

Requirements

for the preparation of a business plan by applicants to obtain the status of an entity of the Free Economic Zone “Panj”

1. Preface

These requirements have been developed on the basis of the methodology of the United Nations Industrial Development Organization (UNIDO) for the preparation of business plans and have been adopted in the prescribed manner.

This methodology has been adopted for the purpose of regulating the organization of activities of free economic zones, ensuring the harmonization of the regulatory legal acts of the Republic of Tajikistan with international regulatory legal acts, as well as for attracting foreign investment and organizing effective cooperation with a wide range of investors and entrepreneurs from various countries of the world.

The procedure for preparing a business plan has been proposed by experts of the United Nations Industrial Development Organization (UNIDO) and provides specialists involved in the preparation of business plans with the opportunity to ensure that key and decisive aspects of the current and planned activities of an enterprise are not overlooked, and to present results and conclusions in a form that is understandable to foreign investors and experts.

This methodology is not mandatory or immutable; however, it effectively serves as a unified basis and a kind of universal language that enables a wide range of investors and specialists in the field of investment project development and financial planning from different countries to interact freely with one another. Many well-known global computer-based planning systems are based on this methodology.

Developers of business projects are recommended to use in their activities the UNIDO “Manual for the Preparation of Industrial Feasibility Studies” (second edition, 1991).

2. Business Plan Content

The business plan must consist of the following structural sections:

1. Executive summary of the project;
2. Background and main concept of the project;
3. Market analysis and marketing strategy;
4. Raw materials and supplies;
5. Location, construction site and environmental assessment;
6. Engineering and technological design;
7. Organization of production and production costs;
8. Human resources;
9. Project planning and cost of works;
10. Financial evaluation;

11. Economic analysis of costs and benefits;
12. Conclusion based on the study results.

3. Main Requirements for the Preparation of Business Plan Sections

The main requirements for the preparation of the sections of the business plan are set out as follows:

1.1. The section “Executive Summary of the Project” shall briefly reflect the main conclusions and recommendations regarding the key aspects of the developed project and the conducted study. The structure of this section shall be determined by the structure of the feasibility study of the project.

1.2. The section “Background and Main Concept of the Project” shall include the history of the project’s origin and its core concept, the names and addresses of the project initiators, the project strategy, stages of its development, as well as measures of economic and industrial policy facilitating the implementation of the project.

1.3. The section “Market Analysis and Marketing Strategy” shall present summarized results of the market and demand analysis, sales volume forecasts, justification of the target market, and a description of the marketing strategy.

1.4. The section “Raw Materials and Supplies” shall provide key information on the availability of raw materials (unprocessed and semi-processed), industrial materials and components, auxiliary materials, supporting production resources, utilities, and spare parts. This section shall also include information on the enterprise’s annual resource requirements and the cost of such expenditures.

1.5. The section “Location, Construction Site and Environmental Assessment” shall provide general information on the characteristics of the construction site and the environmental assessment of the project.

1.6. The section “Engineering and Technological Design” shall include information on the production program and capacity, as well as the adopted technology. The types of major production assets (equipment, etc.), their availability, and cost shall be specified. This section shall also include a layout plan of facilities and the necessary engineering infrastructure.

1.7. The section “Organization of Production and Production Costs” shall reflect information on the main elements of the organizational and management structure.

1.8. The section “Human Resources” shall provide information on the composition and number of employees, required personnel, and the number of administrative staff. It shall also include information on the costs and funds required for attracting labor resources, requirements for professional training and qualification improvement of personnel, and other relevant aspects.

1.9. The section “Project Planning and Cost of Works” shall indicate the deadlines for completion of construction works and equipment installation, commissioning timelines, and achievement of projected capacity. It shall also include a list of necessary measures to ensure timely implementation of the project.

1.10. The section “Financial Evaluation” shall provide a comprehensive assessment of the project and shall include the following data:

a) The subsection “Total Investment Costs” shall present investment cost indicators in national and foreign currency (US dollars or euros of the European Union), broken down into the following items:

- land and site preparation;
- production facilities and engineering structures;
- production equipment;
- auxiliary and operational equipment;
- corporate fixed assets;
- capital expenditures for production preparation;
- working capital requirements;
- total investment costs.

b) The subsection “Project Financing (Projected)” shall reflect the sources of financing, the nature of expenditures depending on financing and debt repayment, as well as structural financial ratios.

c) The subsection “Total Cost of Goods Sold” shall provide annual indicators broken down into the following items:

- production cost;
- administrative expenses;
- other production and marketing expenses;
- depreciation charges;
- financing expenses;
- total cost of production.

d) The subsection “Financial Modeling” shall present financial reporting data (cash flow forecast, profit and loss statement, and balance sheet), net present value (NPV), internal rate of return (IRR), payback period, and simple rate of return. This subsection shall also include break-even analysis and market conditions analysis.

The section “Economic Analysis of Costs and Benefits” shall provide an assessment of the project from the perspective of national economic interests. The primary focus shall be on presenting the main arguments in favor of project implementation, serving as a basis for decision-making. Information on the essence of the project and its potential shortcomings shall also be provided.

The section “Conclusion Based on the Study Results” shall summarize the results of the assessment of the project’s orientation, its significance for the national economy, the feasibility of its implementation, and the benefits for the stakeholders.

4. Requirements for Business Plan Developers

The development of the business plan shall be carried out, by decision of the Applicant, either by the Applicant’s own specialists or with the involvement of consulting companies or experts.

The submitted project shall be certified by the signature and seal of the Applicant. It shall contain brief information about the developer of the business plan and shall be submitted with his/her signature.