



**European Academy**  
for Taxes, Economics & Law

# Cost-Benefit Analysis for EU Projects

Workshop  
16<sup>th</sup>-17<sup>th</sup> February 2009, Berlin, Germany

Brochure

# WORKSHOP

## BACKGROUND

A proper Cost-Benefit Analysis (CBA) will help you to decide whether you should start your project, whether you should continue your project or whether you should even stop your project. A Cost-Benefit Analysis is the key element of adequate project appraisals.

Based on transport, environmental and agriculture projects examples, our two experienced speakers will show you ways of how to perform a cost-benefit analysis by making sure that all costs and benefits are included and properly quantified. They will explain which items must be taken on board for the evaluation of modern projects. Special emphasis is placed on shadow pricing in an EU context and the principles and problems of cost estimation. The workshop also looks at the challenge of how to take price changes into account by performing a CBA.

## YOUR BENEFIT

- Find out the hard facts of your project and develop key performance indicators to build-up a reliable basis for your investment decisions
- Acquire information on environmental valuation methods
- Get to know which items should be included in CBA of transport, agriculture and environmental EU projects
- Discuss the crucial steps of CBA based on practical case studies related to the environmental, transport and agriculture sector
- Discuss your specific questions with our two experts

## TARGET GROUP

The workshop is designed for experts who are dealing with the programme and project management of EU Funds and for decision makers of important transport, environmental and agriculture projects.

- Head of EU Funds Management Department
- Head of Operational Programmes Management Department
- Head of Project Implementation Unit
- Financial Manager
- Head of Investment Center
- Head of Regional Development Agencies

# YOUR SPEAKERS

## PROFESSOR DR ERHUN KULA

**Bahcesehir University of Istanbul, Turkey and Tutor at the Centre for Financial and Management Studies at the University of London, United Kingdom**

Currently he is Professor of Economics at Bahcesehir University of Istanbul and also teaches at the University of London. In the past he taught at the Universities of Wales, Ulster, Honk Kong, Hanoi and Bosphorus. His research and teaching fields are: cost-benefit analysis, environmental and resource economics and micro economics. He authored 8 books by leading international publishing houses (some of which translated into a number of foreign languages including Chinese) and wrote numerous articles in the learned journals of economics and environmental science (his latest article is in *Kyklos*). He also advised a number of official bodies including governments on economic and environmental issues. Prof. Dr Erhun Kula is a joint British and Turkish national who did his first degree in Economics at Marmara University, Istanbul; his Masters Degree at the University of Wales; and his Ph.D. at the University of Leicester, England.

## DR DAVID POTTS

**Senior Lecturer, University of Bradford, United Kingdom**

Dr David Potts has considerable experience in training and consulting in project planning and appraisal for ministries, development banks and development agencies within the EU, its pre-accession countries and in a number of developing countries. Recently he has trained senior staff of the China Development Bank and co-ordinated training programmes in project planning and appraisal for the Caribbean Development Bank and the East African Development Bank. He has also conducted training in project analysis in Latvia, Lithuania, Estonia and Slovakia. He has been a Senior Lecturer at the University of Bradford since 1999 and has also worked as a Planning Economist for the Food and Agriculture Organisation of UN. His research is focused on project planning and analysis, shadow pricing methodology and estimation and more recently on the appraisal of regeneration projects in the UK.

„Practical and useful for the future work.“

Customer quote from our previous CBA Workshop

„Excellent and supportive speakers! “

Customer quote from our previous CBA Workshop



# PROGRAMME DAY 1

8.30-9.30

Registration and Hand-out of Conference Material

9.30-9.35

Opening Remarks from the European Academy for Taxes, Economics & Law

9.35-10.15

## Cost Benefit Analysis for EU Projects (Part I)

- Objectives of CBA (economic analysis)
  - Main features of CBA
  - A brief history of CBA
  - Main ingredients of CBA
- Differences between economic analysis and financial analysis – project cycle and progress of CBA over time

Professor Dr Erhun Kula, Bahcesehir University of Istanbul, Turkey and Tutor at the Centre for Financial and Management Studies at the University of London, United Kingdom

10.15-11.00

## Cost-Benefit Analysis for EU Projects (Part II)

- Types of costs and benefits
- Measurement of costs and benefits
- Problems with cost estimation

Dr David Potts, Senior Lecturer, University of Bradford, UK

11.00-11.15

Q&A Session

11.15-11.45

Coffee Break

11.45-12.15

## Appraisal Criteria

- Appraisal criteria and the prominence of the net present value (NPV, IRR, BCR)
- Conflict between NPV and IRR
- Importance of discounting in CBA
- Examples from the EU and the US

Professor Dr Erhun Kula, Bahcesehir University of Istanbul, Turkey and Tutor at the Centre for Financial and Management Studies at the University of London, United Kingdom

12.15-12.45

## Case Studies by Using Appraisal Criteria and Spread Sheet Analysis

Dr David Potts, Senior Lecturer, University of Bradford, United Kingdom

12.45-13.00

Q&A Session

13.00-14.15

Lunch Break

14.15-15.00

## Risks and Uncertainty in CBA

- Sources of uncertainty and risk
- Handling risk and uncertainty
- Decision-making with risk
- Example for risk and uncertainty

Professor Dr Erhun Kula, Bahcesehir University of Istanbul, Turkey and Tutor at the Centre for Financial and Management Studies at the University of London, United Kingdom

15.00-15.45

## Risk Management

- Practical examples of sensitivity analysis with reference to risk management

15.40-15.50

Q&A Session

15.50-16.15

Coffee Break

16.15-17.00

## Dealing with Externalities based on Transport and Environmental Case Studies

- Four types of externalities
- Methods to optimise externalities
- Main ingredients of command and control
- Wider consequences of externalities
- Externalities in CBA

Professor Dr Erhun Kula, Bahcesehir University of Istanbul, Turkey and Tutor at the Centre for Financial and Management Studies at the University of London, UK and Dr David Potts, Senior Lecturer, University of Bradford, UK

17.00

End of Day 1

# PROGRAMME DAY 2

9.00-10.45

## Environmental Valuation Methods and their Application to a EU Case Study

- The use of environmental valuation methods on a European environmental project
  - Environmental and CBA
  - Environmental evaluation methods
  - Non-use value
  - Case study
- Further case studies related to agriculture and transportation
  - Project Examples
  - Items to be included in CBA analysis of contemporary transport projects

Professor Dr Erhun Kula, Bahcesehir University of Istanbul, Turkey and Tutor at the Centre for Financial and Management Studies at the University of London, UK

10.45-11.15

Coffee Break

11.15-13.00

## Shadow Pricing in the Context of EU Projects

- General Principles
- Opportunity cost and imperfect markets
- Valuation of primary factors
- Estimation of conversion factors
- Application to case studies from EU countries
- Is the national economy a relevant entity?

Dr David Potts, Senior Lecturer, University of Bradford, United Kingdom

13.00-14.15

Lunch Break

14.15-14.45

## Regional Welfare Weights in CBA

- Constructing regional welfare weights
- Application to selective Member States within the EU
- Conclusion

Professor Dr Erhun Kula, Bahcesehir University of Istanbul, Turkey and Tutor at the Centre for Financial and Management Studies at the University of London, UK

14.45-15.00

Q&A Session

15.00-15.30

## Limitations of Cost-Benefit Analysis

- Limitations of scope and coverage
  - What can be measured and valued and what cannot?
- Limitations inaccuracy
  - Margins of error and decision-making

Dr David Potts, Senior Lecturer, University of Bradford, United Kingdom

15.30-15.45

Q&A Session

15.45

End of the Workshop and Hand-out of Certificates



# ORGANISATIONAL MATTERS

## BOOKING

Fax: +49 (0)30 802080-250  
E-mail: [booking@euroacad.eu](mailto:booking@euroacad.eu)  
Phone: +49 (0)30 802080-234

For online booking please visit  
our internet site under:  
[www.euroacad.eu](http://www.euroacad.eu)

## BOOKING NUMBER

S-134

## DATES OF EVENT

16<sup>th</sup>-17<sup>th</sup> February 2009

## EVENT PRICE

**Early booking contingent until the 9<sup>th</sup> of January 2009:**

**899,- Euro, excl. German VAT (19%)**

Normal price from the 10<sup>th</sup> of January 2009:

949,- Euro, excl. German VAT (19%)

The above price covers the following:

- Conference material documents printed
- Conference material digital version
- Soft drinks and coffee/tea on both days
- Lunch on both days

## EVENT LANGUAGE

The event language will be English.

## EVENT LOCATION

Hotel Berlin, Berlin

Lützowplatz 17

10785 Berlin, Germany

Phone: +49 (0)30 2605-0

Fax: +49 (0)30 2605-2716

E-mail: [info@hotel-berlin.de](mailto:info@hotel-berlin.de)

Internet: [www.hotel-berlin.de](http://www.hotel-berlin.de)

## ROOM RESERVATION

Please contact the hotel directly and refer to the "European Academy for Taxes, Economics & Law" in order to benefit from a limited room contingent at a special price. Please book as soon as possible.

Of course you can always look for an alternative hotel accommodation.

## CONTACT

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## CANCELLATION TERMS

Pre-payment of the fee is a condition for participation. The time of booking does not affect the cancellation regulations. Cancellations shall be in writing. For cancellations received four weeks prior to the event or earlier: a € 80,00 (excl. German VAT) administrative fee will be charged. The event fee will be reimbursed in full. For cancellations two to four weeks prior to the event the fee will be reimbursed at 50%, up to two weeks prior to the event or no-show: event fee will not be reimbursed. We reserve the right to change or cancel the event. In the event that the European Academy for Taxes, Economics & Law has to cancel or postpone an event, payments received will be reimbursed in full. We herewith inform you that we exclude the liability for any damages in connection with the event. Personal data provided by attendees (name, company/organisation) will be used during the organisation of the event and distributed to other attendees. With your signature, you agree that we can contact you by fax, email or telephone and that we can use and distribute the provided data in professional terms. If you do not agree, please delete the respective part(s) of the sentence(s) or contact us. You can withdraw your agreement at any point in time. This agreement shall be governed by German law, the courts of Berlin shall have exclusive jurisdiction.

**NOTE**

Please note, you can register as many delegates as you wish (except, the symposium is fully booked). You only need to copy this formular for as many persons you wish.



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for Taxes, Economics & Law

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**BOOKING**

BOOKING NUMBER: S-134 (DM)

DATE: 16<sup>TH</sup>-17<sup>TH</sup> FEBRUARY 2009, BERLIN

Herewith we register the following persons for the Workshop "Cost-Benefit Analysis for EU Projects":

**Delegate 1**
 Mr.  Ms.

First name \_\_\_\_\_ Last name \_\_\_\_\_ Phone \_\_\_\_\_

Department \_\_\_\_\_ Fax \_\_\_\_\_

Job position \_\_\_\_\_ E-mail \_\_\_\_\_

Your organisation \_\_\_\_\_

Street \_\_\_\_\_

Postcode / City \_\_\_\_\_

Country \_\_\_\_\_

**Delegate 2**
 Mr.  Ms.

First name \_\_\_\_\_ Last name \_\_\_\_\_ Phone \_\_\_\_\_

Department \_\_\_\_\_ Fax \_\_\_\_\_

Job position \_\_\_\_\_ E-mail \_\_\_\_\_

Your organisation \_\_\_\_\_

Street \_\_\_\_\_

Postcode / City \_\_\_\_\_

Country \_\_\_\_\_

**Delegate 3**
 Mr.  Ms.

First name \_\_\_\_\_ Last name \_\_\_\_\_ Phone \_\_\_\_\_

Department \_\_\_\_\_ Fax \_\_\_\_\_

Job position \_\_\_\_\_ E-mail \_\_\_\_\_

Your organisation \_\_\_\_\_

Street \_\_\_\_\_

Postcode / City \_\_\_\_\_

Country \_\_\_\_\_

**Invoice organisation**

To the attention of \_\_\_\_\_

Street \_\_\_\_\_ Phone \_\_\_\_\_

Postcode / City \_\_\_\_\_ Fax \_\_\_\_\_

Country \_\_\_\_\_ E-mail \_\_\_\_\_

In case of registration of more than one delegate - do you prefer:  single invoice?  collective invoice?

\_\_\_\_\_  
Place, Date

\_\_\_\_\_  
Authorised Signature / Stamp

Pre-payment of the fee is a condition for participation. The time of booking does not affect the cancellation regulations. Cancellations shall be in writing. For cancellations received four weeks prior to the event or earlier: a € 80,00 (+ German VAT) administrative fee will be charged. The event fee will be reimbursed in full. For cancellations two to four weeks prior to the event the fee will be reimbursed at 50%, up to two weeks prior to the event or no-show: event fee will not be reimbursed. We reserve the right to change or cancel the event. In the event that the European Academy for Taxes, Economics & Law has to cancel or postpone an event, payments received will be reimbursed in full. We herewith inform you that we exclude the liability for any damages in connection with the event. Personal data provided by attendees (name, company/organisation) will be used during the organisation of the event and distributed to other attendees. With your signature, you agree that we can contact you by fax, email or telephone and that we can use and distribute the provided data in professional terms. If you do not agree, please delete the respective part(s) of the sentence(s) or contact us. You can withdraw your agreement at any point in time. This agreement shall be governed by German law, the courts of Berlin shall have exclusive jurisdiction.