



EIB Advisory/JASPERS Networking Platform

Webinar on

Cost-benefit Analysis and Economic Appraisal for project preparation in Pre-accession and Eastern neighbourhood Countries

Date: 17 December 2024, from 09:30 to 11:30 CET

Location: Virtual meeting - WebEx Events

The EIB Advisory/JASPERS Networking Platform was created to complement project advisory operations by implementing knowledge sharing and technical capacity building activities, as well as fostering dissemination of good practices and exchange of experiences among all EU member states, pre-accession countries (including Moldova and Ukraine), Eastern neighbourhood countries and other EIB Advisory JASPERS Stakeholders.

More information is available at <https://jaspers.eib.org/knowledge/index>

Description of the Webinar

Context:

Economic Appraisal (EA) is a vital process for ensuring that public investment projects are both financially viable and aligned with broader socio-economic objectives. This is especially important in non-EU countries seeking EU funding or striving to meet EU standards. The EU supports non-EU countries, particularly in the Western Balkans and Eastern Partnership regions, as well as Ukraine and Moldova through a number of funding mechanisms like the Instrument for Pre-Accession Assistance (IPA), the Neighbourhood, Development, and International Cooperation Instrument (NDICI), and Macro-Financial Assistance (MFA). These instruments promote development in key sectors, including infrastructure, governance, and economic growth, while also driving alignment with EU policy and standards.

Cost-benefit analysis (CBA) and other forms of Economic appraisal (EA) serve as an essential tool for demonstrating the justification for projects and ensuring they deliver long-term benefits. CBA/EA play an integral role at various stages of the project cycle:

- **Project preparation:** It helps identify the most suitable alternatives by comparing project options against set objectives and criteria, as well as to assess financial sustainability and economic viability. It can also support an assessment of project risks and identify possible mitigants during procurement and implementation.
- **Implementation:** CBA/EA can be used to ensure that projects are on track to meet their planned activities and objectives, serving as a reference point to monitor progress from a financial and economic perspective.
- **Post-project evaluation:** CBA/EA enables learning by identifying discrepancies between predicted and actual outcomes, informing the development of future projects and policies.

This iterative process not only facilitates more effective decision-making but also strengthens transparency and accountability in project selection. For non-EU countries, adopting rigorous EA methodologies is crucial to align with EU standards, ensure the



efficient use of public funds, and contribute to sustainable development goals. By employing strong economic appraisals, these countries can enhance their chances of securing EU funding and achieving positive, long-term outcomes.

CBA and EA methodologies have been used in the context of project preparation and appraisal of EU-funded projects for several decades. In the cohesion context for 2021-27, the Common Provision Regulation calls for managing authorities to ensure proper value for money for the selection of operations to be financed. In this respect, CBA and EA can be used by managing authorities as part of a wider methodology and related criteria for the selection of operations. Economic appraisal is also relevant in other investment contexts beyond cohesion policy, including for the Connecting Europe Facility (CEF) and the InvestEU Fund.

In terms of international financing institutions, the European Investment Bank (EIB) conducts an Economic Appraisal of projects considered for financing, which are often co-financed by various EU funds.

EIB through the JASPERS mandate has been supporting the European Commission in the development and implementation of CBA/EA methodologies since the starts of operations in 2005, including contributing to the development of EC guidance such as the 2014 CBA Guide and Economic Appraisal Vademecum (EAV), and has continuously advised the EC on related methodological issues.

It has also extensively supported its counterparts in the various countries of operation on the preparation and appraisal of CBA/EA across multiple sectors

In parallel, over the last 20 years EIB through the JASPERS mandate have provided extensive assistance for the development of national CBA/EA guidelines and for technical capacity building on the use the CBA/EA methodologies

Webinar Objective:

This webinar will showcase JASPERS' expertise and experience in Cost-Benefit Analysis and Economic Appraisal acquired over almost 20 years of activities in support of the preparation of EU-funded projects, as well as experiences in the context of project advisory in selected EU and non-EU countries.

It will cover the key principles of CBA/EA, providing participants with an opportunity to engage in insightful discussions through Q&A sessions. The aim is to foster a deeper understanding of the need for enhanced methodological and technical capacity-building support in the field of CBA and Economic Appraisal.

The primary objective is to initiate a dialogue with interested authorities and other relevant stakeholders, gathering valuable insights into their needs for further support on CBA/Economic Appraisal topics. The webinar will also serve as a platform for discussing forthcoming technical capacity-building activities designed to strengthen the ability of stakeholders to manage and utilize EU funds effectively.

Post-webinar goals:

- Gain a deeper understanding of the demand for technical capacity-building, including the development of guidelines, checklists, and case studies on CBA/economic appraisal for non-EU countries.
- Plan additional seminars and webinars for 2025 and beyond, focusing on sector-specific or more detailed methodological issues in economic appraisal.



TENTATIVE AGENDA

- 09:30 – 09:40 **Welcome and introduction**
EIB JASPERS Capacity Building Programme for countries outside of the EU
Massimo Marra, Principal Advisor, Capacity Building Coordinator, EIB Advisory/JASPERS
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- 09:40 – 09:50 **Opening remarks by DG NEAR**
Mauro Di Veroli, Head of Sector - Western Balkans Investment Framework, DG NEAR
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- 09:50 – 10:10 **Methodological insights on CBA and Economic Appraisal for project preparation**
Martin Pospisil, Senior Economist, EIB/JASPERS
Massimo Marra, Principal Advisor, Capacity Building Coordinator, EIB Advisory/JASPERS
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- 10:10 – 11:10 **EIB Advisory JASPERS support on strengthening capacities for CBA and economic appraisal: examples**
North Macedonia: Water sector in Skopje
Kenneth Valentine, Senior Environmental Economist, EIB Advisory/JASPERS
Levelised cost of heat as simplified CBA for District Heating projects
Francesco Angelini, Senior Economist, EIB Advisory/JASPERS
Ukraine: Economic Appraisal at Public Investment Management
Martin Pospisil, Senior Economist, EIB Advisory/JASPERS
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- 11:10 – 11:25 **Q & A and open discussion**
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- 11:25 -11:30 **Closing remarks and next steps**
Luis Hebrero, Head of Division, JASPERS Coordination and Capacity Building Division, EIB Advisory/JASPERS
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Recommended Reading

Economic Appraisal Vademecum 2021-27

https://ec.europa.eu/regional_policy/en/information/publications/guides/2021/economic-appraisal-vademecum-2021-2027-general-principles-and-sector-applications

Guide to Cost-Benefit Analysis of Investment Projects for Cohesion Policy 2014-2020

https://ec.europa.eu/regional_policy/en/information/publications/guides/2014/guide-to-cost-benefit-analysis-of-investment-projects-for-cohesion-policy-2014-2020

The Economic Appraisal of Investment Projects at the EIB - 2nd Edition

<https://www.eib.org/en/publications/20220169-the-economic-appraisal-of-investment-projects-at-the-eib>