

## **FRE 505 (1.5) Agricultural and Resource Policy Analysis - Policy and Project Evaluation Tools**

### **Course Outline**

Class Time: Tuesday, Thursday 10:30 -12:00 PM

Room: 256

#### **Instructor**

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Office Hours: To be announced

#### **Prerequisite**

FRE 502: Food Market Analysis or,

FRE 501: Commodity Markets and Price Analysis

#### **Description**

This course introduces and teaches students how to use two common evaluation tools for government policies and projects, the Policy Analysis Matrix (PAM) and Cost-Benefit Analysis (CBA). The former is focused on policies and the latter on investment projects. Both involve distinguishing between private and social (or economical) profitability, and both involve data collection at the micro (farm, project) level. Substantial attention is given to understanding factor markets and related institutions to enable quality data collection. Case studies are used throughout.

#### **Learning Objectives: by the end of the course students will be able to...**

1. Master the concepts in the PAM and CBA and use these two tools in real world situations.
2. Understand the type of data that are required for each.
3. Identify key elements of local factor markets in order to collect appropriate data.
4. Apply the PAM and CBA in real life settings with actual data.
5. Handle common difficulties or barriers to obtaining perfect data, and develop ways to overcome them.

#### **Class Format**

12 lectures of 1.5 hours, twice a week for 6 weeks.

## Course Requirements (Subject to changes)

Your grade shall be determined as follows

Requirements	Date	Percent of Grade
Problem sets (2)	To be announced.	40 %
Policy briefs (2)	To be announced.	15 %
Final Exam	To be announced.	40 %
i-clicker Questions	Every Class	5%

### Problem Sets

The problem sets will allow the students to practice the techniques of PAM (policy analysis matrix) and CBA (cost benefit analysis) using real world information. The first problem set will require the use of PAM, the second the use of CBA. These real world applications will help the students understand the types of data that are required and to learn key elements of local factor markets in order to collect appropriate data. The policy briefs will be two-page summaries of the results from their PAM and CBA analyses/problem sets. The policy briefs will be good practice exercises in how to communicate the impact of new policies.

### Policy Briefs

Policy briefs are a two-page summary of a policy. Producing a policy brief ensures exposure to various types of policies and challenges the students to be clear, concrete and concise. It is likely a task they will have to do in their future careers.

### Final Exam

The final exam will be comprehensive (it shall cover all material taught in class), and will last two (or more) hours. It will take the form of short answer questions (true, false, uncertain) and longer answer questions. This could include any of the following: calculations, written explanations, and the manipulation of supply and demand models. You must take exams at the scheduled times unless you have another exam at the same time, serious illness, or an emergency. You must validate with documentation the reason(s) why you will be unable to take any exam.

### i-clicker Questions

During each class an *i*-clicker question directly related to the content of the lectures will be given. The objectives are to test the comprehension of the lecture topics and to encourage preparation of class materials

### **Academic Dishonesty**

Please review the UBC Calendar “Academic regulations” for the university policy on cheating, plagiarism, and other forms of academic dishonesty. **Academic dishonesty will be dealt with very seriously in this course.**

### **Online Course Material**

Available at Connect: <http://www.connect.ubc.ca>. You are required to regularly login to your course page for FRE 505. Your syllabus, course-lecture slides, additional material, announcements, assignments, and grades are available.

## Course Outline and Readings

How to use this course outline: This outline is a collection of papers, and topics commonly taught in policy and project evaluation. Wherever possible a stable link to the paper is provided. While some of these links will work anywhere, many of them are digitally protected requiring a subscription. You can access this material by logging in through your account at the UBC library, or on any computer connected via Ethernet on the UBC network. For some articles no link is provided, in that case, please search for the article (if you search via the UBC library you will find access to its electronic version).

### Tentative Lecture Schedule (to be finalized).

Lecture 1	Introduction to PAM, including Field Research Methods <ul style="list-style-type: none"><li>E. Monke and S.R. Pearson 1989, "The Policy Analysis Matrix for Agricultural Development", First Edition. <i>Cornell: Cornell University Press.</i></li></ul>
Lecture 2	Factor Market Estimation: Land
Lecture 3	Empirical Applications, calculating PAMs <ul style="list-style-type: none"><li>Yao, Shujie, 1997, "Rice Production in Thailand Seen Through a Policy Analysis Matrix", <i>Food Policy</i>, Vol. 22, No.6, pp. 547-560</li></ul>
Lecture 4	Factor Market Estimation Issues: Labour, Capital, Credit
Lecture 5	An Introduction to Project Evaluation (Benefit Cost Analysis) <ul style="list-style-type: none"><li>Jenkins G. P, C. Y. K Kuo and A.C. Harberger, "Cost-Benefit Analysis for Investment Decisions. (2011 Manuscript)</li></ul>
Lecture 6	Cases in Cost Benefit Analysis <ul style="list-style-type: none"><li>Glenn P. Jenkins and George Kuo, 1998. Buenos Aires – Colonia Bridge Project. Financial and Economic Appraisal. International Institute for Advance Studies, Inc.</li></ul>
Lecture 7	Project Evaluation Case. <ul style="list-style-type: none"><li>Case Study: Community Pastures in BC</li></ul>
Lecture 8	Project Evaluation Case. <ul style="list-style-type: none"><li>Case Study: Ethiopia GRAD Honey CBA Final Model</li></ul>
Lecture 9	Project Evaluation Case. <ul style="list-style-type: none"><li>Case Study: Ethiopia Dairy/beef CBA Model</li></ul>
Lecture 10	Project Evaluation Case. <ul style="list-style-type: none"><li>Case Study: Ethiopia Coffee CBA Model</li></ul>
Lecture 11	Guest Lecture <ul style="list-style-type: none"><li>Gordon Munro. Evaluation of Fishery Project</li></ul>
Lecture 12	Guest Lecture <ul style="list-style-type: none"><li>Harry Nelson. Evaluation of Forestry Project</li></ul>