

PROJECT ANALYSIS IN DEVELOPING COUNTRIES

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Project Analysis in Developing Countries

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For Aran, Asha and Lisa, and for Gisella

For Francisca, Alfred and Antonio

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Preface

Project analysis has grown up in the last thirty years and has been widely adopted particularly in the external funding of public sector projects. Analyses are undertaken from different points of view, the scope varying according to different applications.

The focus of this book is on economic project analysis in developing countries, and is complementary to financial and more recent environmental or social analyses. There are several reasons for concentrating only on the economic analysis of projects. First, there is a relatively coherent body of economic theory to rely on. Secondly, existing texts on the economic analysis of projects are too theoretical in their approach. Here we have tried to combine the application of project analysis methods with their theoretical underpinnings. Finally, in recent years there has been considerable progress in the estimation of national parameters for use in the economic analysis of projects, which gives a firmer base to their application in developing countries. In addition, it is the authors' view that the identification of projects that are economically worthwhile is the appropriate basis for their selection, to which the analysis of other project effects must be related.

Some of the developments in this area have been facilitated by the development of microcomputing. The ways in which microcomputing techniques can be used for project analysis is again a subject in its own right, and although it is not dealt with here the application of the methods we discuss can be done most accurately using microcomputers.

This book arises not only from the consideration of developments in the economic analysis of projects of the last few years, but also from a sizeable period of applying and teaching the methods described. Several groups of postgraduate and post-experience students at the Development and Project Planning Centre of the University of Bradford have been subjected to expositions of the material in different forms, and their reactions to it have been much appreciated. The authors have benefited also from the general interest in the subject by several colleagues.

What follows, however, should not be attributed to students or colleagues. The joint authors have discussed and revised all the chapters of the book, but there has also been a division of labour with chapters 1–4 and 8 being principally the work of Steve Curry and chapters 5–7 and 9–11 being principally the work of John Weiss. Chapter 12 was written jointly.

The authors take this opportunity to acknowledge the patient and excellent work of Jean Hill, who produced the manuscript despite her other responsibilities.

STEVE CURRY
JOHN WEISS