

# Cost-Benefit Analysis (CBA) of EU financed projects – why and how?

Barcelona (ES), 14-16 September 2011



## Introduction

### Target groups

Beneficiaries eligible for 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.

### Description

**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 the institutions involved. **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 relevant EU regulations\*, guides and working documents being implemented in the programming period 2007-2013. (\* Article 40 e of General Regulation 1083/2006, Article 157 of IPA Implementing Regulation 718/2007, etc.)

**One of the most important requirements** is the preparation of the **Cost-Benefit Analysis (CBA)** for all investment projects eligible for EU funds. The importance of this tool is even higher in the programming period 2007-2013, taking into account the 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 for ERDF/CF and €10m for IPA). Based on the indicative list of projects eligible under Operational Programmes provided by Member States, the 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 also for national and regional administrations as the managing authorities and intermediate bodies of EU co-financed programmes in their decision-making process regarding the indicative list of major investment projects. The questions of **HOW** to prepare and **HOW** to assess CBA form the second practical element of this seminar. **HOW the European Court of Auditors audits CBA** is the third important practical element of the event.

By the end of the seminar, participants will 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, conforming with the DG Regio requirements, including "Guide to COST-BENEFIT ANALYSIS. Final Report. 16/06/2008", implementing regulations, COCOF notes, Working Document No. 4, etc.

### Method

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

# Programme

## WEDNESDAY 14 SEPTEMBER 2011

- 08.30 Registration and distribution of seminar material
- 09.00 **Opening of the seminar: Introduction to the programme, objectives and methodology**  
*Iwona Karwot*
- 09.20 **"Tour de table": presentation of participants to endorse networking**

### **I. Setting the scene: what investment project can we finance and how? Are there new rules to apply in 2007-2013?**

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

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

- 10.15 **Introduction to the 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?  
*Davide Sartori*
- 10.45 Coffee break
- 11.00 **"Cost-Benefit Analysis in the framework of EU Cohesion Policy: six steps for a good appraisal"**  
*Massimo Merighi*
- 12.15 **Question & answer (Q&A) session**
- 12.30 **The assessment of project applications by the EU Commission and the importance of CBA analysis in the decision process.**  
*Byron Kabarakis*
- 13.30 **Q&A session**
- 13.45 Joint lunch in the restaurant
- 15.00 **"Revenue-generating projects": grant-amount modulation in the 2007-2013 financial perspective"**  
Main requirements of the European Commission and their practical consequences. Limitations and difficulties related to the implementation of EU rules.  
*Byron Kabarakis` (tbc)*
- 16.00 **Q&A session**
- 16.15 Short break
- 16.30 **CBA consideration over the energy sector – cases studies and project examples**  
*Massimo Merighi*
- 17.30 **End of the seminar**
- 18.00 Walking sight-seeing tour of the city (2 hours aprox.)
- 20.30 Welcome dinner.

## THURSDAY 15 SEPTEMBER 2011

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

### **III. Practical workshops on CBA: how to effectively assess and prepare CBA for EU co-financed investment projects. From the beneficiary perspective.**

- 10.45 **Division of participants into three parallel working groups during workshops foreseen for the second and the third day of the seminar.**
- 11.00 **Case study: how to successfully prepare a CBA to have the best project being implemented and maximise 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 for EU co-financing.**  
*Davide Sartori, Massimo Merighi, Giovanni Familiari*
- 14.00 Joint lunch in the restaurant
- 15.30 **Continuation of the case study, including debates in groups and with experts**
- 17.30 **Individual consultations with experts.**
- 18.00 **End of the second day**  
(groups may stay for longer if they wish)

## FRIDAY 16 SEPTEMBER 2011

### **IV. CBA from the European Court of Auditors' perspective**

- 9.00 **Audit of Cost - Benefit Analysis: ERDF and Cohesion Fund co-financed projects. Case studies.**  
*Martin Weber, Marco Fians*
- 10.30 **Q & A session**
- 10.45 Coffee break

### **V. Practical workshops on CBA: how to effectively assess and prepare CBA for EU co-financed investment projects. From the Managing Authority perspective.**

- 11.00 **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, Massimo Merighi, Giovanni Familiari*
- 13.30 **Final panel of experts: evaluation of workshop results, including debates on problems faced by the participants during the exercises and possible solutions.**  
*Davide Sartori, Massimo Merighi, Giovanni Familiari, Martin Weber, Marco Fians, Iwona Karwot*
- 14.00 **Closure and issuing of EIPA seminar certificates to participants**  
*Iwona Karwot*

# Experts

(in alphabetical order)

## **Giovanni Familiari (IT)**

Senior expert on the financial and economic analysis of investment projects. As a short-term international economist, he performed several cost and benefit analyses regarding waste management systems, water supply and tourism projects, and business zones in pre-accession countries. He is currently a member of various teams delivering technical assistance to managing authorities, being in charge of the financial and economic assessment of investment projects financed by the ERDF regional programmes. In addition, he has lectured in national and international training programmes related to feasibility studies and cost-benefit analysis (CBA). His professional background includes working experience as a senior analyst at leading multinational companies in the financial analysis sector.

## **Marco Fians (PT)**

Auditor in the ERDF/CF, Transport and Energy (ETE) Division at the European Court of Auditors, where he is in charge of financial and compliance audits, mainly in Portugal and Spain. Before joining the Court in 2007, he worked as Investor Relation Officer for a telecom company and as Debt Portfolio Manager for a pension fund. Marco Fians holds a Master in Finance and a postgraduate degree in Risk Management.

## **Byron Kabarakis (GR)**

Senior administrator responsible for coordination of major projects in the Regional Policy Directorate-General of the European Commission (DG REGIO). He is heading a team of experts who provide guidance and support in DG REGIO for the appraisal of major projects submitted to the Commission. His work focuses on issues relating to the development of infrastructures, CBA analysis, project documentation, application of EU rules, guidance on ERDF and Cohesion Fund assistance and the development of tools and mechanisms for project monitoring and financial reporting. In 2007, he coordinated the negotiations on the Greek development strategy for the programming period 2007-2013, as well as following the implementation of Greece's National Reform Programme. Before joining DG REGIO in 2005, he worked in the Internal Market Directorate-General developing new policies to foster economic growth and Internal Market integration. He studied economics and holds an MBA from KUL Leuven. He joined the European Commission in 1994.

## **Iwona Karwot (PL)**

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

## **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 European Commission (DG Regional Policy), 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 for EU support more quickly 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 the 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. He is currently working on preparing applications for several beneficiaries in new Member States. Member of Regional Study Association (MeRSA) with several papers presented on the topic of energy, and fellow of Project Management Institute (PMI).

## **Davide Sartori (IT)**

Partner and project analyst in the Evaluation Unit of CSIL, Centre for Industrial Studies. He is a specialist in the evaluation of operational planning documents and regional development programmes, as well as in the financial, economic and risk analysis of infrastructural projects. He is one of the authors of the Guide to Cost Benefit Analysis of Investment Projects adopted by the European Commission in 2008. He is currently working as task manager on the "Ex Post Evaluation of Investment Projects Co-Financed by the European Fund for Regional Development (ERDF) and Cohesion Fund (CF) in the Period 1994-1999", on behalf of the European Commission, DG Regional Policy, and on a study on "Moving towards a more result/performance-based delivery system in Cohesion Policy", on behalf of the European Parliament.

## **Martin Weber (DE)**

Head of Unit, ERDF/CF, Transport and Energy (ETE) Division, European Court of Auditors. His unit is responsible for carrying out financial and compliance audits of Cohesion expenditure in the context of the annual Statement of Assurance. Prior to this position, he worked as Head of the Cabinets of the Members of the Court Henri Grethen (2007-2010) and François Colling (2002-2007). Before joining the Court in 1999, Martin Weber worked as Senior Consultant at consultancy companies and at the Rutgers University.

## **European Institute of Public Administration**

### **EIPA Barcelona**

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### **Project Leader**

#### **Iwona Karwot**

Lecturer

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# General Information

## Seminar venue

Gran Hotel Havana  
Gran Via de les Corts Catalanes, 647  
ES - 08010 Barcelona  
Tel. +34 93 3417000  
[www.granhotelhavana.com](http://www.granhotelhavana.com)

## Working language

The seminar will be conducted in English.

## Registration

- Participation fee: €900 (includes: documentation, two 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% off 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 the discount, please tick the box on the registration form. For more information, please visit EIPA's website: <http://seminars.eipa.eu/en/pages/display/&tid=102>.
- Deadline for registration: 2 September 2011.
- The NUMBER OF PARTICIPANTS IS LIMITED (we will not accept any registrations once the available places have been filled).
- Payment: the fee should be paid after you receive 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  
EIPA Barcelona

## Miriam Escolà

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You can also submit the online registration form which can be found on EIPA's website: [www.eipa.eu](http://www.eipa.eu) where you will also find all relevant information about 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 on the registration form.

## Hotel reservations:

EIPA Barcelona will be pleased to make reservations for you at the following hotel (where special rates apply for EIPA participants):

## Gran Hotel Havana\*\*\*\*

Gran Via de les Corts Catalanes, 647  
ES - 08010 Barcelona  
Tel. +34 93 3417000  
[www.granhotelhavana.com](http://www.granhotelhavana.com)

€130 Double room for single use, breakfast buffet included  
(8% VAT included)

€150 Double room, breakfast buffet included (8% 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 required. Payment is to be made directly and personally to the hotel upon checking out. Please note that if you register after the deadline, hotel reservations cannot be guaranteed.

Please note that your registration is not finalised until you receive a confirmation e-mail from us.





# 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: .....		
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 (see conditions in general information)

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

€ 900

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

## Method of payment

Bank transfer

It is necessary to state the name of the participant and the reference "1160902 CBA"

EIPA Barcelona's account nº 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: ..... / ..... CVC .....

## Hotel reservation

Please book this hotel for me at 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:

To ensure the optimal organisation of the seminar, please return the completed registration form **by fax or e-mail before 2 September 2011** to: Miriam Escola, Programme Organiser, Tel.: +34 93 56 72 408; Fax: + 34 93 56 72 399; E-mail: [m.escola@eipa.eu](mailto:m.escola@eipa.eu), [www.eipa.eu](http://www.eipa.eu) – The registration will be confirmed by e-mail.



Your name and address will be part of EIPA's database for our mailing purpose only.  
Please tick  if you do not want to be included in our mailing database.