

# The Private Financing Advisory Network





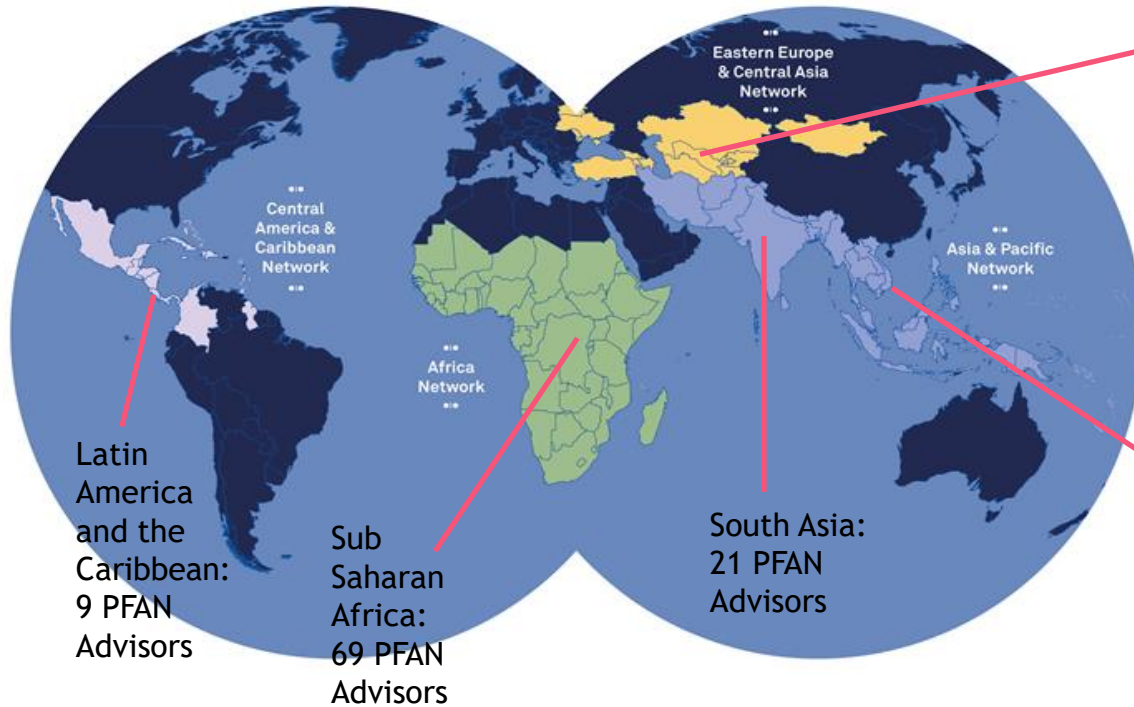
# What We Do

- ❖ The Private Financing Advisory Network is a global network of climate and clean energy financing experts, which offers free business coaching and investment facilitation to entrepreneurs developing climate and clean energy projects in emerging markets.
- ❖ Click [here](#) to watch our video





# What PFAN Is: A Global Network



Eastern Europe  
and Central Asia:  
21 PFAN Advisors



More than 140 climate, clean  
energy & finance experts

South East Asia:  
21 PFAN Advisors





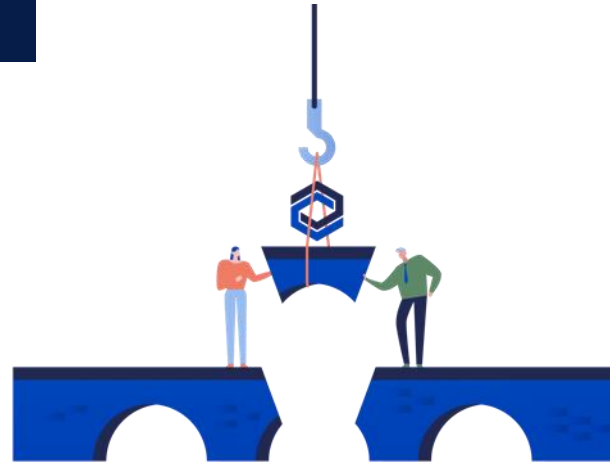
# What's the Problem?

## How PFAN Addresses the Missing Middle

### Limited supply of investor-ready projects

- ❖ Oversupply of poorly structured projects
- ❖ Lack of financial & commercial skills
- ❖ Unrealistic expectations

### The “Missing Middle”



### Low investment levels

- ❖ Large supplies of financing
- ❖ Underdeveloped investment cultures and risk assessment
- ❖ Low familiarity with technologies & business model
- ❖ Limited number of successful exits in this space

PFAN advises low-carbon, climate resilient businesses in developing countries and matches projects to appropriate private financing.



# How PFAN Works

- ❖ Coaching and investment facilitation provided at no cost to entrepreneurs
  - ❖ Fixed fee for advisors + potential for success fee
  - ❖ Supported by an extensive network of Investment and Network Partners
  - ❖ Hosted by UNIDO and REEEP since 2016, initiated in 2006
  - ❖ Unique and proven low overhead networking business model
- 
- ❖ Funded by a Multi-Party Trust Fund supported by:



Norwegian Ministry  
of Foreign Affairs





## PFAN's Track Record

- PFAN mobilizes financing to reduce GHG emissions and contributes to the Paris Agreement and Sustainable Development Goals (SDGs):
- SDGs 7 (Energy), 9 (Industry), 13 (Climate Action), and 17 (Partnership)
- PFAN has supported nearly 1000 projects with more than 300 projects in the current pipeline
- Main achievements since inception in 2008:



**\$ 1.84 BN**

Total investment leveraged  
by PFAN-supported projects



**155**

Number of projects  
that raised financing



**17%**

Success rate



**>1159 MW**

Clean energy generation  
capacity added



**4.14 MT**

Annual CO2 emissions  
mitigated



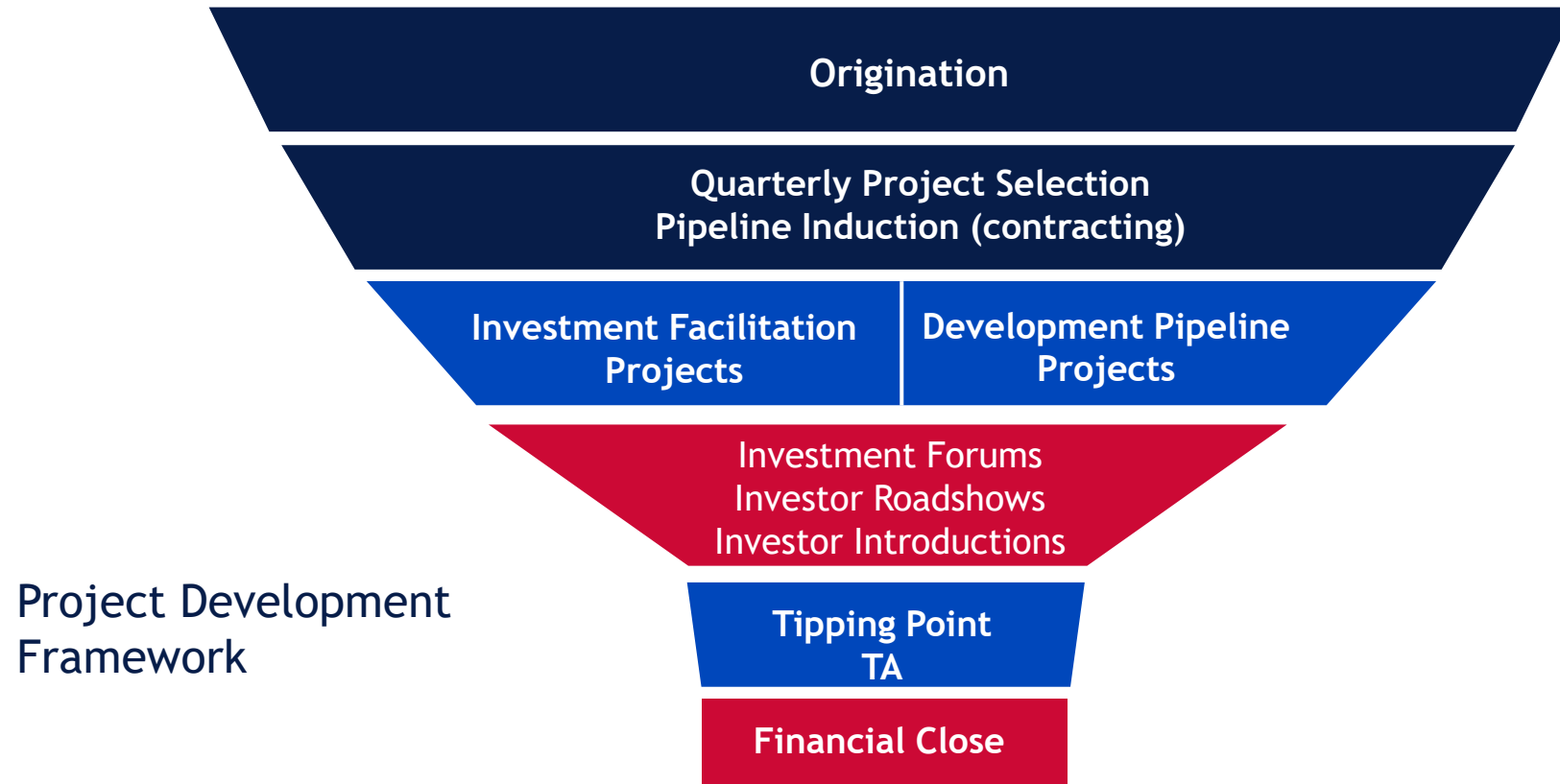
# The PFAN Process

From submitting a proposal to financial close





# How the Project Pipeline Works





# How the Project Pipeline Works

## Project Selection Criteria and Scope



### Scope

#### Investment Ask

- ⬢ Sweet spot USD 1-50 million
- ⬢ Micro projects (< USD 1 million)

#### Maturity

- ⬢ Green field and scale-up
- ⬢ First round of external financing

#### Project type

- ⬢ Clean Energy & Climate Adaptation
- ⬢ Technology Neutral

#### Geography

- ⬢ Least Developed Countries
- ⬢ Middle Income Countries

# Sectors & Technologies Supported by PFAN



**Agriculture &  
Agribusiness**



**Biodiversity &  
Eco-system Services**



**Clean Cooking**



**Clean Technology**



**Climate Change  
Adaptation**



**Climate Resilience  
Infrastructure**



**Cooling**



**Energy Efficiency &  
Demand Reduction**



**Energy Storage &  
Conservation**



**Renewable Energy**



**Rural Electrification  
& Energy Access**



**Tourism**



**Urban Resilience**



**Water & Sanitation**



**Waste Treatment**



# PFAN's Business Model

Value proposition	Key activities	Revenue streams	Key partners	Key resources
<ul style="list-style-type: none"> <li>Network of locally-based private sector advisors</li> <li>Driven by seasoned Global Coordinator, 6 Regional Coordinators and Head Investment Facilitation</li> </ul>	<ul style="list-style-type: none"> <li>Coaching and investment facilitation in principle provided at no cost to entrepreneurs</li> </ul>	<ul style="list-style-type: none"> <li>Fixed fee for advisors against services &amp; deliverables + potential for success fee</li> </ul>	<ul style="list-style-type: none"> <li>Hosted by UNIDO and REEEP since 2016, initiated in 2006</li> <li>Supported by an extensive network of partners</li> </ul>	<ul style="list-style-type: none"> <li>Funded by a Multi-Party Trust Fund supported by:</li> </ul> <div data-bbox="1655 553 1972 936"> </div>

Unique and proven low overhead networking business model



# Helping Businesses and Projects to Develop Investor-ready Proposals



## Core services and functions of PFAN advisors:

- ❖ Assessment of investment potential
- ❖ Elaboration and optimization of the business model and the financing structure
- ❖ Assistance in preparation and finalization of the project deliverable documents (e.g. Business Plan, Feasibility Study Report, Technical Study Report, Financial Model)
- ❖ Identification of potential investors and financiers
- ❖ Introductions to investors with support of the PFAN Investment Facilitation Team (investor roadshows/investment fora; one-on-one introductions)
- ❖ Investment facilitation: structuring and negotiation of deals with investors to reach financial closure (mobilization of PFAN Investment Facilitation Team where appropriate)

Professional advice - proven methodology - local and global understanding



# PFAN's Service Offering

## Project Origination

- ✧ Roadshows & Outreach
- ✧ Investment Potential Assessment (IPA)

## Development Pipeline

- ✧ Business coaching / De-risking Bus. Model
- ✧ Preparation of Business Plan
- ✧ Investment Structure & Ask
- ✧ Preparation of Investment Pitch & Teaser
- ✧ Financial Structuring & Matchmaking
- ✧ Investment Forum Stream
- ✧ Supplementary Coaching

## Investment Facilitation

- ✧ Valuation
- ✧ Investor Identification & Introductions
- ✧ Transaction Advisory
- ✧ Negotiation & Closing

## Tipping Point Technical Assistance (TPTA)

- ✧ To address specific investor requirements
- ✧ Financial Advisory
- ✧ DD / CPs / Audit / Legals / Study Updates



## PFAN Investor Outreach

- ✧ Build investor capacity
- ✧ Investor database and active partnership management
- ✧ Investor roadshows
- ✧ 1-1 investor introductions
- ✧ Project referrals
- ✧ Origination and engineering of customised portfolios





# Market Positioning

## Filling the Gap for Transition to Scale



# Gender Mainstreaming

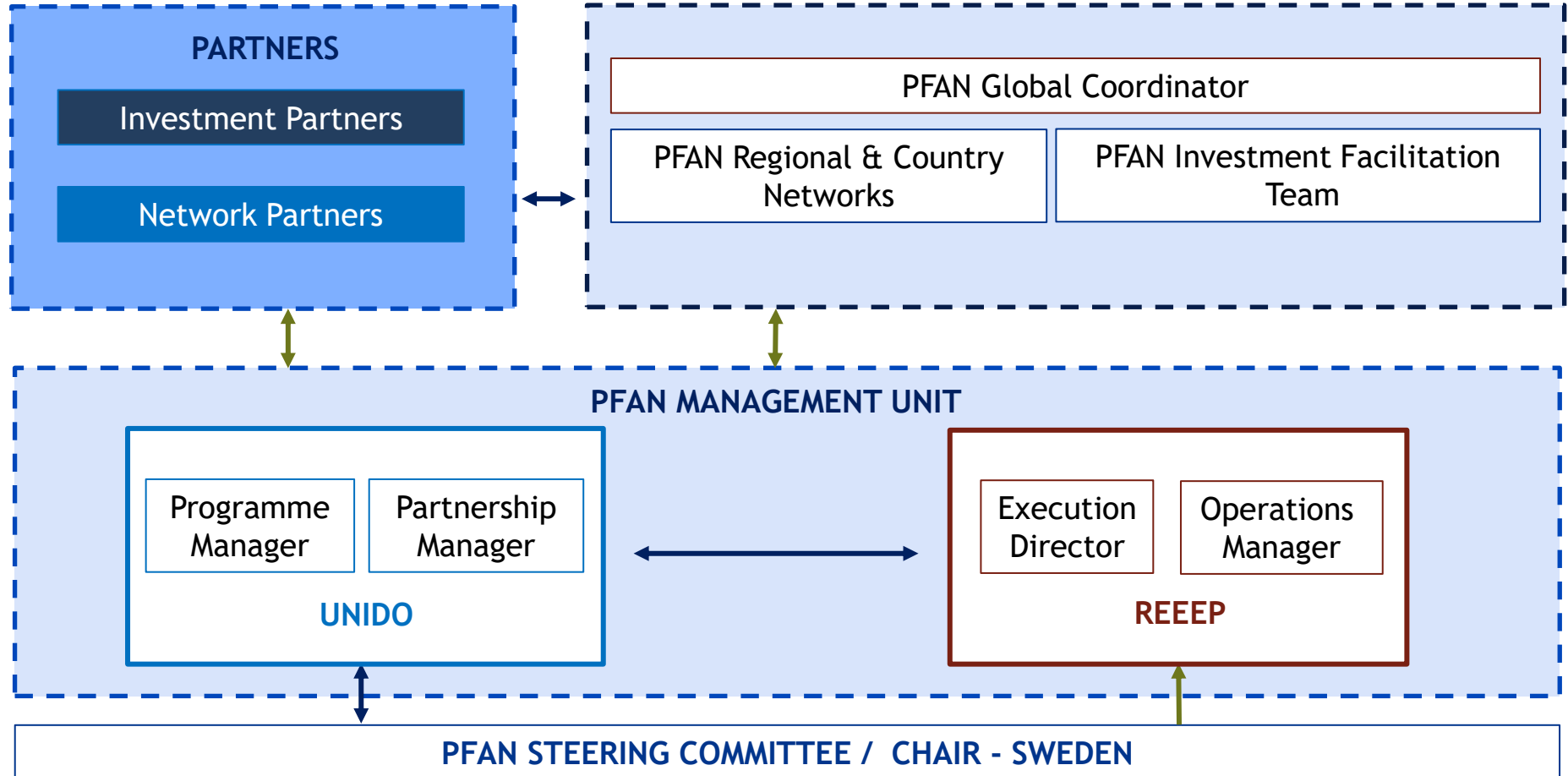


PFAN recognizes not only its **responsibility** but also the **opportunity** to contribute towards the overarching goal of gender equality and the empowerment of women within both its internal operations and market facing activities.

PFAN advisors therefore receive **capacity building** and **sensitization training** with regard to gender. They not only have the opportunity to identify and resolve the disparities and gaps that exist between men and women, but they are also in the best position to **encourage entrepreneurs and investors to become more gender sensitive.**



# Governance & Organisational Set-up





# PFAN's Communication Material

Video - What We Do



## Annual Progress Report 2020



### PFAN Success Story: Clean Energy Biofuels, Nigeria



### PFAN Success Story: Green Village Electricity, Nigeria



### PFAN Project Feature: Environment360, Ghana



## Annual Progress Report

The Private Financing Advisory Network's 2019 Recap



REEEP



# Thank you!

**Patrick Nussbaumer**  
PFAN Programme Manager  
[kemal.vaz@pfan.net](mailto:kemal.vaz@pfan.net)

More information at [www.pfan.net](http://www.pfan.net)

