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## **Guidelines for Preparation of an Executive Summary**

These notes are provided as a guide for preparation and submission of an Executive Summary – high level overview of a project, business venture or technology development. They have been adapted from guidelines developed by CTI PFAN for the Asia Forum for Clean Energy Financing. The template may be used for project proposals for CTI PFAN.

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 / appropriate and available at the time of submission. Project Developers 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 and need not be adopted; Project Developers can choose their own format and structure of the Executive Summary document to meet the requirements of their project. Section lengths are provided as indications only; however it would be advisable to limit the Executive Summary in total to 10 – 20 pages (including annexes). The Executive Summary may be submitted on its own or with a complete Business Plan / Project Plan (see Guidelines for Business Plans).

The emphasis of the Executive Summary should be on the presentation of a concise and credible plan that can be quickly and easily interpreted 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 / has investment potential and may be suitable for further consideration / further development work / support and advice from CTI PFAN. Based on the appraisal of the Executive Summary CTI PFAN may offer to provide support and advice to Developers to further develop their project and structure the financing proposal for introduction to investors / financiers. Part of this work will consist of the preparation (further development and refinement) of a full bankable Business / Project Plan and other supporting documents (see Guidelines for Business Plans).

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

*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 / business idea.*

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

*Indicate if the proposed business meets current market demand or if it addresses a 'blue ocean' market. If possible, list companies / 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 that you understand the economic environment in which your project is situated and the economic and competitive forces (threats and opportunities) that you will be exposed to and need to take into consideration.*

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

*In this section, highlight technology/ies 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.*

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

### **a. Environmental Impact**

*It is important to emphasise 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 both for CTI PFAN and for PPL.*

## **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 etc) and other peripheral impacts can be included.*

## **5. Business Plan (2 – 3 Pages)**

*This section should represent the main bulk of the Executive Summary 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 PPL / CTI PFAN to focus on weak areas of the business plan that require further development and work.*

### **a. Operational Plan (if possible)**

*The operational plan should include details with regards to operations planning, scheduling, manpower distributions and supply chain planning.*

### **b. Marketing Plan / Growth Strategy (optional)**

*How will the project / product be positioned and marketed?*

*What potential is there to replicate the project / achieve economies of scale / achieve critical mass? What is the potential market? What market share is targeted? How will this be achieved and grown?*

## **6. Proposed Management / Project Implementation Team and Organisational 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.*

## **7. Operating Timeline (if possible) (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: how mature is the project development? What still needs to be achieved before the implementation can begin? What approvals and licences need to be obtained? To what extent are these aspects within the control / beyond the control of the management team?*

## **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 / schedule is recommended.*

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

## **9. Financial Analysis (1 – 2 Pages + Annexes where appropriate)**

*The financial analysis is an important section. We need to make a judgement as to whether your 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:*

- a. Capital Cost of Project*
- b. Revenue Elements (and assumptions)*
- c. Cost elements (and assumptions)*
- d. Financial Projections*
- e. Financing Assumptions (interest cost etc)*
- f. Project Operating Assumptions*

*Any combination of recognized investment indicators and ratios may be used that are appropriate to the nature of the project: eg - IRR, Return on Capital, Return on Investment, EBIT, EBITDA, Break Even, Payback Period, DSCR, LLCR etc.*

## **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.*

*Summarise the steps taken / 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 CTI PFAN / PPL and emphasise the potential, summarizing the potential for business success now and in the future.*

*Reiterate the chief strengths and benefits of the project and its competitive advantages..*

# ***Important!***

1. The guidelines provide listed sections that we will look out for and expect. Nonetheless, deviations and additions are allowed and encouraged (creativity is an assessment criteria!).
2. Keep the Executive Summary under 20 Pages including the cover page, charts, financials and all necessary annexes. Shorter documents are preferable to longer ones.
3. Page setup, spacing, font size and type face are at your discretion but the document should be reader friendly.
4. Files should be submitted in PDF (preferable) or WORD format.
5. We look forward to receiving your project proposals at [ppl-cyprus@ppl-int.com](mailto:ppl-cyprus@ppl-int.com) / [kuroda@icett.or.jp](mailto:kuroda@icett.or.jp)