



PFAN

Accelerating Investment
for Climate and Clean Energy

The Private Financing Advisory Network

Welcomes you and your project/business to the
PFAN Journey

2020



The PFAN Journey

A time-bound, 3-stage process

Welcome to PFAN!

With PFAN you join a programme that has supported over 750 projects/businesses since 2006, from which more than 130 have raised over USD 1.7 billion in financing to date.

This presentation covers:

- 🔗 the PFAN Journey and the services provided
- 🔗 key points to make the best of it!
- 🔗 free support and the role of success fee
- 🔗 valuable information, contact details & important links
- 🔗 Frequently Asked Questions (FAQs)

If you are not receiving PFAN support yet, please check our [eligibility criteria and apply](#).



The PFAN Journey

A time-bound,
3-stage process:

Action Plan

Up to 1 month

**Project
Development**

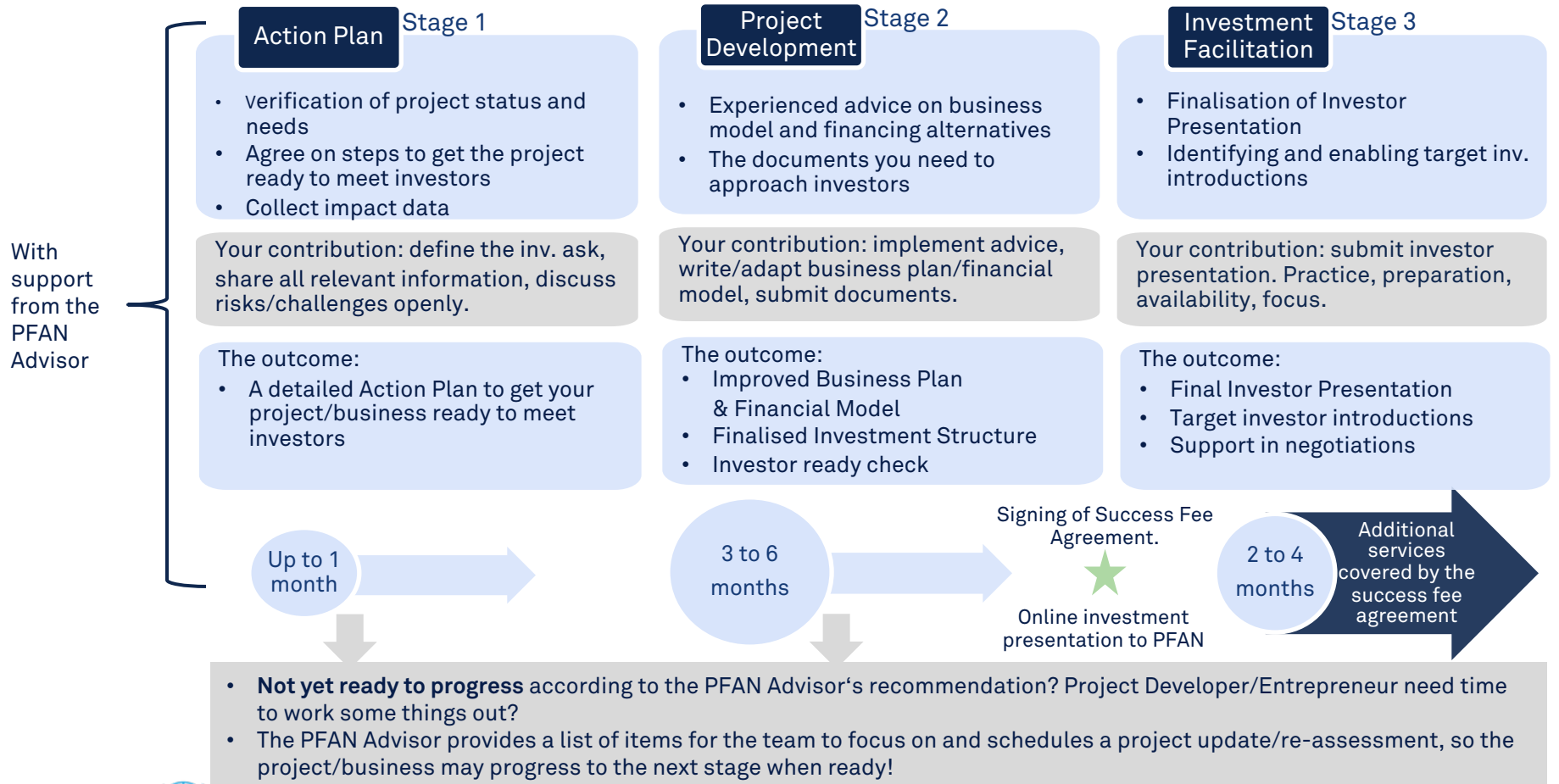
3 to 6 months

**Investment
Facilitation**

2 to 4 months

- ⦿ Aims to **get you ready to meet investors**, and once ready, **enables targeted investor introductions**.
- ⦿ You will benefit from one-on-one support from a PFAN Advisor assigned to your project/business.
- ⦿ Time-bound, but **with flexibility**
 - ⦿ **to adjust the speed to the needs of mature projects/businesses**, so you benefit from Investment Facilitation as soon as you are ready, or
 - ⦿ **to provide you and your team with the time you need** before continuing to the next stage
 - ⦿ **At the end of every stage**, if your project/business is not ready to progress to the next, you will be provided with guidance on the steps for you and your team to pursue. An update will be scheduled, so that you may progress into the next stage when you are ready.
- ⦿ Depending on regional and global events' schedule, you might participate in one or more events organised by PFAN or by our partners such as **thematic webinars**, **Project Development Workshops** and **Investor Forums**, or **other activities in the sector** and **with investors**.

The PFAN Journey



Key points to make the best of it!

PFAN Advisors' recommendations are the result of best professional judgement based on information available at the time and the assumption of correctness, completeness and truthfulness. You should, of course, also perform your own due diligence in respect of any advice received!

You have a project to get off the ground or a business to run, your time is limited and precious!

Dedicate time to this process and enjoy the positive impact sooner!

Trust and openness are key. Keep he/she informed of developments, time constraints and other priorities.

If there are opportunities for improvement, contact your Regional Coordinator.

You get as much as you put in!

Communication & cooperation

You know your project/business best! PFAN Advisors may know investors best!

Business Plan, Financial Model & Investor Presentation

What will attract investors is a clear investment opportunity that matches their requirements.

Take advantage of this mix of experiences!

"The point of financial projections is to tell a story with numbers, a story about opportunity, resources, requirements, market forces, growth, milestone achievements, and profits." Guy Kawasaki

The PFAN Advisor helps you create a numerical framework that complements and reinforces the vision you've painted with words.

PFAN support is free

PFAN is generously supported by our donors, so we can provide free business coaching and investment facilitation support to projects and businesses like yours.



Norwegian Ministry
of Foreign Affairs



Australian Government
Department of Foreign Affairs and Trade



While the coaching is free, PFAN Advisors charge a success fee for the funds actually mobilised. This is at market rates and are negotiated between you and the PFAN Advisors.

The role of a Success Fee Agreement

PFAN's aim is also to contribute so that members of the local financial ecosystem develop **sustainable commercial relationships**.



We encourage projects and PFAN Advisors to agree on success fees, which will cover **additional and continuous services taking place after the last stage of the PFAN Journey, and will only be paid when the investment is raised.**

Such agreement will be a condition for the project/business to progress into the Investment Facilitation stage. The terms are to be agreed between you and your PFAN Advisor (such as services covered, rate and tenor).

Valuable Information

- ❖ **You will work on and submit the main documents** that investors want to see (project deliverable documents):
 - ❖ Improved business plan & financial model in stage 2 (PDD1), within 4 months from the start (2 months before expected end of the stage, so you may benefit from expert review of your financial model)
 - ❖ A final investor presentation in stage 3 (PDD2), within 4 months from the start
 - ❖ It is important that you work together with your PFAN Advisor [to meet the deadlines for submission](#) of these documents, so your project/business may be considered for the next stage and receive additional feedback, as the case may be. If deadlines are not observed, the timely progression may will be affected.
- ❖ PFAN, through UNIDO, REEEP and your PFAN Advisor, support strict anti-fraud and anti-corruption standards, and we encourage you to read about it (<https://pfan.net/wp-content/uploads/2020/07/PFAN-anti-fraud-and-anti-corruption-guidelines.pdf>).
- ❖ You are free to use other financial advisors during the process. Please keep your PFAN Advisor informed, so we avoid duplication of work or conflicting advice.

Contact information

Your PFAN Advisor will be your main contact, and if you need support in specific matters, please consider reaching out to the following:

About the coaching process, your respective Regional Coordinator:

- Regional Coordinator West Africa: Albert Boateng (albert.boateng@ppl-int.com)
- Regional Coordinator Eastern Africa: Wilfred Mworio (wilfred.mworio@pfan.net)
- Regional Coordinator Southern Africa: Thaven Naidoo (thaven.aidoo@pfan.net)
- Regional Coordinator South and South East Asia: Peter du Pont (peter.duPont@pfan.net)
- Regional Coordinator Caribbean & Central America (CCA): Federico Fische (federico.fische@pfan.net)
- Regional Coordinator Eastern Europe and Central Asia (EECA): Rostislav Maraikin (rostislav.maraikin@pfan.net)

About administrative topics, your respective Project Officer

- Senior Project Officer EECA and CCA: Lukas Baumhauer (lukas.baumhauer@pfan.net)
- Project Officer Asia: Colin Brouillard (colin.brouillard@pfan.net)
- Project Officer Sub-Saharan Africa: Teresa Oberascher (teresa.oberascher@pfan.net)
- Junior Project Officer: Alexandra Brandl (alexandra.brandl@pfan.net)

Any other question:

- info@pfan.net for general matters
- support@pfan.net for system support

Important Links

- ❖ PFAN Climate Invest Knowledge Base: <https://pfan.net/project-developer-knowledge-base/> is an online page with videos and tutorials to help you navigate and use the Climate Invest system when you submit your “project deliverable documents (PDDs)”.
- ❖ PFAN Travel Guidelines: <https://pfan.net/wp-content/uploads/2020/06/PFAN-Travel-Guidelines.pdf> when travel is required to participate in a PFAN event or special PFAN investor roadshows, please make sure you follow the PFAN Travel Guidelines.
- ❖ PFAN Privacy Statement: <https://pfan.net/privacy-policy/>
- ❖ PFAN Charter: <https://app.box.com/shared/static/gyc7kx4f85qha6hsctd790w054rjy9p1.pdf> . This is the document that outlines the PFAN programme, which will be updated in the near future to include this new framework agreement.
- ❖ Frequently Asked Questions: <https://pfan.net/submit-a-proposal/frequently-asked-questions/>
- ❖ Template for Success Fee Agreement: link (to be provided in due course).

Frequently Asked Questions

What happens when a stage ends? Am I guaranteed to continue to the next?

At the end of every stage your project/business will be assessed by your PFAN Advisor, who will either recommend that you progress to the next stage or provide you with a list of items that you and your team should focus on, before your case is re-assessed via a scheduled update. Once recommended to the next stage, upon internal approval and availability of programme resources, PFAN will issue a contractual assignment for the PFAN Advisor to support you further (internally we call this contractual assignment a “Call Off”, and each stage of the PFAN Journey corresponds to a specific Call Off). This recommendation and approval process may take a couple of weeks.

A valuable thing is that at the end of every stage there will be clear outcomes for you, such as an Action Plan to get ready to meet investors or milestones to be reached before progressing (stage 1), the documents you need to approach investors (stage 2), and strong preparation to pitch your investment opportunity and target investor introductions (stage 3).

Frequently Asked Questions

What happens if I have not progressed to the next stage, and have achieved the milestones recommended by the PFAN Advisor ahead of the planned “re-assessment”?

You may contact the Project Officer of your region, so that your re-assessment may be anticipated as possible.

How does the PFAN Advisor get remunerated?

During stages 1, 2 and 3, the PFAN Advisor is remunerated by PFAN via a contractual assignment called a “Call Off”, and his/her remuneration is based on an agreed set of deliverables to be submitted in each stage (some by you (PDD1 and PDD2) and some by your PFAN Advisor (PDR1+PDR2+PDR3). After the Investment Facilitation stage, services provided by the PFAN Advisor would be covered under the success fee agreement.

Frequently Asked Questions

Is my project/business assured to be introduced to investors during the Investment Facilitation stage?

In order to progress from the Project Development Stage into the Investment Facilitation stage, a list of potential target investors would already be in place and taken into account when the recommendation is made.

PFAN will determine the project's readiness for presenting it to the potential investors (at the end of Stage 2). It is necessary that the project has answers to all the questions that an investor is likely to ask. It is in the interest of the project to be thoroughly ready to face the investor. Capital is scarce, and we should be careful not to fritter away even a single chance of raising money

What happens during the process of Investment Facilitation?

At the end of Stage 2 / Project Development, PFAN will filter projects that are qualified as investor ready, so that during the Investment Facilitation stage your project business can go through the following refinements:

- Appropriateness of investment ask, Valuation, Risks and mitigations, matching with investor's criteria, target investor introductions, re-assessment of readiness for investment, as required

Frequently Asked Questions

What happens at the end of Investment Facilitation (stage 3), if I still have no investor interested or no real term sheet in negotiation?

After the 4 months of Investment Facilitation, the PFAN support comes to an end. However, success fee agreement will ensure that the continuity and momentum gained during the PFAN Journey is carried forward to achieve financial closure. We should note that not all projects will raise funding in the market; but with PFAN's support the probability of raising such funds will increase. After the PFAN Journey, you may still be invited to be showcased or participate in events organised by PFAN and its partners.

Frequently Asked Questions

How does the success fee work?

Success fee is the fee that will cover the PFAN Advisor's work in relation to supporting the project raise the financing/investment in addition to the services delivered during the PFAN Journey.

The success fee will be documented in an agreement signed between the project/business, the PFAN Advisor and REEEP (the organisation executing the PFAN Programme). The terms of the success fee, such as services covered, rate of the fee, when it becomes due and payable and the tenor are to be agreed between you and the PFAN Advisor following some guidelines provided by PFAN on the success fee template.

There are usually two moments when success fees may become due: when the investment/financing agreement is signed and conditions precedent are agreed among the parties (usually covering a retainer/minimum fee, if agreed); and when conditions precedent are met and first disbursement takes place (the actual success fee is paid, net of any retainer/minimum fee already paid, if any). These are terms that would be agreed upon the signing of the agreement.

Though the success fee agreement is entirely negotiated between you and the Advisor; it is an agreement between you, the Advisor and PFAN (REEEP signs the agreement on behalf of PFAN). PFAN takes a small portion of the success fee (20%) to extend support to an increasing number of projects and business like yours.



Thank You!

