

Approved by the order No.  
F-38 dated April 22, 2016 of  
the Minister of Economy of  
the Republic of Azerbaijan

## **METHODOLOGICAL RECOMMENDATIONS**

for drafting an investment project (business plan) by legal entities and individual entrepreneurs to  
obtain investment promotion document

## **1. General provisions**

This document was prepared in accordance with the “Rules for issuing investment promotion document” approved by the Order No. 745 dated 18.01.16 of the President of the Republic of Azerbaijan “On additional measures to promote investment” and defines the methodological recommendations for drafting an investment project (business plan) by legal entities and individual entrepreneurs to obtain investment promotion document.

### **I SECTION**

#### **Cover page**

Drafting an investment projects starts from the cover page. Information given in the cover page is reflected in the I section of an investment project and mainly, covers the initial familiarity related to the entrepreneurship subject and the investment project presented by it.

Following information must be provided in the cover page:

1. Entrepreneurship subject;
  - Name
  - Legal address
  - Business address (location of the project, indicating administrative territorial unit)
2. Stakeholder and shareholder (stakeholders and shareholders);
  - Name (s)
  - Address (es)
3. Manager (managers);
  - Name (s)
  - Position (s)
  - Address (es)
4. Organizational – legal form;
5. Ownership;
6. Registration of the entrepreneurship subject by state body;
7. Banking details.

### **II SECTION**

#### **Summary of an investment project**

The summary of an investment project reflects relevant information on the entrepreneurship subject and information on products to be manufactured, serviced to be rendered and works to be done within this investment project, expressing the main aim and content of the project. Relevant provisions of the investment project must be written briefly, accurately and fluently in sequences:

1. Information on the investment project;
  - The essence of the investment project;

- Total value of the investment project (indicating the value of building, land, plant, equipment etc. in separate);
  - Term of execution of the investment project.
2. Detailed information on the fixed and current assets intended to be bought for the investment project (list of buildings, land, inventory, machinery, technological equipment and plants within the framework of the investment project, their specifications and expected initial cost);
  3. detailed information on repair-construction and installation works within the framework of the investment project;
  4. information on the economic activity area and the products to be manufactured referring to the investment project;
  5. information on creating new jobs.

### **III SECTION**

#### **Information on entrepreneurship subject**

It is important to interpret information on the organization and potential advantages of the business of entrepreneurship subject, the level of existing opportunities for the implementation of the investment project etc. in this section of the investment project. Information on the entrepreneurship subject should be reflected in the following sequence:

1. activity and business history of entrepreneurship subject;
2. its existing production infrastructure and material and technical basis;
3. its staff.

### **IV SECTION**

#### **Organizational plan (implementation schedule)**

The organizational plan of the investment project should primarily reflect the performance of the works within the project and the sequence of inspections, stages of implementation and other important organizational processes. Preparation of the organizational plan should be done in the following sequence:

1. stages of main works intended within the investment project;
2. schedule of works to be done (indicating the funds to be put for years in this part)
3. works done under the implementation schedule.

## **V SECTION**

### **Production plan**

Preparation of a production plan in the investment project involves the organization of the production for the type of product (work and service), material and technical supply, production process management and other relevant production related information.

The following information should be provided in the production plan:

1. Existing production opportunities of the entrepreneurship subject;
2. Production capacity and intended production volume within the investment project;
3. Characteristics and consumption norms of raw materials and materials intended to be purchased;
4. Labor organization, safety of production and environmental issues.

## **VI SECTION**

### **Financial plan**

The financial plan of the investment project reflects cash flows within the project, summarizes the information presented in other sections and describes them in value (money) terms. This section is based on reflecting the fixed and current assets at the disposal of the entrepreneurship subject, credit and equity movements, and cash flows during the project period.

The following information should be provided in section of financial plan:

1. the sources of inflows;
2. directions of outflows;
3. profit and loss statement;
4. cash flow statement;
5. project financing source.