



LOWER MEKONG PUBLIC POLICY INITIATIVE

EXECUTIVE EDUCATION PROGRAM

Technical Training in Project Appraisal for the Lower Mekong Basin

The Lower Mekong Public Policy Initiative (LMPPPI) at the Fulbright Economics Teaching Program (FETP or Fulbright School) will conduct a training program on project appraisal. This program is designed specifically for government officials, professionals from the private or non-profit sector, and researchers from universities or research organizations across the Lower Mekong Basin (LMB) who are responsible for formulating and analyzing public investment proposals. The two-week course will be conducted at the Fulbright School in Ho Chi Minh City, Vietnam. Instructors and speakers are from the Fulbright School, Duke University, and renown regional and international experts.

Motivation and Objectives

The program responds to a gap in technical capacity which has emerged as LMB governments progressively devolve responsibility for public investment decisions to regional and local administrative levels. Using case-based instruction, the course will familiarize participants with the theoretical principles and the practical applications of project appraisal. Upon completing the program, participants will have gained the knowledge and skills necessary for conducting financial and economic assessments and will understand the importance of social, political, and regulatory issues in shaping development projects.

Teaching team

Instructors

Mr. Nguyen Xuan Thanh, Fulbright Economics Teaching Program
Prof. Gangadhar P. Shukla, Duke University
Prof. Oleg Shipin, Asian Institute of Technology
Dr. Richard Frankel, Regional EIA Specialist
Ms. Le Thi Quynh Tram, Lower Mekong Public Policy Initiative
Dr. Le Viet Phu, Lower Mekong Public Policy Initiative

Guest lecturers

Dr. Phanpakit Onphanhdala, National University of Laos
Dr. Vu Thanh Tu Anh, Fulbright Economics Teaching Program
Mr. Stanley Boots, Frontier Law & Advisory
Ms. Tra Nguyen, Frontier Law & Advisory

Readings

The main reading for the course is case studies written by FETP, Harvard Kennedy School and Harvard Business School on public investment projects in Vietnam and around the world. Participants are required to read these case studies carefully in advance to classes.

There are two reference guidelines for this course. These two books can be too technical for those without strong microeconomics background. Reading these materials is not compulsory.

- Pedro Belli, Howard Barnum, Jock Anderson, John Dixon & Jee-Peng Tan, *Economic analysis of investment operations: analytical tools and practical applications*, World Bank Institute, 2002. (Abv: WBI).
- Glenn Jenkins, Chun-Yan Kuo & Arnold Harberger, *Cost-Benefit Analysis for Investment Decisions*, 2011 manuscript (the revised version of Harvard Institute for International Development 1995 edition). (Abv: SHD).

Course Syllabus

MONDAY – 28 NOVEMBER	
8:30 – 8:45: Overview of the Training Course	Nguyen Xuan Thanh
8:45 – 10:00: Overview of Project Appraisal Readings: SHD, Chapter 1 & 2 WBI, Chapters 1 & 2	Gangadhar P. Shukla
10:15 – 11:45: Case study discussion: Financing the Theun-Hinboun HydroElectric Project, Harvard Kennedy School case study	Nguyen Xuan Thanh
13:30 – 15:00: Principles of Financial Appraisal Readings: WBI, Chapters 1 & 2 SHD, Chapter 1, 2, 3.1 and 3.2	Gangadhar P. Shukla
15:15 – 16:45: Principles of Financial Appraisal (continue) Readings: WBI, Chapters 1 & 2 SHD, Chapter 1, 2, 3.1 and 3.2	Gangadhar P. Shukla
17:30 – 20:00: Welcome party	

TUESDAY – 29 NOVEMBER	
8:30 – 10:00:	Nguyen Xuan Thanh
Case study discussion: Nghe An Tate & Lyle Sugar Company, Harvard Business School case study	
10:15 – 11:45:	Gangadhar P. Shukla
Integrated Analysis of Projects: Real price changes, inflation and exchange rates	
Readings: SHD, Chapter 4 WBI, Chapter 5	
13:30 – 15:00:	Nguyen Xuan Thanh
Building a Financial Model: Prices and Capital Expenditures	
Case study: Nghe An Tate & Lyle Sugar Company, Harvard Business School case study	
15:15 – 16:45:	Phanhpakit Onphanhdala
Guest lecture: Energy and Mining policies in Laos and National Budget	

WEDNESDAY – 30 NOVEMBER	
8:30 – 10:00:	Nguyen Xuan Thanh
Building a Financial Model: Debt schedules	
Case study: Nghe An Tate & Lyle Sugar Company, HBS case study	
10:15 – 11:45:	Nguyen Xuan Thanh
Building a Financial Model: Revenues & Operating Costs	
Case study: Nghe An Tate & Lyle Sugar Company, HBS case study	
13:30 – 15:00:	Nguyen Xuan Thanh
Building a Financial Model: Cash Flows	
Case study: Nghe An Tate & Lyle Sugar Company, HBS case study	
15:15 – 16:45:	
Office hours and group work	

THURSDAY – 01 DECEMBER	
8:30 – 10:00: Sensitivity and Risk Analysis Readings: SHD, Chapter 5 & 6 WBI, Chapter 11	Gangadhar P. Shukla
10:15 – 11:45: Sensitivity and Risk Analysis (continue) Readings: SHD, Chapter 5 & 6 WBI, Chapter 11	Gangadhar P. Shukla
13:30 – 15:00: Sensitivity Analysis Practice by Excel Case Study: Nghe An Tate & Lyle Sugar Company, Harvard Business School case study	Nguyen Xuan Thanh/Le Thi Quynh Tram
15:15 – 16:45: Risk Simulation Case Study: Nghe An Tate & Lyle Sugar Company, Harvard Business School case study	Nguyen Xuan Thanh/Le Thi Quynh Tram

FRIDAY – 02 DECEMBER	
8:30 – 10:00: Introduction to Project Financing	Gangadhar P. Shukla
10:15 – 11:45: Case study: Poland's A2 Motorway, HBS case study	Nguyen Xuan Thanh
13:30 – 15:00: Guest lecture: Structuring a PPP project	Tra Nguyen
15:15 – 16:45: Guest lecture: Structuring a PPP project from a legal perspective	Stanley Boots

MONDAY – 05 DECEMBER

8:30 – 11:45: No class this morning

13:30 – 15:00: Gangadhar P. Shukla
Principles of Economics Appraisal
Readings: SHD, Chapter 7.1 & 7.2

15:15 – 16:45: Gangadhar P. Shukla
Estimation of economics benefits
Readings: SHD, Chapter 7.3, 7.4 & 7.5

TUESDAY – 06 DECEMBER

8:30 – 10:00: Gangadhar P. Shukla
Estimation of Economic Costs
Readings: SHD, Chapter 7.3, 7.4 & 7.5

10:15 – 11:45: Nguyen Xuan Thanh
Economic cost of land, capital, labor, electricity and water
Case study: Nghe An Tate & Lyle Sugar Company, HBS Case Study
Readings: SHD, Chapter 8 & 12

13:30 – 15:00: Vu Thanh Tu Anh
Guest lecture: Vietnam – 30 years of economic reform

WEDNESDAY – 07 DECEMBER

8:30 – 10:00: Nguyen Xuan Thanh
Building an Economic Model
Case study: Nghe An Tate & Lyle Sugar Company, HBS Case Study

8:30 – 10:00: Nguyen Xuan Thanh
Building an Economic Model (continue)
Case study: Nghe An Tate & Lyle Sugar Company, HBS Case Study

10:15 – 11:45: Nguyen Xuan Thanh
Distributive Analysis
Readings: SHD, Chapter 13;
WBI, Chapter 12

13:30 – 15:00: Nguyen Xuan Thanh
Distributive Analysis
Case study: Nghe An Tate & Lyle Sugar Company, HBS Case Study

THURSDAY – 08 DECEMBER

8:30 – 10:00:

Oleg Shipin

Introduction (Preliminary Assessment)

- The Environmental Impact Assessment Process (phases)
- Project Screening for EIA
- Initial Environmental Examination

Readings: UNEP (2002). *EIA Training Resource Manual*. (2nd Edition).

10:15 – 11:45:

Oleg Shipin

Impact (Effect) Assessment

- Full-Scale EIA
- *Methodologies for Impact Identification and Assessment (Checklists, Matrices, Networks, etc)*
- General Philosophy of Cumulative Effects Assessment and Strategic Environmental Assessment
- Prediction and Assessment of Impacts on the Air and the Noise Environment

Readings: UNEP (2002). *EIA Training Resource Manual*. (2nd Edition).

13:30 – 15:00:

Oleg Shipin

Impact (Effect) Assessment

- *Prediction and Assessment of Impacts on the Surface Water and the Groundwater Environment*
- Prediction and Assessment of Impacts on the Socio-Economic Environment
- Public Participation (Involvement)
- Case Studies and specific sectoral EIA and SEA: Agriculture, Mining, Power Plants, Petro-chemical industry, Tourism, Urban Infrastructure Development (Housing Estates)

Readings: UNEP (2002). *EIA Training Resource Manual*. (2nd Edition).

15:15 – 16:45:

Le Viet Phu

Estimating of environmental costs of coal and gas power plants

Case Study: Nguyen Thi Phuong, 2016, A feasibility study of gas versus coal burnt thermal power plant in Dung Quat.

FRIDAY – 09 DECEMBER

8:30 – 10:00:

Richard Frankel

EIA: Cross Country Analysis of Environmental Impact Assessment across the Lower Mekong Basin

Readings:

- Handout ASEAN and What is EIA_Key Features
- Handout Environmental Impact Assessment in Practice in the Mekong
- Handout Key Principles & Mechanisms of EIA
- Handout List & Description of Hydropower Impacts
- Handout Public Participation in Environmental Impact Assessment

10:15 – 11:45:

Richard Frankel

EIA: Environmental and Social Management and Monitoring Program (ESMMP) of the Nam Theun 2 Hydropower Project, Lao PDR

Readings:

- Handout Brief NT2 Project Description
- Jacques Leslie, 2014, Big Dams are Not Worth It, New York Times.

12:00 – 13:45

Susmita Dasgupta

Seminar: Uncovering the Visible and Not-So Visible Threats of Climate Change - The Case of Poverty in Coastal Bangladesh

14:00 – 15:30:

Richard Frankel

EIA: Economic, Environmental and Social Impacts of Hydropower Development in the Lower Mekong Basin

Readings:

- Handout Abstract on Econ Eval of Mainstream Dams incl. Xayaburi PPP_09 Dec. 2016
- Handout Brief Description Xayaburi Project
- Apisom Intralawan, David Wood and Richard Frankel, 2015, Final Report on Mekong Hydropower Development.

15:45 – 17:15:

Nguyen Xuan Thanh & Le Thi Quynh Tram

Synthesis and Summary

17:30 – 20:00: Farewell Party