

Check List for Project Appraisal to be Completed by Consultant

Project Title: _____		
Context and Project Objectives:	Yes	No
Is the project consistent with national and EU policy objectives?	<input type="checkbox"/>	<input type="checkbox"/>
Does the appraisal outline the clear benefits of the project to Malta?	<input type="checkbox"/>	<input type="checkbox"/>
Is the type of appraisal (CBA) consistent with national project thresholds?	<input type="checkbox"/>	<input type="checkbox"/>
Project Identification:		
Does the project constitute a clearly identified self-sufficient unit of analysis?	<input type="checkbox"/>	<input type="checkbox"/>
Feasibility and Option Analysis		
Is evidence presented that the project is technically feasible?	<input type="checkbox"/>	<input type="checkbox"/>
Does the appraisal have a clear description of the 'do nothing' scenario?	<input type="checkbox"/>	<input type="checkbox"/>
Is there evidence of examination of other project options? – has the applicant demonstrated that other alternative feasible options have been adequately considered?	<input type="checkbox"/>	<input type="checkbox"/>
Can you confirm that all feasible project options have been subjected to a simplified CBA? (including estimates of the ENPV and FNPV (C))	<input type="checkbox"/>	<input type="checkbox"/>
Demand Analysis		
Has sufficient research been undertaken to justify demand analysis?	<input type="checkbox"/>	<input type="checkbox"/>
Financial Analysis		
Is the VAT status clear and applied correctly throughout the DCF analysis? (VAT should, generally, never be included in the revenues but may be included in the costs depending on the VAT status of the project.)	<input type="checkbox"/>	<input type="checkbox"/>
Have depreciation, reserves and other accounting amounts items which do not correspond to actual cash flows been excluded from the analysis?	<input type="checkbox"/>	<input type="checkbox"/>
Is the choice of discount rate consistent with guidelines? (A 4% real discount rate should be used in financial appraisal. If prices are in nominal terms, then the value of this rate should be adjusted).	<input type="checkbox"/>	<input type="checkbox"/>
Has the residual value of the investment been properly calculated and included in the analysis? (This should be consistent with the approaches outlined in the ECDG guidelines).	<input type="checkbox"/>	<input type="checkbox"/>
Have you checked that contingency amounts are excluded from the DCF analysis? (Although the project may be eligible for contingency amounts in the awarding of the grant (provided justification and full risk analysis are provided), contingency amounts should never be included in the DCF analysis.)	<input type="checkbox"/>	<input type="checkbox"/>
Have the main financial performance indicators been calculated (FNPV(C), FRR(C), FNPV(K), FRR(K)) considering the right cash-flow categories? (These indicators should be estimated as in Table 2.1 of the ECDG guidelines pg. 34)	<input type="checkbox"/>	<input type="checkbox"/>
Is a financial sustainability section included in the CBA?	<input type="checkbox"/>	<input type="checkbox"/>
Economic Analysis		
Are all prices net of VAT and other indirect taxes in the economic analysis?	<input type="checkbox"/>	<input type="checkbox"/>
Have externalities being included in the economic appraisal (both positive and negative)?	<input type="checkbox"/>	<input type="checkbox"/>
Are all financial values converted to economic prices by applying appropriate shadow prices where relevant? – In the case of the market distortions, have shadow prices been used to better reflect the social opportunity cost of the resources consumed?	<input type="checkbox"/>	<input type="checkbox"/>
Has a real social discount rate of 5% been used in the economic analysis?	<input type="checkbox"/>	<input type="checkbox"/>
Have the main economic performance indicators been calculated (ENPV, B/C ration and the ERR) considering the right categories of cost and benefits?	<input type="checkbox"/>	<input type="checkbox"/>
Does the project indicate a positive economic return? (a positive ENPV and a B/C ratio greater than unity)	<input type="checkbox"/>	<input type="checkbox"/>
Risk Assessment		
Does the project include a sensitivity analysis on the critical variables? (This sensitivity analysis should also include a scenario analysis.) – Is the sensitivity analysis carried out variable and possibly using switching values?	<input type="checkbox"/>	<input type="checkbox"/>
Are probability distributions constructed for the identified economic and financial critical variables?	<input type="checkbox"/>	<input type="checkbox"/>
Using these probability distributions has the project been evaluated in view of its expected return (accounting for risk) rather than its mean return?	<input type="checkbox"/>	<input type="checkbox"/>
Name of Individual Responsible for project in Consultancy Practice: _____		
Signature of Consultant confirming all above issues have been checked: _____		

