

Case Study Memo Assignment:
World Bank's appraisal of the Three Cities Sanitation Project

Read the Project Appraisal Document for the World Bank's [*Three Cities Sanitation Project in Vietnam, 1999, VN-PE-51553*](#)

Write a 5 page memo addressing the following points:

* Carefully review the financial, economic, and risk analysis portions of the appraisal document, looking in particular at the appropriate appendices. The appraisal finds that the proposed project is overall economically positive and should therefore be funded.

a) What are some key factors or assumptions that are driving the positive net result? (3 pts)

How justified are these assumptions in your opinion? (3 pts)

b) What are some of the benefits and costs that have not been counted in this appraisal? (2 pts)

* Discuss how the project's design influences and/or is influenced by the distributive issues and institutional dimensions that we have covered in the course. (4 pts)

* In reviewing the document's risk and sensitivity analysis, some risks have been analyzed but of course projects are challenged by a wide variety of risks. Identify and discuss at least three other project risks that were not accounted for in the analysis. (3 pts)

* Comment on the role that financial and economic appraisal seems to have in this project document. How important was it relative to the other components of the appraisal? Do you think it helped determine its recommendation? (1 pt)

Tips:

-The objective of the assignment is analysis: do not just list the numbers in the document or review what they have done. If you think the document appraised an aspect well, explain why. If not, identify potential problems and unjustified assumptions.

- You can use a memo format to save space: bullet point the main points you want to express.

DUE: Session 23

Submit your 5 page word document with 1" margins, 10-12 point font, 1.5 spacing. Be prepared to discuss your memos in class.