

Call for application

PROFESSIONAL TRAINING ON COST BENEFIT ANALYSIS AND FEASIBILITY STUDIES

Course Code: *EPRN18/PT/23*

Dates: from 15th to 19th May 2023, 5h30pm-08h30pm

Venue: University of Rwanda, Gikondo Campus

1. Introduction

Cost Benefit Analysis (CBA) is a useful tool to assess the financial and economic implications of projects. A financial and economic CBA systematically quantifies the costs and benefits of a project, comparing them against the situation without the project. It provides an indication of how costs, benefits and project risks could be divided between project participants; and between private and public sector participants.

The financial CBA takes the perspective of the project cash flows and analyses to what extent the project is attractive to private investors. The economic CBA, also referred to as socio-economic CBA, takes a wider perspective, often that of the national economy. It includes and quantifies as much as possible the external costs and benefits of the project. The economic CBA study helps decision makers decide whether a contribution from public funds is justified.

EPRN is organising this training to equip participants with hands-on skills on CBA and feasibility studies.

2. Course content

The course content includes:

Introduction to cost-benefit analysis and feasibility studies

- Aim of cost-benefit analysis
- Importance to policy-makers and link to Impact Assessment
- Importance to regulated utilities and infrastructure investment
- *Ex ante* and *ex post* cost-benefit analysis
- Essence and key steps in feasibility studies
- Guidance documents (including Treasury Green Book)

Feasibility Analysis

- Demand analysis
- Option analysis
- Technical analysis
- Financial analysis

Basic issues in cost-benefit analysis and feasibility studies

- Defining the baseline
- Identifying costs and benefits
- Transfers and distributional impacts
- Using market prices to value impacts
- Taking account of inflation and relative price changes
- Discounting (How to discount future impacts, What discount rate to use)

How to deal with risk and uncertainty

- The importance of thinking about risk and uncertainty
- Scenario and sensitivity analysis
- Monte Carlo analysis
- Real options

In more detail: how to quantify costs and benefits

- Challenges in quantifying costs and benefits
- Methods of collecting data and analyzing impacts (Stakeholder engagement, Market research, Behavioral experiments, Statistical analysis, Case studies, Modelling)
- Assessing the additional of impacts
- Adjusting for optimism bias

How to value non-market impacts

- Why non-market impacts are important
- Techniques for valuing non-market impacts (Using existing valuations, Stated preference, Revealed preference)
- Examples of how to value non-market impacts (Time savings, Carbon impacts, Other environmental impacts)

3. Training methods

The training course will be run in a workshop style with a high degree of participants' involvement. Adult learning methodologies will be employed, and participants will not be passive. Debate and open discussions will be encouraged. The trainer will use a mix of presentations to define and explain key concepts and practical exercises. Trainees are encouraged to bring their own laptops.

4. Certificate

EPRN will issue completion certificates to participants who will successfully attend the course and pass the course test. Pass mark is 60%.

5. Training fees, venue, date and refreshments

- **Members:** 60,000 Rwf
- **Non-members:** 100,000 Rwf

This training will be held at University of Rwanda, Gikondo Campus (former SFB building) from 15th to 19th May 2023, 5h30pm – 8h30pm.

6. Payment process

Interested applicants are encouraged to pay the registration fees through the following bank details:

- Bank Account: **00040 06945750 07** RWF (Bank of Kigali)
- Title of the Account: Economic Policy Research Network

Scan the bank slip and send it to: info@eprnrwanda.org OR bring the hard copy of bank slip to EPRN office at University of Rwanda- Gikondo Campus (former SFB).

You can also pay through MTN MOMO PAY (*182*8*1*030683#) or through PayPal on our website (www.eprnrwanda.org) and notify us through info@eprnrwanda.org

NB: Tailor-Made Course

We can also do this as tailor-made course to meet organization-wide needs.

If you need further clarifications, call us through: 0788357648/0788929347 or write to us: info@eprnrwanda.org

Kigali, 25/04/2023

Mr. Seth KWIZERA
Executive Director

