Overview and Objectives

The objective of this course is to familiarize the students with the main methodologies of project evaluation, and particularly with Cost-Benefit Analysis as the most widely accepted evaluation tool in economics. Since the use of values in an evaluation study is one of the most important and time-consuming issues, the course will place some emphasis on the theory and practice of the valuation of non-market goods.

Every topic will be explained in theory and in practice, with actual case studies and class examples to be completed by students. For computation, Excel, Stata and NLogit-Limdep statistical software will be used. At the end of the course, students should be aware of the principal issues and concepts of project evaluation, and be able to assess evaluation studies.

Course Outline

   - Introduction
   - Procedure
   - Welfare measures
   - Costs, Benefits, Transfers
   - Social vs. Private
   - Risk and Uncertainty
   - Efficiency and Equity
   - Discounting and Compounding
   - Market and Social Discount Rates

2. Valuation of Externalities and Public Goods
   - Introduction
   - Hedonic Pricing
   - Travel Cost Method
   - Contingent Valuation Method
   - Choice Modeling
   - Alternatives

3. Additional Evaluation Issues
   - Introduction
   - Cost-Benefit Analysis vs. alternative evaluation tools
   - Financial Economic Analysis
   - Cost-Efficiency Analysis
   - Social Choice
   - Impact Analysis
   - Equivalency Analysis
   - Multi-Criteria Decision Analysis

4. Equity
   - Introduction
   - Equity criteria
   - Weights
   - Alternatives
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Cost-Benefit Analysis

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**Required Activities**

The course will require the completion of homework assignments, mostly of conceptual and applied nature, and readings.

**Evaluation**

The overall weighted grade will be the result of a final exam (two thirds), and the required activities (one third).

**Materials**


Class Notes (to be provided).


Riera, Pere and Giovanni Signorello (eds.) (2016), Valuation of forest ecosystem services. A practical guide. Boks2Read, Oklahoma, USA.
