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## ICRC-Financial Model Template Guide

### 1.0. Introduction

The main objective is to demonstrate the economic and financial viability and bankability of any identified project. The financial model also serves as one of the primary tool for justification of an OBC.

The key elements required in the financial model are:

- **Completeness** – this requires that the model contains all the necessary information and parameters required by the commission to evaluate the project.
- **Accuracy & Integrity** – this requires that the model presented has integrity of its formulas and mathematical computations on the model, Consistency in nomenclature, currency and rates. Sources of economic assumptions should also be stated.
- **Reasonability of Data** – The model should be based on facts and assumptions in line with the write-up and studies on the OBC.
- **Reporting Structure** - The model is required to follow standard financial model sequence and acceptable accounting standards.

Please see section 2, below, for a detailed description of the required contents of the Financial Model.

### 2.0. Financial Model Structure

The Financial Model should provide all the relevant information for the [sponsoring MDA] to make a well-informed decision on viability and bankability of the proposed project. In addition, it provides a basis for determining the payback period and concession years of the project. A sample sheet outline of a Financial Model is provided below:

<b>S/N</b>	<b>Model Element</b>	<b>Description</b>
1	<b>Model Cover</b>	This provides the name of the project, promoter, date and model version.
2	<b>Summary/Dashboard</b>	This shows a summary or dashboard of key indices, outputs, ratios and graphs.
3	<b>Model Assumptions</b>	Key underlining assumptions both static and dynamic driving the model should be stated here.
4	<b>Project Cost</b>	This presents breakdown of the project cost, this would include construction costs ( if applicable), development costs, implementation costs, Interest paid during construction period, etc.
<b>S/N</b>	<b>Model Element</b>	<b>Description</b>
5	<b>Timing &amp; Flag</b>	This sheet should contain the timing and activity flag for the project. Model period should cover the whole proposed concession years.
6	<b>Financing Structure</b>	The financing structure of the project in terms of debt, equity and viability gap funding is stated here. The cost of fund for each segment may also be presented here.
7	<b>Funding/Revenue Drivers</b>	This presents the detailed revenue drivers or revenue streams.
8	<b>Cost Drivers</b>	Direct costs drivers and operational cost estimates are stated here. Staffing plan may also be included here.
9	<b>Construction Model ( If Applicable)</b>	This show the construction plan in terms of timing and fund disbursement.
10	<b>Projected Volumes or Operations Level</b>	This should show the market size and the projected volumes, activity levels and service levels.
<b>S/N</b>	<b>Model Element</b>	<b>Description</b>
11	<b>Projected Profit &amp; Loss</b>	This should present the income statement in a GAAP/IFRS/FRC

	<b>Statement</b>	acceptable format.
12	<b>Projected Operational Cash Flow Statement or Statement of Cashflow</b>	The statement of cashflow may be presented either in the direct or indirect format
13	<b>Projected Balance Sheet / Statement of Financial Position</b>	Balance sheet/Statement of cashflow may be presented in GAAP/IFRS/FRC acceptable format.
14	<b>Loan Repayment Schedule</b>	This should show all the different classes of loans and their repayment schedule.
15	<b>Computation of WACC, NPV, IRR, Payback, etc</b>	The computation of WACC, NPV, IRR, DSCR and payback should be shown. This should show Project indices, Concessionaire indices and MDA indices ( where applicable).
<b>s/N</b>	<b>Model Element</b>	<b>Description</b>
16	<b>Depreciation Table</b>	The assets, depreciation and amortization of capex should be presented here.
17	<b>Tax Table</b>	All applicable income tax should be presented
18	<b>Scenario driver included in model</b>	The model should build levers for scenario analysis, at the minimum should have a base, high and low case.
19	<b>Sensitivity Analysis</b>	A sensitivity table showing the effect of varying key parameters such as interest rate, exchange rate, activity levels and
20	<b>Computation of Public Sector Comparator &amp; Value for Money</b>	A public sector comparator and value for money analysis should be presented based on the output of the model.