





Economic Analysis for Major Projects

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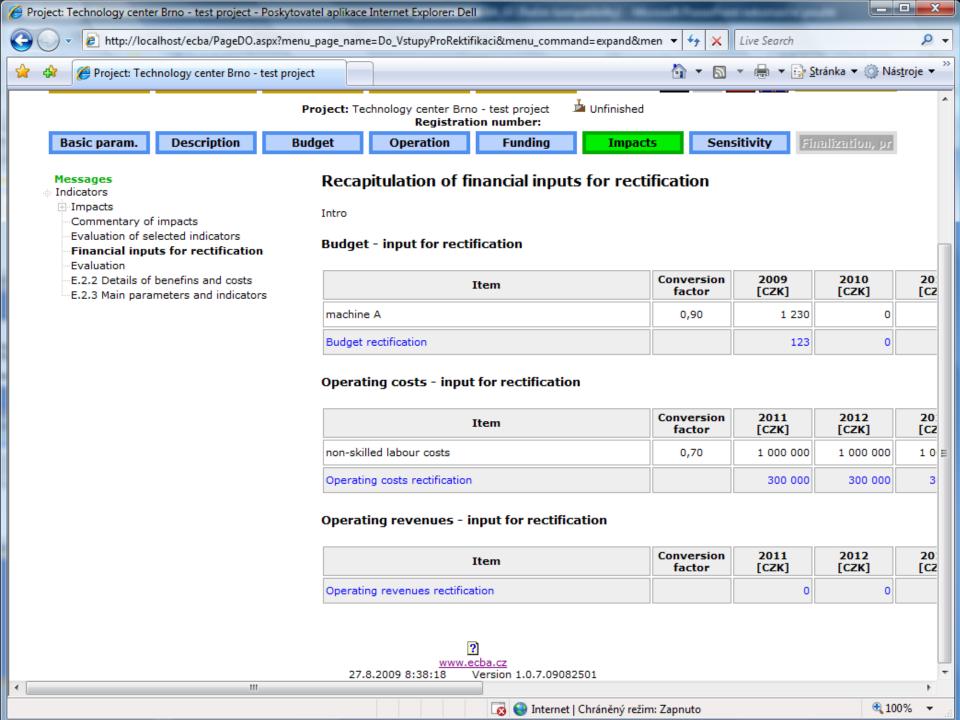
Basic parameters for EA

- methodology based on CBA Guide 2008 and OP RDI CBA Guidelines (Jaspers);
- economic discount rate 5,5% (real value);
- reference (evaluation) period 15 years;
- conversion of market prices in FA;
- monetization of socio-economic costs and benefits;
- socio-economic evaluation and SA.

Conversion of market prices

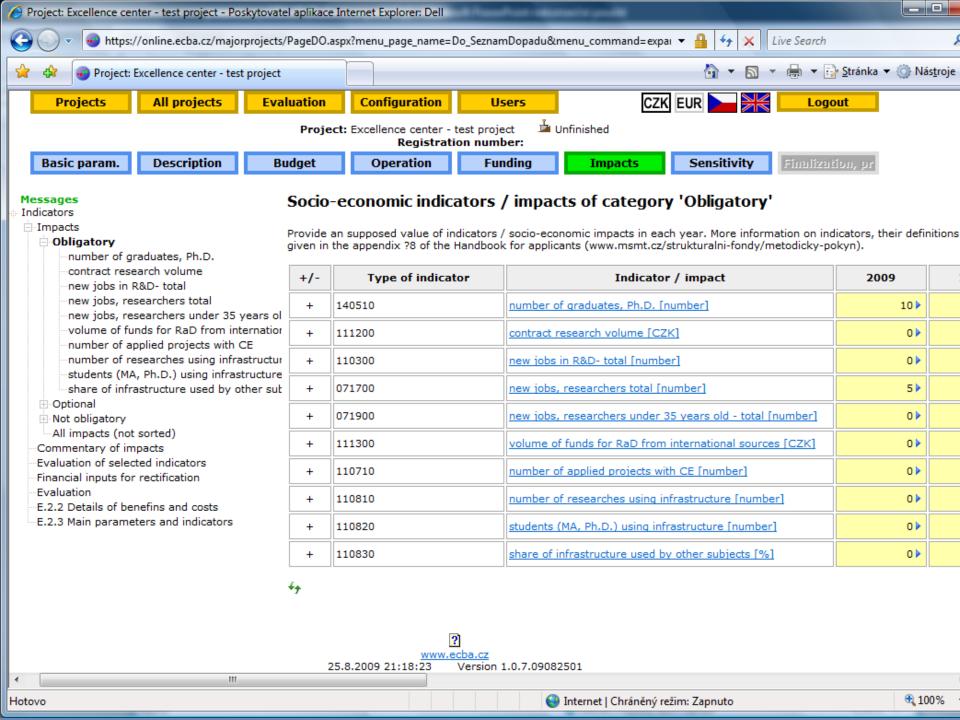
Cost item	Conversion factor
Traded goods	1
Non-traded goods	1
Skilled labour	1
Non-skilled labour	calculated as (1-u) x (1-t)
Land acquisition	1
Transfer payments	0

economic price = market price * conversion factor note: non-skilled labour is not supported from SUG



Monetization of costs and benefits

- improvement of conditions for scientific research (publications, patents, contract research);
- improvement of infrastructure for education (number of students and graduates);
- employment and qualification growth (gross newly created jobs, newly created jobs for researches);
- identification and description of nonmonetized cost and benefits.



Main results of Economic Analysis

Parameter	Value
Social discount rate	5,5 %
Economic rate of return	EIRR > SDR
Economic net present value	ENPV > 0
Benefit / Cost ratio	B / C > 1

In case of negative results identification and description of non-monetized cost and benefits is necessary.