |
| Client | Composed by | Sign. |
|  |  |  |
| Number of pages / Annexes | Approved by | Sign. |
|  |  |  |

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|  |  |
| --- | --- |
| [As these guidelines are not exclusive more subjects can be added if needed]  [The Annexes relevant for the Business plan depends on the project. Below are some suggestions] | General explanation  - to delete - |

**Annexes:**

1. Agreements with project partners, suppliers and buyers (for example PPA)
2. Detailed procurement plan
3. Repayment plan
4. Details of assets proposed for loan guarantee
5. Technical specifications
6. Audit report or feasibility study
7. GHG calculations
8. Environmental Impact Assessment
9. [etc.]

**Executive Summary**

|  |  |
| --- | --- |
| [The summary should outline the key information about the project. This should include the purpose and objective, an outline of the project content and where it will be implemented. Further, the key arguments for the project viability should be presented and the main risk factors and how they have been mitigated.] | General explanation  - to delete - |

[TEXT]

The main financial and economic parameters are given in table 1.1.

###### Table 1.1 Financing Plan and Profitability

|  |  |  |
| --- | --- | --- |
| Equity capital |  | EURO |
| Grant / other resources |  | EURO |
| National loan |  | EURO |
| International loan |  | EURO |
| **Total investment** |  | **EURO** |
| **Net savings / Сash earnings** |  | **EURO / year** |
| Payback |  | years |
| Net Present Value |  | EURO |
| Net Present Value Quotient |  |  |
| Internal Rate of Return |  | % |

Conditions**:** Economic lifetime = xx years

Real interest rate = x %

|  |  |
| --- | --- |
| [Include: Comments regarding the various grants/loans: what has been agreed upon, what is being applied for through this Business Plan] | General explanation  - to delete - |

[TEXT]

*Table 1.2 Annual earnings or Savings*

|  |  |
| --- | --- |
| **Earning/Savings elements** | **Earnings/Savings** |
|  | **(EURO/year)** |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
| **Annual earnings** |  |

Comments:

|  |  |  |  |
| --- | --- | --- | --- |
| * Oil | = | xxx | EURO /ton |
| * Coal | = | xxx | EURO /ton |
| * Gas | = | xxx | EURO /m3 |
| * District heating | = | 0,xx | EURO /kWh |
| * Electricity | = | 0,xx | EURO /kWh |
| * Raw material | = | xxx | EURO /”unit” |
| * Water | = | xxx | EURO /m3 |
| * Environmental fee | = | xxx | EURO /unit |
| * Carbon Financing | = | xxx | EURO /unit |
| * 1 EURO | = | xxx | “local currency” |

Th following reduction in emissions of Green House Gases is expected:

|  |  |  |
| --- | --- | --- |
| **Subproject / measure** | **Emission reduction per year** | |
| Subproject / measure 1 |  |  |
| Subproject / measure 2 |  |  |
| Subproject / measure n |  |  |
| **Total reduction** |  |  |

Costs of CO2 emission reductions: EURO/tons of CO2 equivalents.

Table 1.3 shows an extract of the project cash flow.

###### Table 1.3 Extract of Project Cash flow during the project lifetime [1 000 EURO]

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Project Cashflow** | **Year** | | | | | | | | | | |
|  | **0** | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **…** |
| Net Cash flow |  |  |  |  |  |  |  |  |  |  |  |
| Accumulated Cash flow |  |  |  |  |  |  |  |  |  |  |  |

|  |  |
| --- | --- |
| [Describe project implementation; e.g. main stakeholders in the project implementation unit; total implementation period (months); contracting procedures] | General explanation  - to delete - |

[TEXT]

# Description of partners

|  |  |  |
| --- | --- | --- |
| **Company Name** |  | |
| Legal status |  | |
| Date of foundation |  | |
| Address |  | |
| Phone / fax |  |  |
| E-mail |  | |
| **Contact person** |  | |
| Address |  | |
| Phone / fax |  |  |
| E-mail |  | |

|  |  |
| --- | --- |
| [Include additional information about the borrower: ownership/shares; organisation / management structure; number of employees; introduction to the business; product, services, market position; Company turn over; Project-specific qualifications and experiences; banking relationship]  [Income statement and Balance sheet for the last financial year should be included in annex] | General explanation  - to delete - |

[TEXT]

# Project Information

## Project background and objective

|  |  |
| --- | --- |
| [Include: Present situation/background: status of the relevant sector where the investment is envisaged; general information about the company, the project region, etc.  Describe the purpose of developing the project (supply of energy, need to update equipment, need for higher capacity, increasing fuel costs, e.g)] | General explanation  - to delete - |

[TEXT]

## Technical description

### Present situation

|  |  |
| --- | --- |
| [Description of the current equipment and system, energy need and supply, fuel consumption, previous developments] | General explanation  - to delete - |

[TEXT]

### Proposed project components

|  |  |
| --- | --- |
| [Include: Technical solutions/measures of the project (evaluated alternatives), list of main project components (renovation or installation of equipment, etc). Technological viability. Descriptions, flow sheets and illustrations] | General explanation  - to delete - |

[TEXT]

## Operation and maintenance

|  |  |
| --- | --- |
| [Include information about operation and maintenance routines once the project is implemented: Access to spare parts; Staff requirements/qualifications and recruitment, training; Monitoring plan, etc] | General explanation  - to delete - |

[TEXT]

## Fuel supply / Energy resources

|  |  |
| --- | --- |
| [Description of renewable energy resources, as a basis for production calculations, if relevant. Examples are wind potential for a wind project, delivery of biomass, river discharge, etc. If concessions or permits are needed, description of these can be included here.  Description of fuel supply and consumption for the energy efficiency resources, as a basis for calculation of energy savings] | General explanation  - to delete - |

[TEXT]

## Market for products

|  |  |
| --- | --- |
| [Include: Information about buyers of product (electricity, heat, etc); Agreements available of planned.  The market description usually depends on whether a project implemented at an existing facility with an ongoing business or an establishment of new production facility or increasing the existing production capacity] | General explanation  - to delete - |

[TEXT]

# Economical calculations

|  |  |
| --- | --- |
| [For climate projects with the plans for monetizing carbon offsets, Internal Rate of Return should be calculated with and without carbon financing. This is needed to verify financial additionality of a project.] | General explanation  - to delete - |

## Project savings and earning

The annual net savings following project implementation are presented in table 3.1

*Table 3.1 Annual net savings (amount in kWh, tons, etc.)*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Saving elements** | **Present situation** | | **After new measure** | | **Net savings** | |
|  | **amount** | **EURO/year** | **amount** | **EURO /year** | **amount** | **EURO /year** |
| Fuel (oil/coal) |  |  |  |  |  |  |
| District heating |  |  |  |  |  |  |
| Electricity |  |  |  |  |  |  |
| Raw material |  |  |  |  |  |  |
| Water |  |  |  |  |  |  |
| Environmental fee |  |  |  |  |  |  |
| Operation /maintenance |  |  |  |  |  |  |
| Carbon Financing |  |  |  |  |  |  |
| Other |  |  |  |  |  |  |
| **Total net savings** |  |  |  |  |  |  |

The costs and savings are based on the following tariffs and conditions:

|  |  |  |  |
| --- | --- | --- | --- |
| * Oil | = | xxx | EURO /ton |
| * Coal | = | xxx | EURO /ton |
| * Gas | = | xxx | EURO /m3 |
| * District heating | = | 0,xx | EURO /kWh |
| * Electricity | = | 0,xx | EURO /kWh |
| * Raw material | = | xxx | EURO /”unit” |
| * Water | = | xxx | EURO /m3 |
| * Environmental fee | = | xxx | EURO /unit |
| * Carbon Financing | = | xxx | EURO /unit |
| * 1 EURO | = | xxx | “local currency” |

|  |  |
| --- | --- |
| [A more detailed specification of the calculations may be included in an Annex] | General explanation  - to delete - |

*Table 3.2 Annual earnings (amount in kWh, tons, etc.)*

|  |  |
| --- | --- |
| **Earning elements** | **Earnings** |
|  | **(EURO/year)** |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
| **Annual earnings** |  |

|  |  |
| --- | --- |
| [Please don’t forget to include earnings from carbon financing. A more detailed specification of the calculations may be included in an Annex] | General explanation  - to delete - |

## Project Costs

The total project costs consist of the main elements presented in table 3.3.

|  |  |
| --- | --- |
| [A more detailed specification of the equipment costs may be included in an Annex] | General explanation  - to delete - |

###### Table 3.3 Project investment costs

|  |  |  |
| --- | --- | --- |
| **Activity** | **Total** | |
| Design and Planning |  | EURO |
| Project Management |  | EURO |
| Equipment |  | EURO |
| Installation |  | EURO |
| Financial costs in construction period |  | EURO |
| Other cost |  | EURO |
| Contingency |  |  |
| **Total investment** |  | EURO |

###### Table 3.4 Annual costs

|  |  |
| --- | --- |
| **Cost elements** | **Costs** |
|  | **(EURO/year)** |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
| **Annual costs** |  |

Net annual savings/earning = Annual savings/earnings – Annual costs

## Project Profitability

Using the information presented in tables 3.1 – 3.4, the project profitability is summarised in table 3.5.

###### Table 3.3 Project profitability

|  |  |  |
| --- | --- | --- |
| **Profitability parameter** |  |  |
| Total investment |  | EURO |
| Net savings / Сash earnings |  | EURO/year |
| Payback |  | years |
| Pay-off |  | years |
| Net Present Value |  | EURO |
| Net Present Value Quotient |  |  |
| Internal Rate of Return |  | % |

Conditions**:** Economic lifetime = x years

Real interest rate = x %

|  |  |
| --- | --- |
| [If possible, include a sensitivity analysis considering a realistic base scenario, an optimistic and a pessimistic scenario] | General explanation  - to delete - |

[TEXT]

# Financing projections

|  |  |
| --- | --- |
| [For climate projects with the plans for monetizing carbon offsets, Internal Rate of Return should be calculated with and without carbon financing. This is needed to verify financial additionality of a project.] | General explanation  - to delete - |

## Financing plan

The cost for each element is due to payment according to the following investment time table:

###### Table 4.1 Investment time table [1 000 EURO]

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Activity** | **I** | **II** | **III** | **IV** | **V** | **VI** | **VII** | **VIII** | **IX** | **X** | **…** | **…** | **Total.** |
| Design and Planning |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Project Management |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Equipment |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Installation |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Financial costs in construction period |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Contingency |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |  |  |  |  |  |  |  |

The identified sources of funding for this project are presented in table 4.2.

###### Table 4.2 Project financing

|  |  |  |  |
| --- | --- | --- | --- |
| **Sources of financing** | **Amount [EURO]** | **Interest rate [%]** | **Term [year]** |
| Equity capital |  |  |  |
| Grant / other sources |  |  |  |
| National loan |  |  |  |
| International loan |  |  |  |
| Carbon financing |  |  |  |
| **Total investment** |  |  |  |

|  |  |
| --- | --- |
| [Include comments regarding the various grants/loans: what has been agreed upon, what is being applied for through this Business Plan] | General explanation  - to delete - |

[TEXT]

The ***<<***xxxxx***>>*** loan will be requested in ***<<***yy***>>*** disbursements as presented in table 4.3.

###### Table 4.3 Disbursement plan

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Milestones** | **Date** | **Disbursement**  **Equity Bank** | | **Interest on**  **drawn amount** (\*) |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **Total** |  |  |  |  |

(\*) Interest = x,x % pr. year

|  |  |
| --- | --- |
| [The preliminary repayment plan for the loan may be included in an Annex] | General explanation  - to delete - |

## Project Cash flow

The project cash flow calculations are presented in table 4.4.

|  |  |
| --- | --- |
| [The information in this table is based on the repayment plan presented in Annex] | General explanation  - to delete - |

*Table 4.4 Project Cash flow during the project lifetime (in 1 000 EURO)*

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Project Cash flow** | **Years** | | | | | | | | | | |
|  | **0** | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **…** |
| **Investment** |  |  |  |  |  |  |  |  |  |  |  |
| **Financing:** |  |  |  |  |  |  |  |  |  |  |  |
| Loan |  |  |  |  |  |  |  |  |  |  |  |
| Equity capital |  |  |  |  |  |  |  |  |  |  |  |
| Grant |  |  |  |  |  |  |  |  |  |  |  |
| Debt service, instalment |  |  |  |  |  |  |  |  |  |  |  |
| Debt service, interest and fees |  |  |  |  |  |  |  |  |  |  |  |
| Carbon Financing |  |  |  |  |  |  |  |  |  |  |  |
| **Savings / Revenues:** |  |  |  |  |  |  |  |  |  |  |  |
| Total savings / revenues |  |  |  |  |  |  |  |  |  |  |  |
| Operating costs |  |  |  |  |  |  |  |  |  |  |  |
| **Net savings / Сash earnings** |  |  |  |  |  |  |  |  |  |  |  |
| Depreciation |  |  |  |  |  |  |  |  |  |  |  |
| Pre-tax savings |  |  |  |  |  |  |  |  |  |  |  |
| Tax |  |  |  |  |  |  |  |  |  |  |  |
| Tax allowance |  |  |  |  |  |  |  |  |  |  |  |
| **Net savings / Сash earnings after tax** |  |  |  |  |  |  |  |  |  |  |  |
| **Net Cash flow** |  |  |  |  |  |  |  |  |  |  |  |
| Accumulated Cash flow |  |  |  |  |  |  |  |  |  |  |  |
| Discount factor \*) |  |  |  |  |  |  |  |  |  |  |  |
| **Present Value (PV)** |  |  |  |  |  |  |  |  |  |  |  |
| **Accumulated PV** |  |  |  |  |  |  |  |  |  |  |  |

\*) Nominal / real discount rate = xx %

**Comments:**

* Net savings / Cash earnings increase by xx % per year
* Depreciation of the Investment = yy % or yyy EURO per year
* Profit tax= xx % per year

# Loan guarantees

|  |  |
| --- | --- |
| [Describe scheme for guaranteeing the loan, if relevant] | General explanation  - to delete - |

[TEXT]

# Project risks

Table 6.1 presents the project risks that have been identified in addition to a short statement on how those risks are managed or controlled, if applicable.

*Table 6.1 Summary of project risks*

|  |  |
| --- | --- |
| **Potential risk** | **Mitigation or measures to manage/control risk** |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

|  |  |
| --- | --- |
| [Describe various project risks, such as implementation, operational, financial-economic, political, legal risks, etc. Is there a risk of not receiving the carbon funding. How will this affect the project?] | General explanation  - to delete - |

# Environmental and social benefits

## Environmental benefits

|  |  |
| --- | --- |
| [Present environmental characteristics; Measures reducing the environmental impacts; Relevant environmental regulations; Required environment approvals and measures] | General explanation  - to delete - |

[TEXT]

The calculated savings are:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Reduced fuel/heat consumption | = |  | Gcal/year | = |  | ***x*** /year |
| Reduced electricity consumption | = |  | kWh/year | = |  | ***x*** /year |
| Reduced chemicals consumption | = |  |  | = |  | tons/year |
| Reduced waste *(specify)* | = |  |  | = |  | tons/year |
| etc. | = |  |  |  |  |  |

***x =*** *m3 gas or tons of oil or tons of coal* *(enter whatever appropriate)*

Th following reduction in emissions of Green House Gases is expected:

|  |  |  |
| --- | --- | --- |
| **Subproject / measure** | **Emission reduction per year** | |
| Subproject / measure 1 |  |  |
| Subproject / measure 2 |  |  |
| Subproject / measure n |  |  |
| **Total reduction** |  |  |

This corresponds with the following total emission reductions:

Table 7.1 Reductions in harmful emissions (tons/year)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **CO2** | **SO2** | **NOx** | **CO** | **VOC** | **Dust** | **Other**  **(\*)** |
| Existing emissions |  |  |  |  |  |  |  |
| Emissions after implementing measures |  |  |  |  |  |  |  |
| **Total reduction in emissions** |  |  |  |  |  |  |  |

(\*) Specify reductions in other green house gases (GHG) – if relevant.  
Specify reductions in other pollutants to water and soil - if relevant (i.e. waste reduction)

Costs of CO2 emission reductions: **x,x EURO/tons of CO2 equivalents**.

(Total investment divided by the reduction of CO2 equivalents over the project lifetime).

In addition, the project gives the non-quantifiable environmental benefits:

* [TEXT]

## Social and other benefits

|  |  |
| --- | --- |
| [Description of social and developmental aspects, such as employment effects, economic benefits for the region, energy infrastructure and supply situation, reliable systems, demonstrational effect, gender effects, etc. List of references of comparable projects to demonstrate the successful use of the specific technology and experience] | General explanation  - to delete - |

[TEXT]

# Project organisation and implementation

|  |  |
| --- | --- |
| [Organisation Chart]  [Main stakeholders and their responsibilities; contracting procedures; commissioning and guarantees; key regulations and permissions; monitoring and reporting; time table with dates] | General explanation  - to delete - |

[TEXT]

###### Table 8.1 Implementation time table

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Activity** | **Month** | | | | | | | | | | | | |
|  | **I** | **II** | **III** | **IV** | **V** | **VI** | **VII** | **VIII** | **IX** | **X** | **XI** | **…** | **…** |
| Design and Planning |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Project Management |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Equipment, delivery |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Installation |  |  |  |  |  |  |  |  |  |  |  |  |  |
| etc. |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**Annexes:**

|  |  |
| --- | --- |
| [List of Annexes and their order could be adjusted according to the special features of a project.] | General explanation  - to delete - |

1. Agreements with project partners, suppliers and buyers (for example Power Purchase Agreement )
2. Repayment plan
3. Income Statement and Balance sheet
4. Technical specifications
5. Detailed cost specifications and quotations
6. Details of assets proposed for loan guarantee
7. Energy Audit report or feasibility study
8. GHG calculations
9. Environmental Impact Assessment, permissions and registrations
10. Location map
11. Pictures
12. [etc.]

**Annex 1**

**[title]**

**Annex 2**

**Repayment plan**

**Proposed loan repayment plan**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Payment №** | **Date** | **Payment, EURO** | **Capital**  **not paid up** | **Interest, EURO** | **TOTAL, EURO** |
|  |  |  |  |  |  |
| 1. |  |  |  |  |  |
| 2. |  |  |  |  |  |
| 3. |  |  |  |  |  |
| 4. |  |  |  |  |  |
| 5. |  |  |  |  |  |
| 6. |  |  |  |  |  |
| 7. |  |  |  |  |  |
| 8. |  |  |  |  |  |
| 9. |  |  |  |  |  |
| 10. |  |  |  |  |  |
| 11. |  |  |  |  |  |
| 12. |  |  |  |  |  |
| 13. |  |  |  |  |  |
| 14. |  |  |  |  |  |
| 15. |  |  |  |  |  |
| 16. |  |  |  |  |  |
| 17. |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **TOTAL** | |  |  |  |  |

(\*) Interest = x,x % pr. year