

Cost-Benefit Analysis (CBA) of EU Financed Projects – why and how?

Barcelona, 13-15 September 2010



Decisions regarding investments are always at the core of any development strategy. Local, regional and national development and economic growth depend on quantity and quality of infrastructure, productive capital and its efficiency, human resources, know-how and quality of involved institutions. **Each time such a decision has to be taken, there is a need to analyse costs against benefits of the planned investment.**

In order to **synchronise requirements** regarding methods of **preparation and assessment of investment projects co-financed by ERDF, CF and IPA** in the framework of EU Cohesion Policy, the EC defines and inserts them in EU relevant regulations, guides and working documents being implemented in the programming period 2007 – 2013.

One of the most important requirements is the preparation of **Cost – Benefit Analysis (CBA)** for all investment projects eligible under EU Funds. The importance of this tool is even higher in the programming period 2007 – 2013, taking into account more complex process of projects appraisal in the framework of multi-level governance planning of the Cohesion Policy in comparison to the previous programming period, as well as in the context of major projects selection (50m€ in general, except environmental investment -25m€, and 10m€ for IPA).

Based on the indicative lists of projects eligible under Operational Programmes provided by Member States, EC estimates that at **the end of 2007**, more than 800 major projects had already been **identified**. Many others are in the pipeline or under preparation, which represents the number of decisions that have to be taken and proves the importance of CBA (budget for Cohesion Policy in 2007-2013: 350 billion€).

Objectives

The goal of this intensive three-day practical seminar is to explain **WHY** Cost-Benefit Analysis (CBA) is one of the most important tools in the programming period 2007 – 2013, not only for beneficiaries of EU Funds (key element of feasibility studies), but as well for national and regional administration - Managing Authorities and Intermediate Bodies of EU co-financed programmes in their decision making process regarding the indicative list of major investment projects. **HOW** to prepare and **HOW** to assess CBA is the second, practical element of this seminar-workshop. By the end of the seminar, participants will additionally have improved their theoretical and practical knowledge regarding elaboration and assessment of CBAs prepared for EU funding investment projects in the programming period 2007 – 2013, conform to the DG Regio requirements, including "Guide to COST-BENEFIT ANALYSIS. Final Report. 16/06/2008", implementing regulations, COCOF notes, Working Document No. 4, etc.

Target groups

Beneficiaries eligible under Structural Funds, Cohesion Fund and IPA (national, regional and local administrations, NGOs, agencies, SMEs, associations, etc), Managing Authorities, Intermediate Bodies, consulting companies and other actors involved in EU Funding programmes and projects.

Method

Apart from traditional training methods, used only during the first day of the seminar (lectures and presentations, including concrete examples and case studies), the interactive approach will be applied. Participants will work in small working groups on concrete practical exercises - case studies with direct involvement of CBAs' experts. There will be discussions in question and answer sessions after each practical part.

Programme

MONDAY 13 SEPTEMBER 2010

08.30hrs **Registration and hand-out of seminar material.**

09.00hrs **Opening of the seminar: Introduction to the programme, objectives and methodology.**
Iwona Karwot

09.20hrs **"Tour de table": Participants' presentation to endorse networking.**

I. Setting the scene: What investment project we can finance and how? There are new rules to apply in 2007 – 2013?

09.50hrs **Investment projects co-financed by EU Funds (ERDF, CF, IPA) in the programming period 2007 – 2013: rules, documents, new challenges.**
Iwona Karwot

II. Cost –Benefit Analysis and EU co-financed investment projects.

10.20hrs **"Cost-Benefit Analysis in the framework of EU Cohesion Policy: six steps for a good appraisal".**
Massimo Merighi

11.20hrs Coffee break

11.35hrs **Economic evaluation of investment projects in the new European Commission Guide to Cost-Benefit Analysis**
Objectives, content and practical use of the new Guide for CBA elaboration and assessment of EU funded projects. What is the CBA and why do we need it? Why the economic evaluation of projects is important and how the Guide solves the problem of selecting projects which are socially profitable?
Ginés de Rus

12.50hrs **Question & answer (Q&A) session**

13.00hrs **"Revenue-generating projects - grant-amount modulation in 2007- 2013 financial perspective" – from the EU Commission Perspective.**
CBA as the basis for effective calculation of co-financing level. "CBA Guide" and additional guidance documents of the European Commission. How to calculate the EU grant taking into account the available guidance from the Commission and Managing Authorities requirements. Rules and requirements for differentiation of co-financing level of EU co-financed projects.
DG Regio representative

14.00hrs Joint lunch in the restaurant

15.15hrs **"Revenue-generating projects - grant-amount modulation in 2007- 2013 financial perspective" – from Managing Authority perspective.**
Main requirements of the European Commission and their practical consequences. Limitations and difficulties related to the implementation of EU rules. Solutions regarding monitoring of the level of revenue of investment projects.
Krzysztof Kasprzyk

16.45 hrs **Question & answer (Q&A) session**

17.00hrs **Cost-Benefit Analysis and appraisal criteria for EU co-financed investment projects – case study (public-private partnership – waste water treatment plant).**
Davide Sartori

18.00hrs **Division of participants in three parallel working groups during workshops foreseen for the second and the third day of the seminar.**

18.10hrs **End of the first day**

20.30hrs Welcome seminar dinner

TUESDAY 14 SEPTEMBER 2010

III. Practical workshops on CBA's analysis: how to effectively assess and prepare CBA's for EU co-financed investment projects. From the Beneficiary perspective.

09.30hrs - 17.00hrs

Case study – How to successfully prepare a CBA to have the best project being implemented and maximize its impact? The CBA as a tool used to ensure proper structure, scope, maturity and assessment of risks for a project and to provide evidence of the project impact and the need of EU co-financing.

Davide Sartori, Krzysztof Kasprzyk, Massimo Merighi

10.45hrs Coffee break

11.00hrs **Continuation of the case study**

14.00hrs Joint lunch in the restaurant

15.15hrs **Continuation of the case study, including debates in groups and with experts**

17.00hrs **Individual consultation with experts**

18.00hrs **End of the second day (groups may stay longer if they wish)**

WEDNESDAY 15 SEPTEMBER 2010

III. Practical workshops on CBA's analysis: how to effectively assess and prepare CBA's for EU co-financed investment projects. From the Managing Authority perspective.

09.30hrs - 12.20hrs

Case study – How to be efficient in the project assessment process?

Assessment of detailed Cost – Benefit Analysis of three different types of EU co-financed investment projects. How Managing Authorities should assess CBA to find all possible mistakes and take the right decision regarding the level of co-financing.

Davide Sartori, Krzysztof Kasprzyk, Massimo Merighi

10.45hrs Coffee break

11.00hrs **Continuation of the case study**

12.20hrs **CBA consideration over Energy Sector – cases studies and project examples.**
Massimo Merighi

13.20hrs **Question & answer (Q&A) session**

13.30hrs **Final panel of experts- evaluation of workshops' results, including debates on problems faced by the participants during the exercises and possible solutions.**
Davide Sartori, Krzysztof Kasprzyk, Massimo Merighi, Iwona Karwot

14.00hrs **Closure and issuing of EIPA seminar certificates to participants**
Iwona Karwot

16.30hrs (optional) Walking and sightseeing tour of the city of Barcelona (approx. 2 hrs)

EIPA-ECR seminar team and visiting experts

(in alphabetical order):

DG Regio

Major Projects Team of the Coordination Unit at the Directorate-General for Regional Policy.

Iwona Karwot (PL)

Lecturer at EIPA-ECR Barcelona. Doctor in EU Regional Policy. Specialised in EU funds, with main focus on European Regional Development Fund (ERDF) and pre-accession funds (PHARE, IPA). Working experience as EU expert, trainer, manager or adviser in the framework of Institutional Building and Technical Assistance EU projects in the field of regional development: Poland, Slovakia, Romania, Croatia, Macedonia, Serbia, Albania, etc.

Krzysztof Kasprzyk (PL)

Member of the Polish delegation at the Structural Actions Working Party in the European Council and COCOF, he actively participated in all the negotiations of provisions of 2007-2013 regulations and European Commission's guidelines concerning major projects and projects generating revenues. In Poland he was for a long time the head of Programming Unit in Managing Authority for Operational Programme "Infrastructure and Environment" in Polish Ministry for Regional Development and the key expert in assessment of CBA for ISPA and Cohesion projects (2003-2006) and in the preparation, in cooperation with JASPERS, of Polish guidelines for the new financial perspective. Within the Managing Authority of the biggest ever Operational Programme in the European Union, he is responsible for ensuring proper application of EU rules concerning revenue generating projects in 6 sectors, including environment (waste-water treatment, solid waste management, energy efficiency), transport (roads, railways, public transport), energy, health, culture and higher education.

Massimo Merighi (IT)

Expert in JASPERS (Joint Assistance to Support Projects in European Regions) located in Warsaw Regional Office. JASPERS involves a partnership between **the Commission (Regional Policy DG), the European Investment Bank and the European Bank for Reconstruction and Development,** focuses on large projects supported by the EU funds and was created in order to assist the Member States in the complex task of preparing quality projects so that they can be approved more quickly for EU support by the services of the Commission. The assistance is provided for all stages of the project cycle from the initial identification of a project through to the Commission decision to grant assistance. Mr. Merighi within Jaspers mandate supports beneficiaries and managing authorities to achieve a "mature" application providing technical assistance and guidance in CBA and document preparation under Structural and Cohesion Funds for the programming period "2007-2013". Currently working in preparing application for several beneficiaries in new Member States. Member of Regional Study Association (MeRSA) with several paper presented in energy and fellow of Project Management Institute (PMI).

Ginés de Rus (ES)

Professor of Applied Economics, Department of Applied Economic Analysis, University of Las Palmas de Gran Canaria. Member of the scientific committee for the new edition of the Guide to Cost-Benefit Analysis of Investment projects adopted by the European Commission in 2008. External expert of Directorate General of Regional Policy. European Commission, "Study on strategy evaluation on transport investment priorities under Structural and Cohesion Funds for the programming period 2007-2013" and "Ex-Post Evaluation of a sample of projects co-financed by the Cohesion Fund (1994-2002)", 2004 – 2005, as well as of the European Investment Bank and the World Bank.

Davide Sartori (IT)

Project analyst in the Development and Evaluation Unit of CSIL – Centre for Industrial Studies. He is specialising in the evaluation of operational planning documents and development programmes and in the economic and financial analysis of public investments projects. He is one of the author of the new Guide to Cost Benefit Analysis of Investment projects adopted by the European Commission in 2008. He is currently working on the "Ex post evaluation of Cohesion Policy programmes 2000-2006 co-financed by the European Regional Development Fund– Work package 4: Structural Change and Globalisation", on behalf of the European Commission, DG Regional Policy, and on a study on the "Added Value of the Cohesion Policy", on behalf of the European Parliament.

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Project Leader

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General Information

Seminar venue

Gran Hotel Havana
Gran Vía de les Corts Catalanes, 647
ES - 08010 Barcelona
Tel. +34 93 3417000
www.granhotelhavana.com

Working languages

The seminar will be conducted in English and simultaneous interpretation into Spanish will be provided. Please note that interpretation will be subject to a minimum number of participants requiring translation. Please indicate your language of preference on the registration form.

Registration

- Participation fee: € 850 (includes: documentation, 2 lunches, a welcome dinner, coffee breaks, a certificate of attendance and a walking sight-seeing tour). Accommodation and travel costs are at the expense of the participants or their administration.
- EIPA offers its members a reduction of 10% of the registration fee. This reduction is available to all civil servants working for one of EIPA's member countries (i.e. AT, BE, BG, CY, CZ, DK, EE, FI, FR, DE, GR, HU, IE, IT, LT, LU, MT, NL, PL, PT, ES, SE, UK) as well as civil servants working for an EU institution or agency. If you are eligible for a discount, please tick the box in the registration form. For more information, please visit EIPA's website: <http://seminars.eipa.eu/en/pages/display/&tid=102>.
- Deadline for registration: 1st September 2010.
- The NUMBER OF PARTICIPANTS IS LIMITED. (we will not accept any registration once the places available are covered)
- Payment: you should pay after having received the confirmation of your registration and before the seminar. Please indicate the method of payment on the registration form. For cancellations received after the deadline we will have to charge an administration fee of € 150 unless an alternative participant is nominated.

Information

European Institute of Public Administration –
European Centre for the Regions (EIPA- ECR)
Miriam Escolà, Programme Organiser
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Tel.: + 34/ 93 567 2408; Fax.: +34/ 93 567 23 99;
e-mail: m.escola@eipa.eu

You can also submit the online registration form which can be found on EIPA's website: <http://www.eipa.eu> where you will also find all relevant information on this seminar.

Your name and address will be part of EIPA's database for our mailing purposes only. If you do not want to be included in our mailing database, please tick the box in the registration form.

Hotel reservations:

The EIPA-ECR will be pleased to make reservations for you at this hotel (where special rates are applied for EIPA-ECR participants):

Gran Hotel Havana
Gran Vía de les Corts Catalanes, 647
ES - 08010 Barcelona
Tel. +34 93 3417000
www.granhotelhavana.com

€ 130 Double room for single use, breakfast buffet included (VAT included)

€ 140 Double room, breakfast buffet included (VAT included)

Should you wish to make use of this possibility, please indicate the dates of arrival and departure on the registration form as well as the type of room. Payment is to be made directly and personally to the hotel on checking out. Please note that if you register after the deadline, hotel reservations cannot be guaranteed.

Do not consider yourself registered as long as you have not received an e-mail from us confirming your registration.



Registration Form

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| | | |
|---|--|-----|
| Surname: | Title: | M/F |
| First name: | | |
| Current position: | | |
| Organisation: | | |
| Department: | | |
| Work address: | | |
| Postal code & town: | Country: | |
| Tel. no: | Fax no: | |
| E-mail address: | | |
| Language: <input type="checkbox"/> English <input type="checkbox"/> Spanish | | |
| Official Dinner: <input type="checkbox"/> Yes <input type="checkbox"/> No | Walking sight-seeing: <input type="checkbox"/> Yes <input type="checkbox"/> No | |

Invoices Data:

Name of the Institution or Organisation:

Fiscal number:

Department:

Address:

Postal code, city: Country

Registration Fee

Includes participation in the Seminar, a documentation folder, coffee breaks, 2 lunches, a dinner, a certificate of attendance and a walking sight-seeing tour.

€ 850

Discount of 10% (Please check first the conditions at www.eipa.eu (FAQ – special discounts))

discount

Method of payment

Bank transfer

It is necessary to state the name of the participant and the reference "1060902

ECR's account n° IBAN: ES27-0182-6035-43-0018000225, BIC: BBVAESMM at the BBVA,

Plaça Catalunya 5, 08002 Barcelona (ES)

Credit card

Mastercard

Visa Card

Card no.: Expiry date: /

HOTEL RESERVATION

Please book this hotel for me at Gran Hotel Havana **** (see fares in "General information")

Double room for single use

Date of arrival:..... Date of departure:.....

Double room

No. of nights:

No hotel reservation required

Place:

Date:

The NUMBER OF PARTICIPANTS IS LIMITED. (we will not accept any registration once the places available are covered). The confirmation will be done by e-mail. To ensure the optimal organisation of the seminar, please return the completed registration form by fax or e-mail to: Ms Miriam Escolà, Programme Organiser, Tel.: +34 93 567 24 08; Fax: + 34/ 93 567 23 99; E-mail: m.escola@eipa.eu, www.eipa.eu/regions.



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