

Requirements to Project Developers/Project Sponsors

Project Developers/Project Sponsors play a critical role of converting a business idea/opportunity into a commercially viable project.

There are a numbers of requirements, (by stakeholders, investors and authorities), which a Project Developer should meet in order to bring a project to a successful closure. There are certain aspects in the activities of the Project Developers in UNECE countries, which need an attention and support, in order to foster development of renewable energy projects in the region, where UNECE assistance is needed.

A Project Developer should be able to organise, understand and provide adequate resources in the following stages of the project development, to make a project acceptable to other partners and investors:

Project Identification

- Identify business opportunity.
- Preparation of brief and clear summary of the business idea.
- Initial analysis of the technical and financial feasibility of the project.
- Initial analysis of the institutional and political support to the project.
- Initial analysis of the financial situation of the owners/sponsors.

Project Development

- Understand, select and provide/secure funds for establishing a legal entity/SPV/project entity, or establish the project within a corporate structure.
- Ensure institutional and political support to the project.
- Organise and provide legal advice and opinion on the project.
- Organise and secure the necessary permits, licences, concessions, off-take and supply contracts for establishing the project.
- Provide/secure specialists and funds for preparation of detailed Information Memorandum/Business Plan.
- Provide/secure funds for legal and financial due diligence.
- Understand requirements and provide/secure specialists and funds for technical feasibility studies and advice, including cost estimates, procurement/tendering documentation and negotiations with suppliers and contractors.

Financial Structuring

- Prepare Terms of Reference and select and appoint financial advisor/arranger to assist with establishing viable and optimal financial structure.
- Provide/secure adequate equity, or source appropriate instruments to complement the required equity.
- Understand and analyse the terms of the senior, subordinated debt and equity providers.
- Prepare and negotiate term sheets and draft contracts, agreements.

Financial Close

- Provide/secure appropriate legal advice and legal opinion.

- Negotiate and sign the legal, financial and all other necessary agreements and contracts.
- Provide/secure funds for payment of legal and financial fees.

Project Implementation

- Agree Terms of Reference and appoint Project Manager/Supervisor to lead the technical and financial implementation of the project.
- Organise, provide and ensure appropriate mechanisms and structures to supervise and implement the project.

Project Operation

- Agree with the other stakeholders the rules and modalities of operating the project.
- Implement a transparent structure for technical and financial operation of the project.
- Agree and implement a long term strategy for operating the project and/or exit strategy.