

# Main issues for Economic and Financial analysis (CBA) in the R&D Sector

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**JASPERS & Ministry of Education, Youth and Sport** 

## Sustainability Analysis





Proposed items	■years of evaluation			
1. Investment (project budget)				
2. Operating costs				
3. Operating revenues [1]				
4. Grant total (OP R&DI)				
5. Credits (income from loans)				
6. Interests				
7. Loans reimbursement				
8. Fin. C-F (=3+4+5-1-2-6-7)				
9. Source of financing National competitive grants International competitive grants Institutional funds Specific support for sustainability of projects from OP R&DI Subsidy for educational activity other sources (specify)				
10. Total cash-flow (=8+9)				

## Sensitivity analysis (ESOP)



#### > Table 24: Examples of variables tested

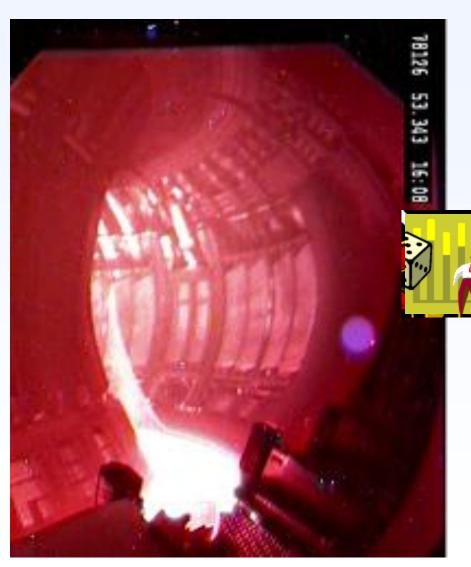
Variable tested	Financi al Rate of Return variatio n	Financial Net Present Value variation	Economi c Rate of Return variation	Economi c Net Present Value variation
-10% excess of investment costs				
-10% increase of costs of materials and energy				
-5% increase of real remuneration				
-10% decrease of number of new jobs (benefit)				





### Risk Analysis (ESOP)





Risk of non completing the project

Risk of improper management

Risk of change in project schedule

Risk of changes in the Implementation

**Exploitation risk** 

**Financial risk** 

Legal risk

Unexpected risk

SENSITIVITY ANALYSIS –Test changes to key variables

### Others (1)



- State Aid considerations
- VAT treatment
- Eligible costs
- > EIA
- Procurement strategy
- Planning
- Consortium Agreements
- Legal agreements amongst the members
  - > LEADERSHIP





# THANK YOU ALL FOR YOUR EXCELLENT CO-OPERATION

Good luck!!



JASPERS and the MEYS are there to help

