

# A Course on Cost Benefit Analysis

6 - 8 December 2013 | Gokarna Forest Resort, Kathmandu, Nepal

## Application Submission Deadline: 25 September, 2013

The South Asian Network for Development and Environmental Economics (SANDEE) is organizing a three-day course designed for researchers who want to strengthen their skills in conducting cost-benefit analysis to analyze environmental issues.

This course covers the underlying theory and techniques of benefit cost analysis to evaluate the trade-offs between environmental protection and economic development. Economic tools, nonmarket valuation and discounting are applied to quantify the social costs and benefits of development projects and determine their total economic value. Applications of these methods to specific environmental resources are discussed through in-class discussions. Numerical problems using excel spreadsheets provide hands-on experience in conducting cost-benefit analysis.

### This course covers the following topics:

1. Conceptual Foundations to Cost-Benefit Analysis. Project appraisal (social versus financial). Marginal Analyses. Ranking of alternatives and decision rules
2. Discounting future benefits and costs. Choice of discount rates. Social discount rate.
3. Practical issues – inflation, scale of the project, timing, aggregation, project closure, adjusting for distortions and taxes (shadow prices)
4. Dealing with Uncertainty: Expected Values, Simulations, and Sensitivity Analysis
5. Equity vs. Efficiency
6. Sustainability and Cost Benefit Analysis
7. Total Economic Value
8. Willingness to Pay vs. Willingness to Accept
9. Cost-Effectiveness Analysis

Class sessions combine lectures, discussion, class exercises, presentations, and interactive work. A high level of participation is essential for successful completion of this course.

### Course Instructor

Dr. Madhu Khanna  
Department of Agricultural and Consumer Economics  
University of Illinois at Urbana-Champaign, USA

### Logistics and Application Submission

The workshop is open to SANDEE researchers from countries in South Asia and will be held at Gokarna Forest Resort in Kathmandu, Nepal. It will be fully residential and organizers will provide accommodation and meals for the duration of the workshop, necessary course materials and reasonable travel claims on the basis of actual expenses to the participants. *While SANDEE researchers will be fully funded, we have a few seats available for sponsored participants. Such participants will be required to cover their own travel and pay a course fee of \$600, which will cover boarding, lodging (twin-share basis) and tuition.*

**Please apply with a short CV [no more than two pages], a cover letter clearly expressing the reason for your interest, and a one page description of a research program or project (on-going or planned) that you are interested in within the field of environment and development economics that requires cost-benefit analyses. Please send this information to [application@sandeeonline.org](mailto:application@sandeeonline.org) by 25 September 2013.**