



Project Finance Industry Survey 2024





Contents

Introduction	3
Who We Surveyed	4
2023 Reflection	5
Hurdles to Growth	6
Organization Size and Annual Growth Goals	8
Digital Transformation for Project Finance	9
Unprecedented Market Growth	10
About Banyan Infrastructure	11



Introduction

In early 2024, Banyan Infrastructure conducted its inaugural project finance industry survey for project financiers, developers, and bankers in the renewable infrastructure space. The goal of this survey was to help industry stakeholders better understand and share what friction points the broader ecosystem is experiencing and what opportunities for collective growth are needed to move the industry forward.

Through this report, we will share the findings, insights, and recommendations on how to capitalize on the immense opportunity for renewable energy development and deployment over the coming years.



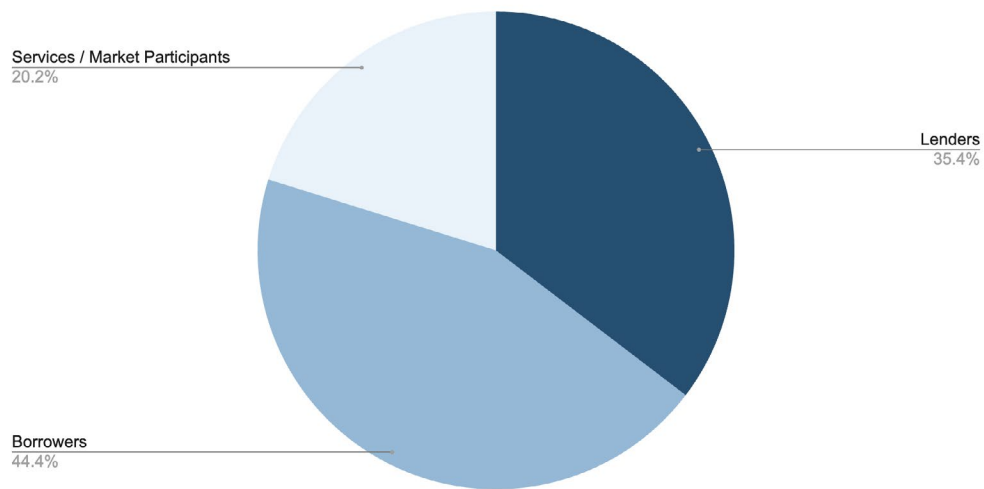
Who We Surveyed

Respondents spanned all corners of renewable energy, including developers, independent power producers, institutional banks, green banks, and infrastructure funds. Borrowers (44%) and lenders (25%) were the majority of respondents, while technology companies, financial services, lawyers, and EPCs comprised 20%. Respondent positions included a range of C-level and managing director roles and deal, strategy, development, and investment team members.

In terms of organizational size, 55% of the respondents reported managing a deal flow of 0-10 projects per year, while the other 45% was split roughly evenly between 10-40 and 50+ projects.

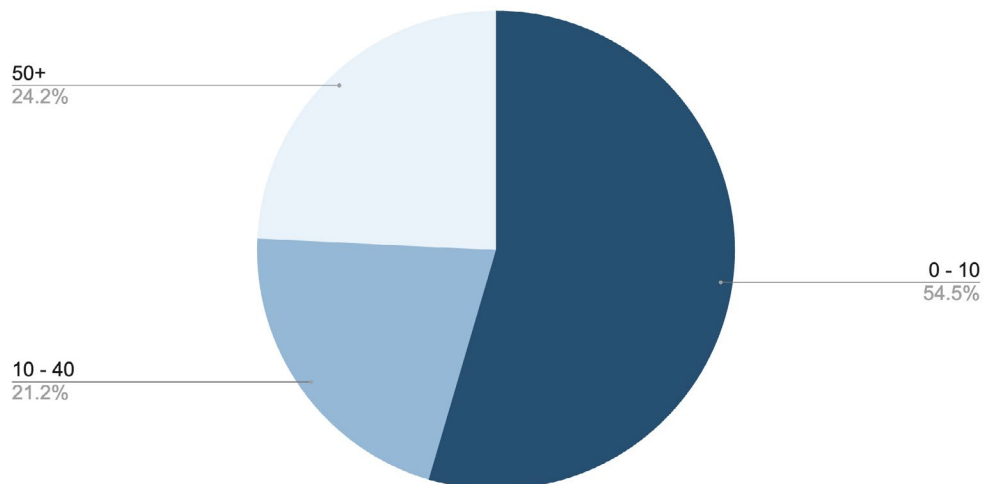
Type of respondent

Percent of responses



Respondent annual deal flow

Percent of responses





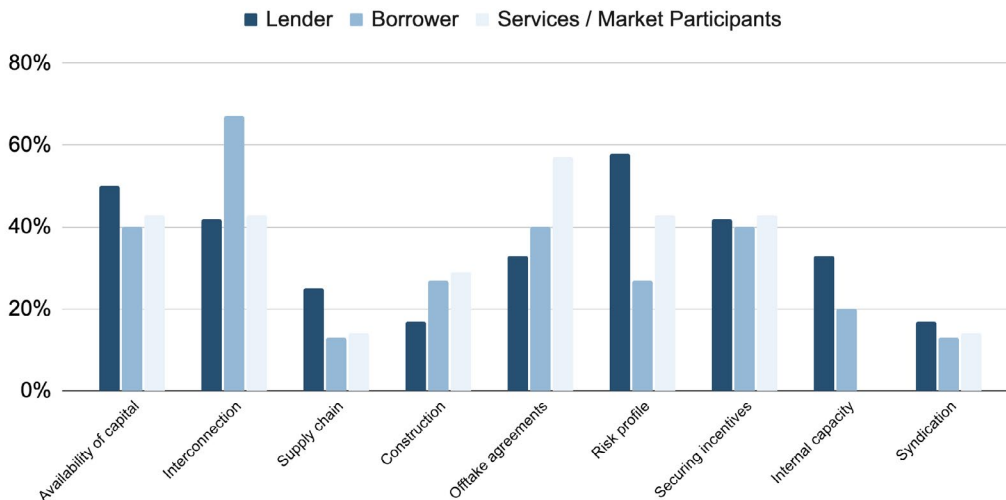
2023 Reflection

Overall, the survey found that firms of all sizes have big ambitions for growth, fueled by massive market drivers and opportunities to move the industry forward. However, we found many need more talent resources, digital strategy, and a thoughtful technology stack to support their team's goals.

When looking into the areas where deals got blocked in 2023, we found that 50% of lenders and 40% of borrowers stated that the availability of capital was a top reason for slowing down deals. The most significant difference between lenders and borrowers was that borrowers attributed macroeconomic factors like interconnection being the main challenge they face (67%), with offtake agreements (40%) and securing incentives (40%) following closely behind. While lenders primarily attributed blocked or delayed deals in 2023 to risk profile (58%), they also agreed with borrowers, with other notable factors being interconnection (42%) and securing incentives (42%).

Where did deals get blocked or delayed in 2023?

Percent of responses (multiple choice)



In terms of types of deals in 2023, most organizations' portfolios consisted of energy storage and solar projects, but energy efficiency, transportation, waste to value, and wind were also included. Almost half of lenders (42%) want to invest in new technologies as part of their goals for 2024.

While 2023 was a successful year for many in terms of growth (**17% y/y growth**), the industry is not resting, with 70% of respondents aiming to grow their portfolio in 2024.



Hurdles to Growth

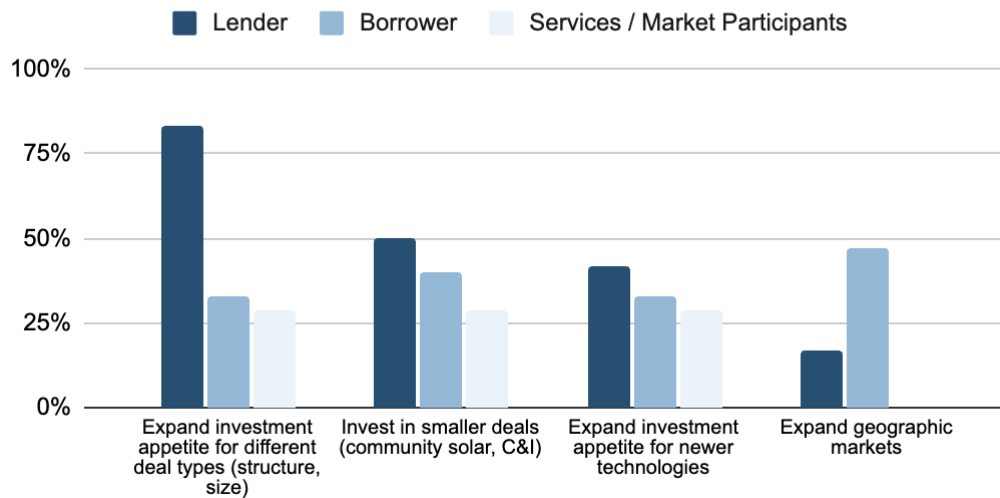
Data management is limiting high-level strategic insights. **38% of respondents stated they spend 5+ hours weekly on data management and process administration tasks for a new opportunity.** These tasks include managing closing checklists, entering data, coordinating counterparties, tracking to-dos, and creating reports.

Critically, of the respondents in executive roles, 40% spend 5+ hours per week on these tasks, and 60% spend 5+ hours per month on reporting for portfolio management. Here, the lack of advanced data management seems particularly problematic, as a leader's time is better spent on analysis and strategy development than administrative and data processing tasks.

As portfolios grow, there is an increasing need for process improvement and newer tools across industry stakeholders. In fact, when asked about the main value propositions for using project finance software, lenders and borrowers cited efficiency gains (58% and 47%, respectively).

What are your goals for 2024?

Percent of responses (multiple choice)



Lenders and borrowers are focused on improving internal organizational efficiencies to achieve growth goals in 2024. However, each group's strategy for achieving these goals may differ based on the tools they currently use.

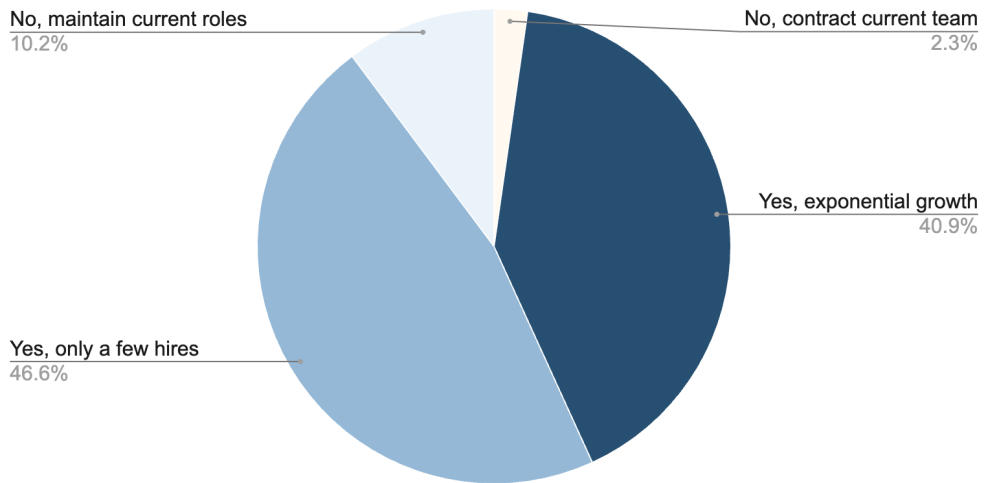
Lenders are betting on human capital and limited tools.

83% of lenders listed “expand investment appetite for different deal types (structure, size)” as a top goal for 2024. Interestingly, most of these organizations are focused on improving team and manual efficiencies instead of tools to do what they care most about: retaining/growing talent (83%), increasing deal velocity (50%), and finding liquidity for projects (42%).



Are you growing your team in 2024?

Percent of responses



Surprisingly, when asked about the main value propositions for using project finance software, 58% chose “improved efficiency to increase deal velocity (each person can manage more deals).” In fact, 42% of lenders surveyed only use one software solution; 50% use a CRM like Salesforce, and 25% use productivity tools like Microsoft or Google Suite.

There is an apparent gap between lenders’ current systems and their focus areas for 2024. To keep smart, talented people happy, the internal systems used in day-to-day work must be in place to empower team members, not bog them down with data management.

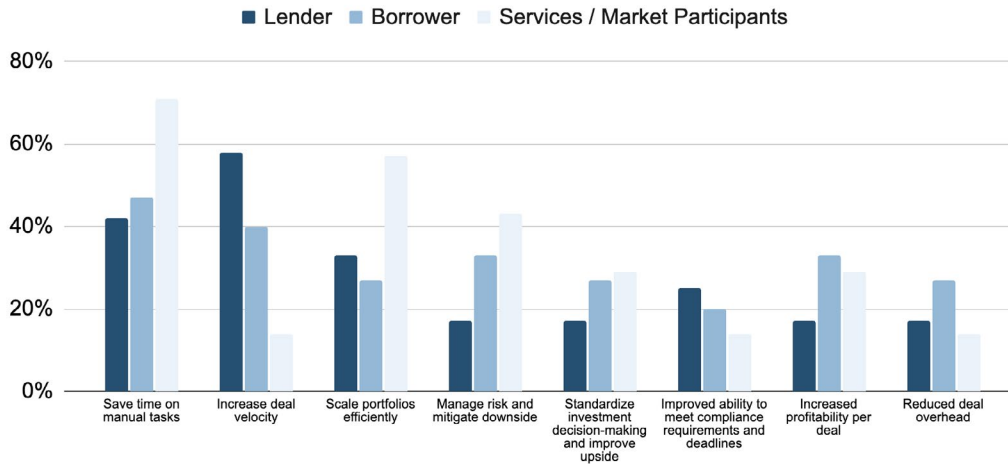
Borrowers will struggle with too few or too many tools.

The top goal for borrowers in 2024 is broadly to “grow portfolio[s].” Like lenders, borrowers care most about improved internal efficiencies: equally focused on increasing deal velocity (67%) and improving profit per deal (67%). Borrowers, too, see the value in project finance software, with 40% saying that the primary value proposition for using it is improved efficiency (less time spent on manual tasks).



What are the main value propositions for using project finance software?

Percent of responses (multiple choice)



However, borrowers are more mixed than lenders on current software solutions, ranging from none (33%) to more than five platforms (20%). Of those with software solutions, 53% use Microsoft or Google Suite, 47% use a CRM, and 47% use project management/task management software like Monday.com.

Again, there is a gap between organizational goals and current tools being utilized to achieve these goals. Too few and too many solutions add similar complexities, creating confusion for employees about where data is located, when it was last updated and by whom, and more.

Organization Size and Annual Growth Goals

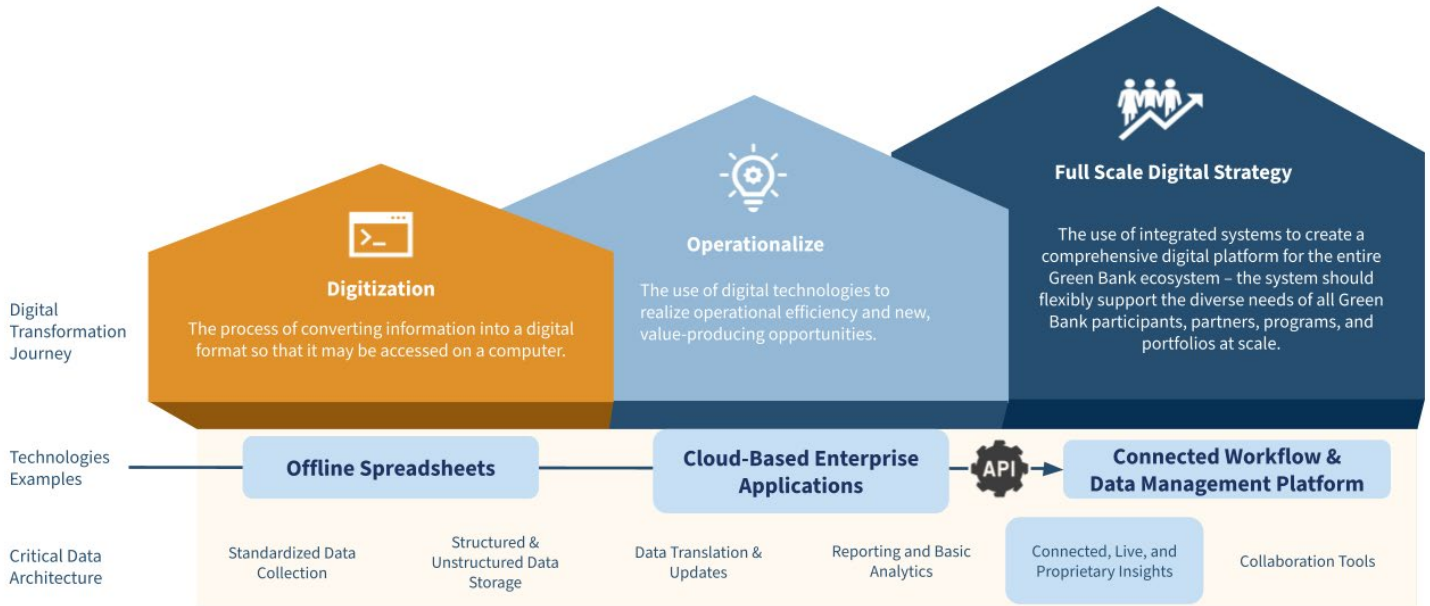
The survey revealed that respondents were divided in their annual growth goals by organizational size: The smaller the firm, the greater the focus on quick growth, and the larger firms, the more focus on internal efficiency and diversification.

Of the organizations with 0-10 annual projects, 78% said their main concerns are to increase deal velocity and improve liquidity. Among those with 10-40 annual projects, **86% care most about growing and retaining talent**. In contrast, firms with 50+ projects focus on expanding their investment appetite for different deal types (75%) and diversifying portfolios (63%).

To hit these goals, firms must lay the foundation for organized, transparent data and risk management, efficient process automation, and better insights and collaboration. Firms without this foundation will struggle to scale, even those with growing teams and extensive portfolio management resources. In fact, those that rely on hiring alone will face high competition and challenges with retention. Instead, a strong tech stack and digital strategy will enable them to cost-effectively reach their growth and efficiency goals.



Digital Transformation for Project Finance



The Project Finance industry needs to go through a digital transformation. When asked to rate the statement, “In 2024, a strong digital strategy and technology stack is important to achieving my company’s goals,” more than half of respondents agreed or strongly agreed. Also, 50% of respondents agreed or strongly agreed with the statement, “In 2024, I expect my investment in software and technology to grow.”

But how do firms get started with digital transformation? It starts with creating best practices and standards within your organization. In particular, organizations should ask themselves, “What technology stack will help me standardize and accelerate workflows and facilitate scalable collaboration?”

The survey reveals that many respondents are in the initial stages of this journey with a CRM and/or Google or Microsoft Suite of tools. Others have approached this challenge by cobbling together multiple platforms to meet various operational needs. However, the efficiency gains will not come from these siloed tools, nor will scalability result solely from growing teams.

Instead, firms should seek out a single solution that can connect all counterparties and integrate disparate data into a shareable, flexible platform, aggregating the data that matters from origination, underwriting, closing, portfolio management, and compliance management.



Unprecedented Market Growth

Due to continued technological innovation and growing policy support like the 2022 Inflation Reduction Act, sustainable infrastructure is reaching maturity and poised for massive growth in the coming years. Also, the shift in market focus from utility-scale deals to smaller distributed energy deals will inevitably increase deal volume and complexity, necessitating improved efficiency, automation, and standardization across the industry.

If you remember anything from this report, take away these three points:

- 1. Invest in process automation.** As the market expands, process efficiency and automation will be critical for you to hit growth targets, so you aren't limited by the capacity and retention of your team. Build the foundation now to scale rapidly tomorrow.
- 2. Empower your team with a strong digital strategy.** Firms will feel the pain of manual work, burned-out teams, and overwhelming, unmanageable data without a solid digital approach and reliable, integrated software. Internal capability, securing incentives, risk profile, syndication, and availability of capital can all be helped with a stronger digital strategy.
- 3. Create one source of truth for your organization.** Especially with lean teams, efficiency gains in workflows and new tools will be critical to maximize the velocity of capital and achieve industry and organizational growth. Greater transparency will also enable firms to better understand and price risk, manage exposure, and limit liquidity risks.

Take strategic action today, or risk losing out on the opportunities ahead.



About Banyan Infrastructure

Banyan Infrastructure is a project finance software platform designed to simplify, accelerate, and optimize sustainable infrastructure financing across the deal life cycle. Our solution oversees and automates the complex and time-consuming processes in the origination, portfolio, and compliance management of sustainable assets, which boosts profits per investment, increases deal velocity, and saves thousands of hours at every stage.

Visit banyaninfrastructure.com or follow us on [LinkedIn](#) for more information.

