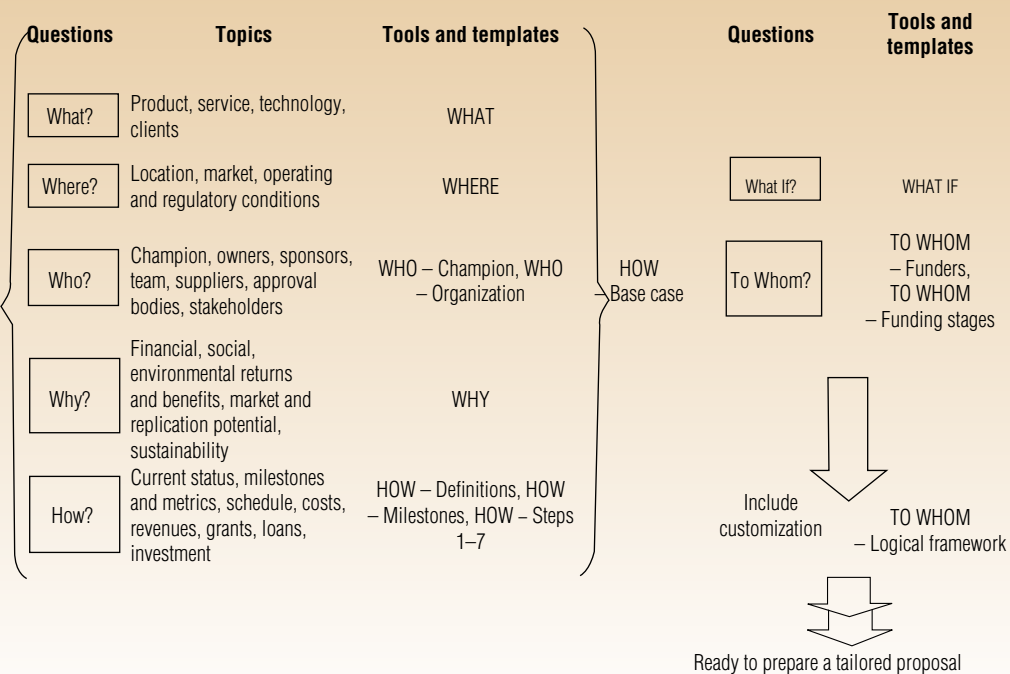


Annex I: Templates

Template title	Contents
Flow chart	Proposal preparation process, tools and templates
WHAT	Product, service, technology and customer description
WHERE	Market, operating and regulatory information-gathering and description
WHO – Champion	Champion and team assessment
WHO – Organization	Inventory of participants and interests
HOW – Definitions	Definitions of terms
HOW – Milestones	Schedule, milestones and metrics
HOW – Step 1	Capital costs
HOW – Step 2	Grants and subsidies
HOW – Step 3	Revenue
HOW – Step 4	Operating costs
HOW – Step 5	Income statement
HOW – Step 6	Financing needs 1
HOW – Step 7	Financing needs 2
HOW – Base case	Base case
WHY	Triple-bottom-line baseline and expectations
WHAT IF	Sensitivity analysis matrix
TO WHOM – Funders	Selecting the appropriate audience
TO WHOM – Funding stages	Customer, donor, lender and investor matrix for different project stages
TO WHOM – Logical framework	Logical framework template
Proposal formats	Product, service and technology-oriented proposal outlines

Flow chart for preparing and presenting proposals



What? template

Product or service

Are you offering a product or service?

- Product
 Service
 Both
 Other
-

Is the product or service new?

- New
 New to this area
 Existing
 Other
-

Have customers seen this product or service before?

- Never
 Saw elsewhere
 Yes, exists locally
 Other
-

Product or service description

Need being satisfied

Technology

Technology description

Reference for further technical details

Where is this technology used? Is the technology successful in those places?

- | | | | |
|---|------------------------------|-----------------------------|-------------------------------------|
| <input type="checkbox"/> Globally | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Don't know |
| <input type="checkbox"/> In this country | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Don't know |
| <input type="checkbox"/> In this local market | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Don't know |
| <input type="checkbox"/> Nowhere, it's new | | | |
| <input type="checkbox"/> Other | | | |
-

What is your experience with this technology?

- Expert
 Some experience
 Limited experience
 No experience

Are there other technologies that deliver the same product or service?

<input type="checkbox"/>	Yes, these include:	_____
<input type="checkbox"/>	No	_____
<input type="checkbox"/>	Don't know	_____
<input type="checkbox"/>	Other	_____

What sizes will be available?

What is the estimated customer price?

What is the average price of competitive products?

What is the estimated cost to you?

List the components of the technology

Sources of each component

Alternative sources

Is maintenance required?

Customer

What types of customers will you serve?

Individuals or families Small businesses Large businesses Other

Approximately how many customers will be served in next three years?

Average customer income / revenue

Average customer income / revenue trends

If there is only one large or a few customers, what is their credit rating and track record of paying bills?

Current product or service being used by this customer: (1) Identify product(s) or service(s) and (2) state reason why customers choose current products or services.

<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<input type="checkbox"/> Lower price	<input type="checkbox"/> Lower price	<input type="checkbox"/> Lower price	<input type="checkbox"/> Lower price
<input type="checkbox"/> Better performance	<input type="checkbox"/> Better performance	<input type="checkbox"/> Better performance	<input type="checkbox"/> Better performance
<input type="checkbox"/> Better reliability	<input type="checkbox"/> Better reliability	<input type="checkbox"/> Better reliability	<input type="checkbox"/> Better reliability
<input type="checkbox"/> Better support	<input type="checkbox"/> Better support	<input type="checkbox"/> Better support	<input type="checkbox"/> Better support
<input type="checkbox"/> No other choice	<input type="checkbox"/> No other choice	<input type="checkbox"/> No other choice	<input type="checkbox"/> No other choice
<input type="checkbox"/> Other	<input type="checkbox"/> Other	<input type="checkbox"/> Other	<input type="checkbox"/> Other
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

What other companies or programmes are targeting these customers? Are they similar to this proposal?

<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<input type="checkbox"/> Similar	<input type="checkbox"/> Similar	<input type="checkbox"/> Similar	<input type="checkbox"/> Similar
<input type="checkbox"/> Not similar	<input type="checkbox"/> Not similar	<input type="checkbox"/> Not similar	<input type="checkbox"/> Not similar
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<input type="checkbox"/> Similar	<input type="checkbox"/> Similar	<input type="checkbox"/> Similar	<input type="checkbox"/> Similar
<input type="checkbox"/> Not similar	<input type="checkbox"/> Not similar	<input type="checkbox"/> Not similar	<input type="checkbox"/> Not similar
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<input type="checkbox"/> Similar	<input type="checkbox"/> Similar	<input type="checkbox"/> Similar	<input type="checkbox"/> Similar
<input type="checkbox"/> Not similar	<input type="checkbox"/> Not similar	<input type="checkbox"/> Not similar	<input type="checkbox"/> Not similar

Why would customers choose your product or service?

<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<input type="checkbox"/> Lower price	<input type="checkbox"/> Lower price	<input type="checkbox"/> Lower price	<input type="checkbox"/> Lower price
<input type="checkbox"/> Better performance	<input type="checkbox"/> Better performance	<input type="checkbox"/> Better performance	<input type="checkbox"/> Better performance
<input type="checkbox"/> Better reliability	<input type="checkbox"/> Better reliability	<input type="checkbox"/> Better reliability	<input type="checkbox"/> Better reliability
<input type="checkbox"/> Better support	<input type="checkbox"/> Better support	<input type="checkbox"/> Better support	<input type="checkbox"/> Better support
<input type="checkbox"/> No other choice	<input type="checkbox"/> No other choice	<input type="checkbox"/> No other choice	<input type="checkbox"/> No other choice
<input type="checkbox"/> Other	<input type="checkbox"/> Other	<input type="checkbox"/> Other	<input type="checkbox"/> Other
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

How will you reach these customers?

<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<input type="checkbox"/> New sales force	<input type="checkbox"/> New sales force	<input type="checkbox"/> New sales force	<input type="checkbox"/> New sales force
<input type="checkbox"/> Existing distributors	<input type="checkbox"/> Existing distributors	<input type="checkbox"/> Existing distributors	<input type="checkbox"/> Existing distributors
<input type="checkbox"/> NGOs	<input type="checkbox"/> NGOs	<input type="checkbox"/> NGOs	<input type="checkbox"/> NGOs
<input type="checkbox"/> Government	<input type="checkbox"/> Government	<input type="checkbox"/> Government	<input type="checkbox"/> Government
<input type="checkbox"/> Other	<input type="checkbox"/> Other	<input type="checkbox"/> Other	<input type="checkbox"/> Other
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Where? template

Market setting

Where are you located?

Country

Province

District

City/town

Where are your customers located?

Country

Province

District

City/town

What is the population of the country/ region?

Country/region/district/town

Population

What is the number of expected customers?

Time period

Number of customers

First six months

First year

Second year

Full development

Average income in the area you operate in is about:

For top 25%

—

For middle 50%

—

For bottom 25%

—

Your local currency is

Current exchange rate in terms of dollar or euro =

Foreign currency

Local currency

\$1 is equal to

€1 is equal to

Inflation rates (past three years)

Year 1

Year 2

Year 3

Interest rates for deposits

 For local currency

 For foreign exchange (dollars or euros)

Interest rates for bank loans

List requirements to obtain bank loans, such as collateral, guarantees, etc.

Any other information about region/market conditions specific to your business

Operating setting

Property rights mean the right to the exclusive use of property and the right to control, transfer, sell and benefit from the property. In your setting, can property rights be described as well defined and clear cut?

In your setting, can property rights be described as well defined and clear cut?

 Yes No Don't know

The process for purchasing and taking possession of land can be described as:

 Short/fast Slow/lengthy Don't know

Security refers to personal safety and the likelihood that property will be destroyed or stolen.

In your setting, the security level can be described as:

 High Medium Low Dangerous

Corruption refers to the need to pay people either to process approvals or to protect your rights as a business. In your setting, the Corruption level be best described as:

 No corruption Low Medium High

The process for hiring and firing workers/employees can be described as

Easy Not so Difficult Difficult

The process for obtaining credit/loans can be described as:

Short/cheap Slow/costly Don't know

Interaction with inspectors and other public officials can be described as:

Short/fast Not so difficult Slow/lengthy Difficult

Contract enforceability processes can be described as:

Short/fast Not so difficult Slow/lengthy Difficult

Are reliable contractors easily available?

Yes No Don't know

The cost of reliable contractors can be described as:

Low Medium High

Infrastructure cost

Cost of	Can be described as		
	Low	Medium	High
Transportation of goods			
Transportation of people			
Electricity			
Gas			
Fuel oil			
Telephone			
Mobile phone			
Water			

Any other information about operating setting specific to your business

Regulatory setting

Do you need a permit to start the business?

Yes No Don't know

The process for obtaining the above permit takes about:

- 6–12 months
 3–6 months
 1–3 months
 15 days–1 month

Do NGOs need permits to operate in the area?

- Yes No Don't know

The process for obtaining the above permit takes about:

- 6–12 months
 3–6 months
 1–3 months
 15 days–1 month

Is a permit needed to start a feasibility study or a project study?

- Yes No Don't know

The process for obtaining the above permit takes about:

- 6–12 months
 3–6 months
 1–3 months
 15 days–1 month

Do you need a permit to obtain a concession?

- Yes No Don't know

The process for obtaining the above permit takes about:

- 6–12 months
 3–6 months
 1–3 months
 15 days–1 month

Do you need a permit to use a natural resource?

- Yes No Don't know

The process for obtaining the above permit takes about:

- 6–12 months
 3–6 months
 1–3 months

Who? template

Champion self-assessment

What is your main motivation for starting this business?

- Earn a regular income
- Be involved day to day
- Be involved only part time
- Earn a one-time fee or lump-sum payment
- Create a valuable business over time by growing it slowly
- Engage family members
- Gain experience
- Improve the well-being of a particular community
- Improve the environment
- Other

Please specify _____

Skills assessment

Do you have any experience in sales or marketing?

Identifying customers for the product or services of a business and developing a pricing, advertising and promotion strategy to attract them.

- Yes No

If yes, indicate your experience level:

- Very experienced
- Experienced
- Some experience
- A little experience
- Knowledge but no experience

Describe where your experience was gained:

Do you have any experience running a business?

Operating and maintaining a cost-effective business. Overseeing and coordinating all of the participants in the business with respect to the company's mission, performance, schedule and budget.

- Yes No

If yes, indicate your experience level:

- Very experienced
- Experienced
- Some experience
- A little experience
- Knowledge but no experience

Describe where your experience was gained:

Do you have any experience in financial planning?

Estimating the financial requirements of a business and preparing a mix of financing alternatives, including financial analyses such as cash flows, income statements and balance sheets.

Yes No

If yes, indicate your experience level:

- Very experienced
 Experienced
 Some experience
 A little experience
 Knowledge but no experience

Describe where your experience was gained:

Do you have any experience dealing with laws or regulations?

Understanding and complying with the relevant rules and regulations governing a business.

Yes No

If yes, indicate your experience level:

- Very experienced
 Experienced
 Some experience
 A little experience
 Knowledge but no experience

Describe where your experience was gained:

Do you have any experience negotiating?

Reaching agreements with different parties, such as contractors, customers, government authorities, employees.

Yes No

If yes, indicate your experience level:

- Very experienced
 Experienced

- Some experience
- A little experience
- Knowledge but no experience

Describe where your experience was gained:

Do you have any experience dealing with banks or investors?

Raising debt and equity and building business relationships that result in cost-effective sources of capital.

- Yes No

If yes, indicate your experience level:

- Very experienced
- Experienced
- Some experience
- A little experience
- Knowledge but no experience

Describe where your experience was gained:

Do you have any experience in design, engineering or construction?

Design: Detailing the requirements of a physical project or product and finding resources to achieve the desired performance.

Engineering: Preparing the detailed civil, mechanical, structural and electrical specifications of a product or project and supervising its physical implementation in a way that achieves desired performance at reasonable cost.

Construction: Preparing the site, installing equipment and preparing for operations in accordance with project specifications, budget and schedule.

- Yes No

If yes, indicate your experience level:

- Very experienced
- Experienced
- Some experience
- A little experience
- Knowledge but no experience

Describe where your experience was gained (and what type of design or engineering):

Are you a professional engineer?

Yes No

Do you have any experience in buying or obtaining supplies for a business?

Buying equipment, products and services needed to implement a project in a cost-effective manner.

Yes No

If yes, indicate your experience level:

- Very experienced
- Experienced
- Some experience
- A little experience
- Knowledge but no experience

Describe where your experience was gained:

Do you have any experience in monitoring or evaluating performance?

Maintaining a system of performance measurement and evaluating performance against original plans and benchmarks.

Yes No

If yes, indicate your experience level:

- Very experienced
- Experienced
- Some experience
- A little experience
- Knowledge but no experience

Describe where your experience was gained:

Additional skills needed to run the business

	Skills needed	Explain how you will overcome this obstacle (e.g., through finding a team member with this skill)
1		
2		
3		
4		
5		

Champion's team assessment

Do you have a team of people who will help you with your business?

Yes

No

Names:

1 _____
 2 _____
 3 _____
 4 _____
 5 _____
 6 _____
 7 _____
 8 _____
 9 _____
 10 _____

Are these people mostly:

Friends
 Family
 Members of the community
 People you don't know very well
 Other Please specify _____

The reason(s) these people are involved:

They have specific skills
 Desire to help
 Desire to earn money
 Desire to learn
 They own property needed for the project
 Good reputation
 They are providing capital
 Other Please specify _____

Describe the skills your team members have (check all that apply):

	Please specify	Level of competence
<input type="checkbox"/> Technical	_____	_____
<input type="checkbox"/> Operational	_____	_____
<input type="checkbox"/> Financial	_____	_____
<input type="checkbox"/> Legal	_____	_____
<input type="checkbox"/> Sales	_____	_____
<input type="checkbox"/> Service	_____	_____
<input type="checkbox"/> Negotiation	_____	_____

<input type="checkbox"/>	Marketing	_____	_____
<input type="checkbox"/>	Political	_____	_____
<input type="checkbox"/>	Fund-raising	_____	_____
<input type="checkbox"/>	Other	_____	_____

If you do not currently have a team, do you plan to put one together?

Yes No

Organization

Name of the organization making this proposal:

Legal address:

District	City/town	Province
_____	_____	_____

Country

Legal status:

<input type="checkbox"/>	Incorporated business	
<input type="checkbox"/>	Unincorporated business	
<input type="checkbox"/>	Community organization	
<input type="checkbox"/>	Non-profit organization	
<input type="checkbox"/>	Other	Please specify _____

Owner(s):	Percentage of ownership:
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Management

Position	Name(s)
Managing Director	_____
Technical head	_____
Finance head	_____

IT head _____
 Board of Directors _____

 Accountants _____

 Lawyers _____

 Other _____

Does this organization have a bank account?

Yes

No

Who has control and authority over the organization's budget?

Briefly describe the organization's history:

Similar products or services

Are there any companies or organizations offering similar products or services?

Yes

No

	Organization	Product or service	Similarities/differences
1			
2			
3			
4			
5			

Raw materials or products

	Organizations supplying raw materials	Raw materials supplied	Status of the contract
1			
2			
3			
4			
5			
6			

Specialized services

	Organization supplying specialized services	Type of specialized service provided
1		
2		
3		
4		
5		
6		
7		
8		
9		

Potential types of specialized services:

- Design
- Construction
- Technical analysis
- Legal advice
- Environmental assessment
- Social development
- Accounting
- Negotiations
- Financial advice
- Monitoring and evaluation
- Engineering
- Carbon benefit
- Other (please specify)

Land

Land requirements

	Location/description	Owner	Status of the contract
1			
2			
3			

4			
5			
6			

Approvals

	Organizations whose approval is needed to go ahead with the project	Approvals needed
1		
2		
3		
4		
5		
6		
7		
8		

Potential types of approvals needed:

- Use of public land
- Operational permit
- Safety
- Health
- Materials
- Business
- Incorporation
- Tax
- Other (please specify)

Stakeholders

	People or organizations who have an interest in or will be affected by the project	Why are they interested? How will the project impact them?
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		

How? template

Definitions

Legend	Terms that relate to the income statement	Terms that relate to the balance sheet
Financial terms to learn	Terms that define financial ratios	Terms that relate specifically to the project
Revenues	Definition	Notes
Revenues	Revenues represent what customers are expected to pay for goods and services offered. To investors, revenue is less important than profit, or income, which is the amount of money the business has earned after deducting all the business's expenses	It is very important to take the time to itemize the assumptions regarding both the number of units which will be sold and the price per unit. Arbitrary assumptions about price increases should be avoided
Direct costs	Those costs (labour, material, and other direct costs) that can be consistently related to work performed on a particular project	Also called the cost of goods sold, the cost of services provided, or production costs
Gross margins	Gross margins represents revenues less cost of goods sold	This is one of the most important short-run planning figures
Operating costs	The day-to-day expenses incurred in running a business, such as sales and administration, as opposed to production	Also called operating expenses
Earnings before interest, taxes, depreciation and amortization (EBITDA)	Net income before tax + interest expense + income taxes + depreciation + amortization	EBITDA reports a company's profits before interest on debt and taxes to the Government are subtracted. It is also called net operating income
Interest	Interest is a surcharge on the repayment of debt (borrowed money)	Interest rates may be variable or fixed
Income taxes	Income taxes represent amounts owed to governments based on the profitability of a project or facility	Estimates should be considered "allowances for income taxes"
Depreciation and amortization	The decline in value of an asset over a period of time	Depreciation/amortization is a charge against earnings to write off the cost of an asset over its estimated useful life. It reduces taxable income but does not reduce cash.
Net income	Net profit; the amount of money left over after all costs have been paid	

Assets	What a firm or individual owns	Fixed assets include land, machines and buildings; current assets include cash, money owed, inventory and work in progress; intangible assets include goodwill, trade marks and patents; liquid assets are funds kept in cash or in a form that can be quickly and easily turned into cash
Liabilities	Anything that is owed to someone else (debts and obligations)	Current liabilities are debts due and payable within one year. Long-term liabilities are those payable after one year
Equity	The amount of money that the company owners have in the company	This refers to the difference between a company's assets and liabilities – that is, the value that accrues to the owners. Also called owners' equity or shareholders' equity.
Debt service coverage (DSC)	Debt service coverage is the combination of principal and interest to be paid on a loan	Lenders may restrict the amount of cash that can be distributed to investor-owners to make sure that there is sufficient DSC. They can insist that certain debt service coverage tests be met or they can insist on reserves being set aside for future debt service before payments to investors-owners (called dividends) can be made.
Debt service coverage ratio (DSCR)	The number of times (e.g., 1.2) by which annual revenues after operations and maintenance costs exceed annual debt service (principal and interest)	This is a measurement of a project's ability to repay a loan from revenues. The higher the DSCR, the lower the risk to the lender. This ratio is used by lenders to provide a cushion between the amount of funds remaining after payment of a project's operating expenses and the annual mortgage or debt payments. Usually, lenders like to see a DSCR of over 1.40:1
Current ratio	Current assets divided by current liabilities	This ratio should be 1.0 or greater for liquidity. If it drops below 1.0, the ability to pay bills is impaired. Usually, lenders require a cushion such as 1.25:1
Debt to equity ratio	Long-term debt divided by shareholders' equity	This is a measurement of financial leverage – the use of borrowed money to enhance the return on owners' equity. High ratio may indicate high risk, low ratio may indicate low risk.
Internal rate of return (IRR)	The internal rate of return is the discount rate that will create a zero net present value	Internal rate of return indicates the business return according to alternative return that may be gained on the same investment

Year 0	Equals the year operations start	If it is now 2006 and the proposal will be built during 2007 and begin operation in 2008, then 2009 is year 1, 2008 is year 0 and 2007 is year minus 1. These terms allow us to relate construction and operations activities to each other.
Year 1	Equals one year after start of operations	
Planning costs	Planning costs represent the expenditures that must be made for a proposal to be ready to begin construction.	It is important to recognize the difference between payments to others and keeping track of the time (and its value) spent by the Champions.
Construction / pre-operations costs	Construction/ pre-operations costs represent the expenditures made to actually build a project or put in place the facilities to deliver a product or service	The template will automatically and very roughly estimate something called "interest during construction" which is a real cost incurred while a project or facility is being prepared but before it produces revenues.
Grants and subsides	Grants can reduce the construction or pre-operation cost of a project or the facilities to provide goods or services. The operating grants lower the cost of the product or service being offered.	Important: If this proposal is to receive a grant or a subsidy the amounts being requested should be clearly identified and separated from those already obtained.

How? template

Milestones

To do list	To be done by (month)	Responsible person	Cost
------------	-----------------------	--------------------	------

Stage of planning milestones

Completion of planning **Month 0** _____

All the factors that go into a plan have been identified and are understood. The conditions under which something is feasible or infeasible are clear

Set up new enterprise **Month 0** _____

Factors regarding benefits of incorporating (rather than operating business as a sole proprietorship or partnership) and the implications that incorporating may have should be considered

Financial structuring **Month 0** _____

Financing structure is arranged. Where will the monies come from? Where will the monies go? How will the financial structure evolve over time? The bank account should be opened

Authorization milestones

Closing **Month 0** _____

Financing contracts, construction contracts, land purchase or leases, approvals to build or operate or cross public lands or use natural resources, contracts to sell the output of what is being built or to provide a service in a particular region, contracts to provide fuel, equipment, transport and staff must all come together

Construction or pre-operations milestones

Completion of civil works **Month 1** _____

Site acquisition, procurement, civil works, installation and commissioning

Buildings **Month 3** _____

Purchase/lease production facility. Building construction if needed, civil works, installations and commissioning

Equipment installation **Month 4** _____

Equipment installation and acceptance testing complete

Human resources**Month 5** _____

Selection of management, skilled workers and semi-skilled workers should be carried out

Opening of office/branches**Month 6** _____

Purchase/lease office; open branches

Operations milestones**Start-up****Month 7** _____

This refers to a period when the results of construction or pre-operations are ready to be tested and accepted. This can be a hand-off of responsibility from the entity building something to the entity responsible for operating it

Production setup**Month 7** _____

Ordering supplies and production materials should be complete

Routine maintenance**Ongoing** _____

Routine maintenance schedule should be complete. This includes: How will the project be operated and maintained? Will its value grow or shrink over time? After it is built, should major repairs and refittings be expected? How will routine matters be handled? What records will be maintained? How will these be shared and discussed? How will decisions be made? How often, and based on what documents?

Major maintenance**Ongoing** _____

Major maintenance/rehabilitation schedule plan should be complete. This includes: How will the project be operated and maintained? Will its value grow or shrink over time? After it is built, should major repairs and refittings be expected? How will non-routine matters be handled? What records will be maintained? How will these be shared and discussed? How will decisions be made? How often, and based on what documents?

Performance reporting**Ongoing** _____

Financial reporting schedule should be established. How often will the company report its performance. Monthly, quarterly, annually? Who will keep track of the company's finances? Who will prepare the financial statements? Who will audit the financial statements?

Exit milestones**Exit plan****Ongoing** _____

An exit plan should be in place. Prepare for the 4 Ds of a business exit strategy. death, disability, divorce, departure (of one of the partners)

How? template (Step 1)

Capital costs

Capital costs are planning and construction costs

Planning costs represent the expenditures that must be made for a proposal to be readied to begin construction. It is important to recognize the difference between payments to others and keeping track of the time (and its value) spent by the Champions.

An input sheet is shown below. These data will be used to come up with the initial base case.

	Planning costs			Year -2	Year -1	Year 0
P1	Obtaining all permits		–			
P2	Technical analysis		–			
P3	Negotiating and preparing contracts		–			
P4	Negotiating and preparing contracts		–			
P5	Technical analysis		–			
P6			–			
P7			–			
P8			–			
P9			–			
P10			–			
	TOTAL		–	–	–	–

All figures are in local currency

Next we examine construction/pre-operations costs.

Construction/pre-operations costs represent the expenditures made actually to build a project or put in place the facilities to deliver a product or service. This part of the template will automatically calculate rough estimates of something called “interest during construction”, which is a real cost incurred while a project or facility is being prepared but before it produces revenues. If you have no interest expenses, please adjust the cell to 0%; otherwise, adjust for the appropriate interest rate.

All figures are in local currency

	Construction/pre-operations costs			Year -2	Year -1	Year 0	Year 1	Year 2
C1	Land acquisition							
C2	Final engineering and design							
C3	Machinery							
C4	Machinery							
C5	Machinery							
C6	Machinery							
C7	Testing							
C8	Testing							
C9	Testing							
	Subtotal		-	-	-	-	-	-
C10	Allowance for annual interest during construction =	-	-	-	-	-	-	-
	TOTAL		-	-	-	-	-	-

Now that we have the capital costs in place, let us move to the next sheet and fill in the amounts that have been received in grants and subsidies.

How? template (Step 2)

Grants and subsidies

Capital grants and operating subsidies serve two different purposes:

- (1) They can reduce the construction or pre-operation cost of a project
- (2) They can lower the cost of the product or service being offered

Important: If this proposal is to receive a grant or a subsidy, the amounts being requested should be clearly identified and separated from those already obtained.

As for step 1, a sample of the sheet is shown below, with data which will be used throughout the sheets

	Grants and subsidies	Year -2	Year -1	Year 0	Year 1	Year 2
1	For planning or construction/ pre-operation					
	NEW requests					
	Existing or other requested grants and subsidies					
2	For operation – NEW					
	For operation – existing or other requested					
	TOTAL	-	-	-	-	-

Now that we have the grant and subsidies in place, let us move to the next sheet and fill in the amounts that have been received or are expected under revenue.

How? template (Step 3)

Revenues

Revenues represent what customers are expected to pay for goods and services offered. This spreadsheet usually takes a while longer to complete, but it is an important step in determining the financing needs of the project. It is very important to take the time to itemize the assumptions regarding both the number of units which will be sold and the price per unit. Arbitrary assumptions about price increases should be avoided. Be conservative in your estimates.

Revenues	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Units												
Revenue per unit												
R1 Revenue from 1												
Units												
Revenue per unit												
R2 Revenue from 2												
Units												
Revenue per unit												
R3 Revenue from 3												
Revenues	-	-	-	-	-	-	-	-	-	-	-	-

Now that we have calculated the revenue stream, we can move to the last segment needed for building our income statement (the operating costs).

How? template (Step 4)

Operating costs

Operating costs include the costs incurred to provide a product or service (also known as the cost of goods sold) and the costs of running the company or of managing the team and administering the proposal's implementation.

Operating costs	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
O1 Labour										
O2 Rent										
O3 Communications										
O4 Materials										
O5										
O6										
O7										
O8										
O9 General and administrative costs										
TOTAL	-	-	-	-	-	-	-	-	-	-

All figures are in local currency

This sheet will help us create the projected income statement and calculate the proposal's earnings before interest, taxes and depreciation (EBITDA). The next sheet will be built up using data from steps 1–4.

How? template (Step 5)

Income statements

The cells in this sheet have already been linked. All changes made in steps 1-4 will have flowed through to here.

Results	Total, all years	Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4
Planning costs	–	–	–	–				
Construction/pre-operations costs	–	–	–	–				
Capital costs	–	–	–	–				
Grants and subsidies								
For planning, construction or pre-operations	–			–				
For operations	–				–			
Grants and subsidies	–	–	–	–	–	–	–	–
Revenues	–				–	–	–	–
Operating costs	–				–	–	–	–
Net revenue from operations	–	–	–	–	–	–	–	–
Operating grant	–				–			
EBITDA	–	–	–	–	–	–	–	–
Simple feasibility test		–	–	–	–	–	–	–

This pre-tax rate of return is a very important guide for determining sources of funding to seek and the type of financial plan to explore.

Rough guidelines on pre-tax rates of return

- If the pre-tax rate of return is negative, revenues and grants cannot cover the capital and the operating costs of the proposal. Without additional grants or subsidy, the proposal is probably not financially viable.
- If positive, but below 5%–7%, the proposal is financially self-sustaining but may be of limited interest to the private sector. Specialized lenders-investors-donors who value development, environmental and market transformation impact may consider such a proposal.

- If positive, and over 5%–7%, the proposal's financial details (especially its tax implications, debt structure and any additional revenues) need to be developed further and different financing schemes considered; the result may or may not be of interest to the private sector. Specialized lender-investor-donors who see the blended value potential of investments are likely to be targets.
- If over 10%, the financial details need to be developed with a strong bias towards engaging private-sector investors and lenders.

How? Template (Step 6)

Financing needs

From previous steps, we know the following:

Capital costs	–
from grants	–
Balance	–
Owner's equity investment	
Balance to be raised	–
Equity from new owner-investors	
Balance to be raised from loans	–

The amount of cash you are investing, including any fees earned as part of the capital cost.

These are the funds to be raised in return for a share of ownership and profits generated by what is proposed.



This is the percentage of debt in loans needed to finance the venture in year 0. The higher this is, the more risk the lender is taking.



Debt to equity ratio. Amount of debt compared to the amount of equity in the business.

There are many different ways to calculate debt service. Three such methods are illustrated below:

- 1 Interest only for a time (e.g., three years), followed by fixed payments of combined principal and interest ($p+i$) until the loan is repaid
- 2 Equal payments every year
- 3 Equal principal payments every year with declining interest payments

The objective of the following exercise is to determine whether a loan makes sense and if so what type of terms that loan should have. When seeking a loan, annual debt service coverage calculations are important.

Method 1

Loan amount

-

Assumed interest rate

-

Number of years of loan

-

It is best to use the real rate of the loan

Please fill in the blanks

-

Will apply for years 1, 2, 3

0

Will apply for year 4 onwards

Year	1	2	3	4	5	6
Debt service	-	-	-	-	-	-
Loan Balance	-	-	-	-	-	-
i	-	-	-	-	-	-

Method 2

-

Will apply as a constant debt service for all years

Year	1	2	3	4	5	6
Debt service	-	-	-	-	-	-
i	-	-	-	-	-	-
Loan balance	-	-	-	-	-	-

Method 3

-

Will apply as a constant debt service for all years

Year	1	2	3	4	5	6
p	-	-	-	-	-	-
i	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Loan balance	-	-	-	-	-	-

Year	1	2	3	4	5	6
EBITDA	-	-	-	-	-	-
Method 1	-	-	-	-	-	-
Method 2	-	-	-	-	-	-
Method 3	-	-	-	-	-	-

In order to make a determination, we need to calculate the Debt Service Coverage Ratio (DSCR) as follows:

The table is set up to do it automatically for you. The higher the ratio the better, but not too high!

Year	1	2	3	4	5	6
Method 1	-	-	-	-	-	-
Method 2	-	-	-	-	-	-
Method 3	-	-	-	-	-	-

Things to keep in mind:

- Lenders tend to worry about DSCRs that are 1.4 or less.
- Lenders may restrict the amount of cash that can be distributed to investors/owners. They can insist that certain debt service coverage tests be met.
- Lenders can insist on reserves being set aside for future debt service coverage before payments to investors/owners (dividends) can be made.

Year	1	2	3	4	5	6
Debt Service	-	-	-	-	-	-
i	-	-	-	-	-	-
p	-	-	-	-	-	-

After determining the best debt service coverage method for the venture we can focus on the last piece of the financial puzzle.

How? template (Step 7)

Financing needs 2

Depreciation/amortization is a charge against earnings to write off the cost of an asset over its estimated useful life. It reduces taxable income but does not reduce cash.

Capital equipment degrades at different rates. Such rates are available from your local tax authority.

Sample

Class 1: Describe asset

Number of years	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Amount										
Class 2: Describe asset										
Number of years										
Amount										
Class 3: Describe asset										
Number of years										
Amount										
Depreciation allowance										

We can now work out the corresponding income taxes and residuals.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net income	-	-	-	-	-	-	-	-	-	-
Minus interest expense	-	-	-	-	-	-	-	-	-	-
Minus depreciation	-	-	-	-	-	-	-	-	-	-
Taxable income	-	-	-	-	-	-	-	-	-	-
Rate: Use the appropriate rate	25%									
Allowance for income taxes	-	-	-	-	-	-	-	-	-	-

Apply the income tax rate only if taxable income is greater than zero

How? template (base case results)

The following table represents the venture in operation. It brings forward data from How? templates steps 1–7.

Spread out over two years

		Year	Year -2	Year -1	Year 0	Year 1	Year 2	Year 3
Capital cost								
from donors	Capital grants							
from owner-investors	Equity investment		-	-	-	-%	of total value	
from lenders	Loans		-	-	-	-%	of total value	
	Capital cost	-	-	-				
Operations		Year	Year -2	Year -1	Year 0	Year 1	Year 2	Year 3
Revenues	-					-	-	-
Operating grants or subsidies	-					-	-	-
Operating costs	-					-	-	-
Net revenues from operations (EBITDA)	-	For length of loan only				-	-	-
Interest	-					-	-	-
Taxes						-	-	-
Depreciation						-	-	-
Net income						-	-	-
Add back: Depreciation						-	-	-
Less: Amortization/ principal payments	-					-	-	-
DSCR	-	IRR	-	-	-			

Average By year

Actual debt service coverage ratio for the venture

Actual returns for investors, which differs from the pre-tax IRR used for the simple feasibility test because it takes taxes and loans into account.

Why? template

Financial returns

Why will the proposal be profitable?

Strong demand

Urgent need

Lack of alternatives

Government incentives

Other

If "Other" was chosen above, please expand

Have other projects/enterprises tried to be profitable in serving this market?

Yes

No

Unknown

If yes, have these failed? Why?

Why is your proposal different?

Why do you expect to succeed?

What resources – services and funding – do you think are essential to your success?

What amount of equity do you have or project to have in your enterprise?

What amount of third-party equity from partners/associates do you have or project to have?

What amount of third-party leverage do you need from a financial institution?

What kind of funding do you need?

 Loan

 Investment

From what kind of institution?

 Commercial bank

 Government-sponsored development institutions and banks

 Charitable foundations

 Socially responsible investment fund

 Venture capital

What is the projected interest rate range that can be paid to a lender?

 0%–3%

 4%–8%

 8%–12%

 Over 12%

What are the projected investment terms (i.e., length of time for loan or investment)?

 Under 1 year

 1–2.99 years

 3–5.99 years

 Over 6 years

What is the projected internal rate of return?

 Under 5%

 5%–9.99%

 10%–14.99%

 Over 15%

What is the projected growth in net assets over the investment term?

 Under 5%

 5%–9.99%

 10%–14.99%

 Over 15%

Has this proposal received any grants/subsidies?

 Yes

 No

 If yes, how much?

Is this proposal expected to receive any grants/subsidies?

 Yes

 No

 If yes, how much?

If yes, who provided (or is expected to provide) the grants and/or subsidies?

Will audited financial statements be available for review on an annual basis?

Yes

No

If no, why not?

If no, what kind of financial statements will be available for annual review?

Internal statements

Notice-to-reader

Review engagement

Not available

Indicate the size of the group who will reap financial benefits from this proposal

Individual

Small group

Community/region

Country

Provide an indication as to the length of time anticipated before profits are realized

Immediately

1–3 years

4–6 years

6+ years

Why would customers choose the product and/or service over those currently available?

New

Improvement

Lower cost

Better quality

Discuss potential negative financial impacts from your proposal that could offset some of the benefits discussed above

Social and development impacts

With respect to your proposal, check all of the following social/development impacts that are applicable for your country/region

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Better health | <input type="checkbox"/> Quality of life | <input type="checkbox"/> Education | <input type="checkbox"/> Job creation |
| <input type="checkbox"/> Jobs for women | <input type="checkbox"/> Eliminate child labour | <input type="checkbox"/> Income generation | <input type="checkbox"/> Water quality/
access |
| <input type="checkbox"/> Saves time | <input type="checkbox"/> Better food production | <input type="checkbox"/> Energy efficiency | <input type="checkbox"/> Other |

Definitions:

Better health	Less smoke, more light; better ventilation, sanitation and waste disposal
Quality of life	Level of well-being, i.e., access to electricity for home/shop/community centre
Education	Increased income to finance formal education or electricity for school
Job creation	Creation of more or better gainful employment opportunities
Jobs for women	Creation of gainful employment opportunities specifically for women
Eliminate child labour	Improvement in productivity that ensures child labour not needed; time for education
Income generation	Stimulation of economic development in the region through energy services
Water quality/access	Better access to water; higher quality of water
Saves time	Higher productivity through energy services; more free time available
Better food production	Improved food production through safe food storage, lighting, etc.
Energy efficiency	Same level of end-use services (e.g., lighting, heating) with less electricity or reduced economic costs and environmental impacts

If 'Other' was chosen above, please expand

Explain which three of the above answers will have the highest positive impact

- (1) _____
- (2) _____
- (3) _____

Projected amount of clean energy generated from this proposal (MWh) per year

- Under 1,000 1,000–9,999 10,000–50,000 Over 50,000

Projected number of households served through this proposal per year

- Under 100 100–999 1,000–10,000 Over 10,000

Projected number of people provided with access to modern energy services through this proposal

- Under 100 100–999 1,000–25,000 Over 25,000

In the direct new jobs created by your enterprise, how much will each employee earn per year?

- Under \$250 \$250–\$499 \$500–\$1,000 Over \$1,000

Projected number of jobs created or sustained through this proposal

- Under 5 5–10 11–20 Over 50

Provide an indication as to the timeline of the social/development impact of your proposal

- Initial impact only 1–3 year impact 4–6 year impact >6 year impact

Why is this proposal important for your country/region?

Discuss potential negative social/development impacts from your proposal that could offset some of the benefits discussed above

Why should your proposal be supported over other proposals?

Environmental benefits

Identify the positive environmental impacts which your proposal will offer

- | | | |
|---|---|---|
| <input type="checkbox"/> Water quality/access | <input type="checkbox"/> Reforestation | <input type="checkbox"/> Decreased reliance on fossil fuels |
| <input type="checkbox"/> Improved soil quality | <input type="checkbox"/> Reduced emissions | <input type="checkbox"/> Decreased waste |
| <input type="checkbox"/> Less landfill material | <input type="checkbox"/> Greater biodiversity | <input type="checkbox"/> Decreased reliance on basic fuels |
| <input type="checkbox"/> Improved air quality | <input type="checkbox"/> Energy efficiency | <input type="checkbox"/> Other |

Definitions:

Water quality/access	Better access to cleaner water
Reforestation	Planting or seeding an area where forest cover has been removed.
Fossil fuels	Decreased usage of carbon-based energy sources: coal, oil, natural gas
Improved soil quality	Measures related to both productivity of crops and environmental factors
Reduced emissions	Reduced releases of greenhouse gases into the atmosphere
Decreased waste	Eliminates sawdust/biomass waste
Less landfill material	Using landfill gas as an alternative to conventional fuels
Greater biodiversity	Lower environmental impacts to allow for greater number/variety of organisms
Basic fuels	Decreased usage of fuelwood, kerosene and charcoal
Improved air quality	Air status in terms of pollutants a by-products of energy production
Energy efficiency	Same level of end-use services (e.g., lighting, heating) with less electricity or reduced economic costs and environmental impacts

If 'Other' was chosen above, please expand

Explain which three of the above answers will have the highest positive impact

(1) _____

(2) _____

(3) _____

Provide an indication as to the timeline of the environmental impact of your proposal

 Initial impact only 1–3 year impact 4–6 year impact >6 year impact

Do you think your proposal will qualify for carbon credits?

 Yes No Unknown
If yes, please explain why and when you think your proposal will qualify for carbon credits

_____Projected amount of CO₂ offset per year (in tonnes)
 Under 10 10–25 26–50 Over 50
If no or unknown, please explain why not

Projected number of trees planted

 Under 10 10–50 51–100 Over 100

Projected number of litres of clean water generated (thousands)

 Under 2,500 2,500–4,999 5,000–7,500 Over 7,500

Projected number of additional households with access to clean water

 Under 100 100–999 1,000–10,000 Over 10,000

Projected number of barrels of oil displaced

 Under 2,500 2,500–4,999 5,000–7,500 Over 7,500

Projected number of litres of kerosene displaced (thousands)

Under 500 500–999 1,000–1,500 Over 1,500

Projected amount of fuelwood displaced (kg) (000's)

Under 5,000 5,000–7,499 7,500–10,000 Over 10,000

Projected amount of charcoal displaced (kg) (thousands)

Under 5,000 5,000–7,499 7,500–10,000 Over 10,000

Why do you feel your proposal will result in greater environmental benefits than those achieved from currently available products/services?

Discuss potential negative environmental impacts of your proposal that could offset some of the benefits discussed above

What If? template

Contingency planning

What If things do not go as planned? Professionals know that very few things roll out exactly as planned. A proposal needs to show a mastery of the key events that can alter cost, timing, service delivery and outcome. The Champion can demonstrate how he or she will deal with these contingencies.

Variable	What If	IRR	Average DSCR	Social impact	Environmental impact
Capital cost	5% higher, all equity				
	10% higher, all equity				
Operating costs year 1	15% higher				
	20% higher				
Operating costs year 2	20% higher				
	25% higher				
Revenue year 1	20% lower				
	25% lower				
Revenue year 2	10% lower				
	15% lower				
Transportation costs	10% higher				
	15% higher				
Raw materials costs	10% higher				
	15% higher				
Construction costs	15% higher				
	25% higher				
Exchange rate	goes 5% against you				
	goes 7% against you				
Taxes	Increase by 5%				
	Increase by 7%				
Regulation	Unfavourable changes				

Primary source of raw materials	Dries up				
	Alternative 20% more costly				
Construction schedule	Delayed by three months				
	Delayed by six months				
	Delayed by nine months				
Key personnel	Leave the job				
Flooding	Hits the area				
Rainfall	Decreases sharply				
Customer response	Does not improve in three months				
	Does not improve in six months				
Competition	Resorts to price wars				

To Whom? template

Directing your proposal to the appropriate audience

Estimated pre-tax rate of return

See funding matrix

Estimated rate of return	Type of funding
Negative or zero	Grants and subsidies
Zero to between 5 and 7 per cent	Donors and investors who consider social and environmental returns as well as financial ones
Over 5–7 per cent	Specialized lender-investor-donors who see the blended value potential of investments as likely targets
Over 10 per cent	Private-sector investors and lenders

Types of donors (D), lenders (L) and investors (I)			
Type of Enabler		Type of money provided	Expectations/needs
D	Donors and specialized programmes	Grants	The donor will expect that the grant will be used either as an addition to revenue to run the business (operating grant) or to reduce the cost of the proposal so that loans and equity will cover the balance (capital grant). Donors need to understand why the plan is an efficient use of scarce resources, where the plan fits in with other programmes and priorities, how the proposal meets the donor's stated core objectives and, very importantly, what will happen when the donor funding is used up.
D	Government-sponsored programmes	Grants	
D	Charitable organizations	Grants	
D	Multilateral development organizations	Grants	

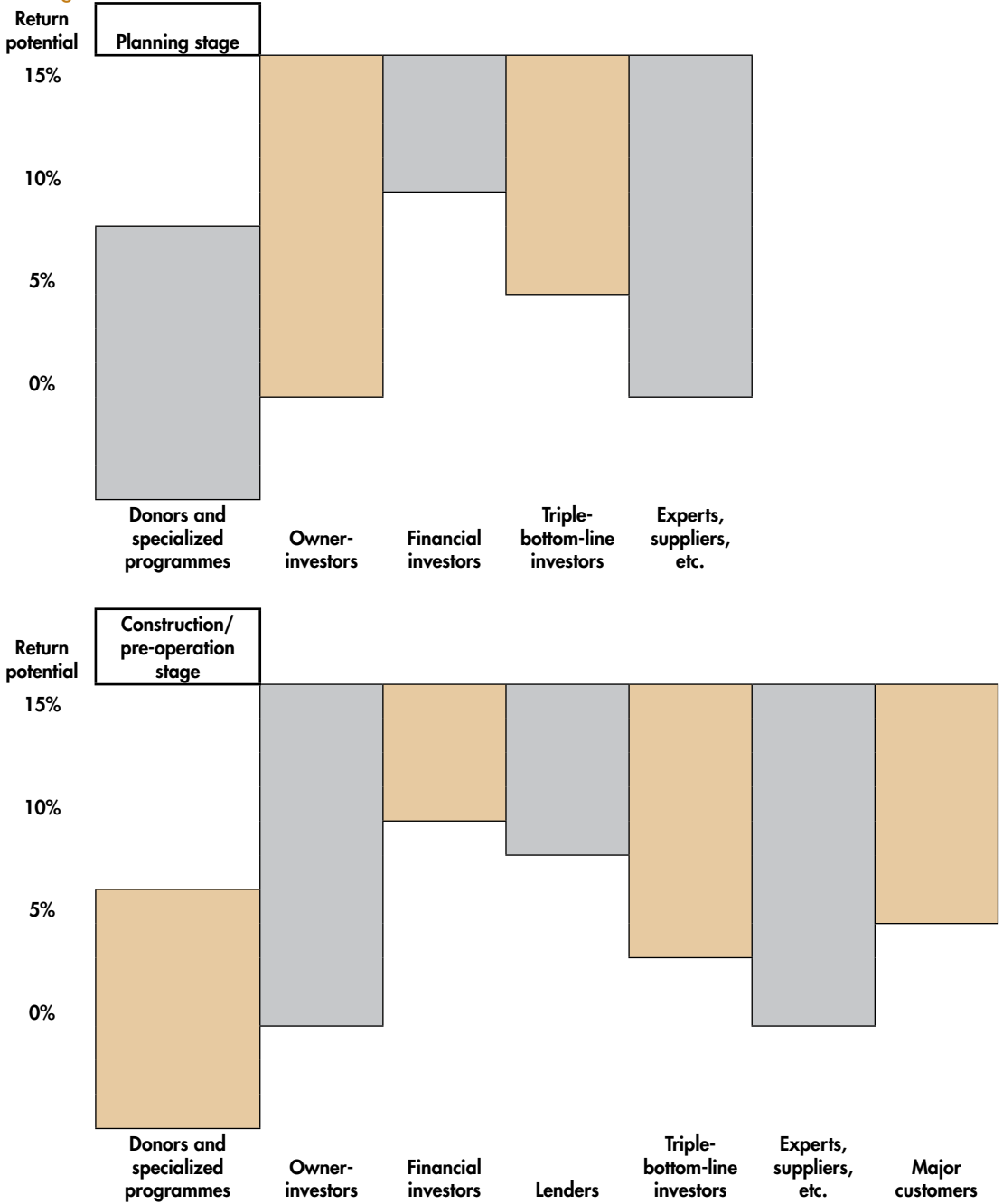
L	Government-sponsored subsidy programme	Revenue	The providers expect that revenues will cover the cost of the product or services and contribute to the operation of the business (including repayment of loans). The expectation is that left-over revenues are first applied to the providers of equity; then to other operating expenses (these would include taxes, for example, and any interest on loans); and, finally, to loan payments (such payments are called principal or amortization, while the combination of principal and interest on loans is called debt service).
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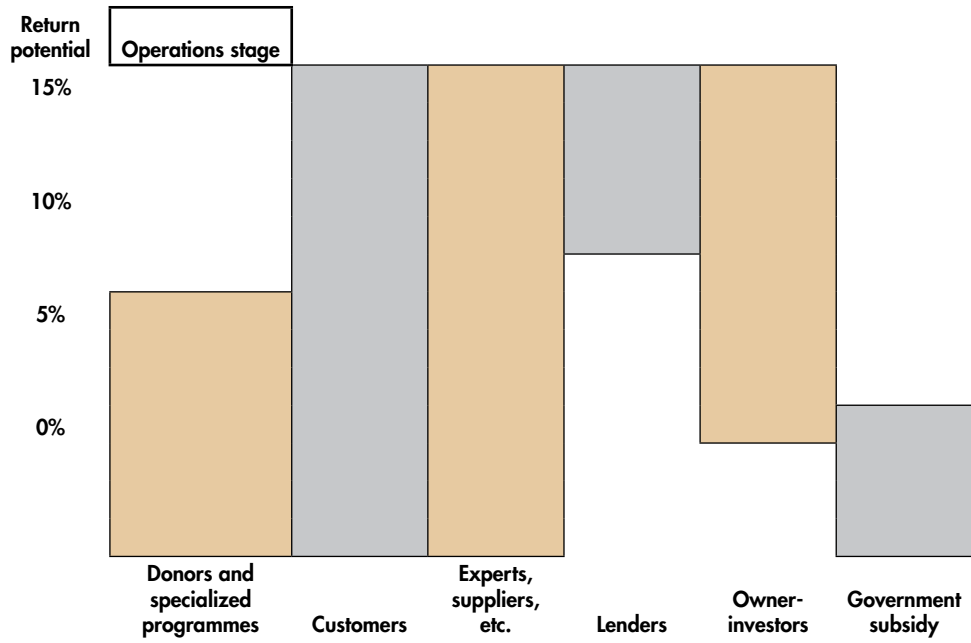
L	Government-sponsored development institution	Loans	Lenders expect a very specific set of payments over time. Requirements are usually well defined in terms of conditions that must be met in advance and over the course of the loan. Lenders do not want to take risks. Lenders want to be repaid and, if the business cannot make that repayment, they want to know that others will make the payment or that assets of equivalent value are available to reimburse them. Loans are made to fund the construction of a project or the purchase of goods or the provision of services where the revenues from the goods or services are expected to be more than sufficient to repay the loans as and when promised. Some lenders are flexible in their loans for a variety of reasons. Others are absolutely not. The project needs to demonstrate that a very conservative estimate of revenue can more than repay the loan. Lenders need clear procedures in place in case of loan default, termination or repossession.
L	Commercial banks	Loans	
L, I	Socially responsible and specialized investment funds	Loans, equity	
I	Development investors	Equity	Investors expect a higher return than lenders and are willing to take more risk, but this should not be confused with being risk-takers. They are equally clear about what they are willing to do or not do. Their interests are in seeing a business succeed and in earning a return on their investment. If they become significant participants in a business, they tend to establish very specific (and stringent) targets to make sure that things are going well. When things are not going well, investors often have the ability to make significant changes in a business, including replacement of the management team. Investors get repaid only if a proposal is successful and profitable. Positive rates of return, market potential and a competent management team must be shown. They are also interested in market size, the reasonableness of the base case, potential upsides and downsides and exit strategies.
I	Strategic investors	Equity	
I	Triple-bottom-line investors	Equity	
I	Venture capitalists	Equity	
I	Owners of businesses	Equity	
I	Sponsors of social programmes	Equity	
I	Financial investors	Equity	

Type of funding	Definition	Other funding models that fall under this type
Grants	Grants do not need to be repaid	Capital and operating grants
Revenue	Revenue for products and services, including operating subsidies	Sale of carbon credits or pollution benefits
Loans	Loans are made based on the ability of the proposal to repay what is borrowed under clearly defined terms	Leasing, build, operate and transfer (BOT) contracts, instalment sales or purchases (hire purchase), financing or credit terms from a supplier
Equity	Equity investments are made in return for a share of the profits upon the success of what is proposed	Mezzanine debt, preferred shares, quasi-debt and quasi-equity*
* Combinations of loans and equity.		

To Whom? template

Funding matrix





To Whom? template

Logical framework

Description	Indicators	Means of verification	Assumptions
Goal			
Purpose			
Objectives			
Outputs			
Activities			

Logical framework

Important for charitable and social change organizations

Goal

The broad (global, national or sector) benefit being pursued (e.g., to promote sustainable development).

Logical framework

Purpose	Objectives	Outputs	Activities	Inputs
The development outcomes being pursued (e.g., reducing non-sustainable fuelwood consumption and reducing fossil fuel consumption).	Each of the purposes needs to be quantified (e.g., a 60% reduction in fuelwood consumption and a 90% reduction in kerosene use).	The specific results and tangible products which the project will produce through a series of tasks and activities (e.g., installations).	The specific tasks which the project will need to undertake to achieve the required outputs.	The resources available to perform and enable the activities (i.e., human resources, equipment, capital).

How will the outputs and purpose be measured?

Indicators	Means of verification	Assumptions
<i>How will you know that you have achieved your purpose? Indicators quantify the outputs, purpose and objectives (e.g., reduced fuelwood consumption, number of installations).</i>	<i>The information source or process that will enable you to prove that you have achieved the results.</i>	<i>Conditions which could affect progress but over which managers have little control.</i>

Proposal formats

Product-oriented proposal outline

1. Executive summary
 - a. Organization (Who)
 - b. Product and market (What)
 - c. Competitive advantages (Why)
 - d. What is being sought (Request)
2. Market (Where)
 - a. Size and segments, immediate and over time
 - b. Trends
 - c. Competition
 - d. Opportunity
3. Product (What)
4. Team (Who)
5. Implementation plans (How)
 - a. Construction or set-up plans
 - b. Marketing plans
 - c. Operating plans
 - ó. Financial information (base case)
 - a. Income and expense projections
 - b. Balance-sheet projections
 - c. Cash-flow projections
7. Sensitivity analysis, risks and risk management issues (What If)
8. Annexes ^o

Reference: See also proposal outline in chapter 1, sample proposals in chapter 3, and annex II.

Service-oriented proposal outline

1. Executive summary
 - a. Organization (Who)
 - b. Service (What)
 - c. Demand for service and ability to pay (Where)
 - d. Advantages of organization and service (Why)
 - e. Needs (Request)
2. Market (Where)
 - a. Size
 - b. Customer segments and affordability
3. Marketing plan to reach customers (How)
4. Competition (Where)

5. Team (Who)
6. Competitive advantages (Why)
7. Implementation plans (How)
 - a. Marketing and sales
 - b. Operations and quality control
 - c. Growth
8. Financial projections (base case)
9. Sensitivity analysis (What If)
10. Annexes ^a

Technology-oriented proposal outline

1. Executive summary
 - a. Organization and team
 - b. Product and technology
 - c. Growth potential
 - d. What is needed and what is being sought
2. Market and growth potential of product and technology
3. Team
4. Product features, benefits and competitive advantages
5. Competition
6. Implementation plans
 - a. Research and development
 - b. Sales and marketing
 - c. Operations
7. Financial projections: slow-, medium- and high-growth scenarios
8. Sensitivity analyses
9. Risks and risk management
10. Annexes ^a

Annexes ^a

- Resumés and curricula vitae of key team
- Organization chart
- Detailed financial projections
- Technology, product or service descriptions
- Logical Framework
- Generic organization materials ^b

Generic outline for presenting an organization^{b, c}

1. Mission statement
2. Strategy
3. Goals and objectives
4. Products and services
5. Markets and competition
6. Sources and uses of funds
7. Target markets and marketing plans
8. Team and organization
9. Financial projections
10. Sensitivity and risk analysis

^c Items 6–10 may or may not be duplicative of any proposal to which they are attached. If duplicative, the information is unnecessary; if different, the differences need to be explained (different time period, broader scope or product offering, and so on).