

CHECKLIST TO EVALUATE/EXAMINE UNSOLICITED

PROJECT PROPOSAL

1. Technical feasibility (design, layout etc., land requirements if any)
2. Roles and responsibilities of Pakistan Railways and Private Party clearly defined
3. PPP modality/Transaction structure
4. Duration of the PPP agreement (construction time and O&M time to be mentioned separately)
5. Affordability in terms of budgetary provisions and user charges
6. Risk allocation matrix along with mitigation strategies
7. Key Performance Indicators (KPIs)
8. Monitoring mechanism
9. Analysis of PPP options (BOT/BT/BLT/JV etc.)
10. Government support (in terms of land, annuity payments, upfront subsidy, etc.)
11. **Financial Analysis:** The Excel-based financial model should represent full costs of delivering the Project, as well as risks associated with the Project according to the output specification via the preferred feasible structure.
 - i. Assumptions, clearly categorized as general, revenues & costs, macro-economic and financial markets
 - ii. Income statements, statement of cash flows, balance sheets and fixed assets schedules
 - iii. Debt schedules and funding sheets highlighting sources and uses of funds
 - iv. Valuations showing project Internal Rate of Return (IRR), Equity IRR, Project Net Present Value (NPV), Equity NPV, Pay Back periods (Simple and discounted)

- v. Ratio Analysis such as Debt Service, Interest Cover, Project Life Cover, Loan Life Cover, and other prominent ratios
- vi. Sensitivity Analysis for critical variables of the project
- vii. Financial results for various PPP modalities
- viii. The Debt Equity Ratio
- ix. Corporate and finance structure
- x. Uses and sources of finances