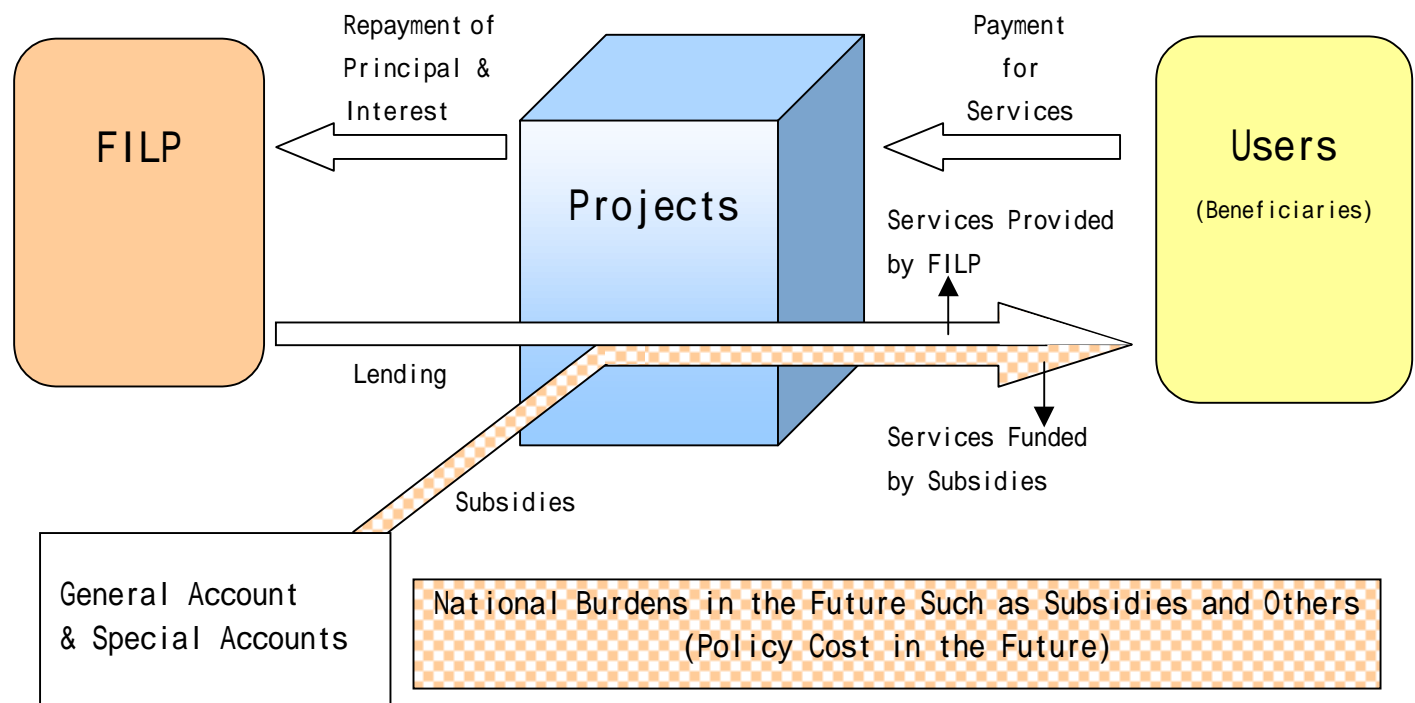


Policy Cost Analysis (Subsidy Cost Analysis)

1 . Framework of Projects funded by FILP & Subsidies



Estimate of Policy Costs of Projects



Disclosure of National Burdens in the Future



Used in Policy Formulation

2 . Estimate of Policy Cost in the Future

e.g. Estimate revenues and expenditures of projects during the analysis period (30 years). Then, estimate the subsidies and others required in the 30 years, based on estimated cash flow. Policy Cost is obtained by adding the present values of subsidies and others of each year in the analysis period.

