

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	Financial Rate of Return variation	Financial Net Present Value variation	Economic Rate of Return variation	Economic 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**

- **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

