

# THE IMPORTANCE OF COST-BENEFIT ANALYSIS IN PUBLIC INVESTMENTS: EXAMPLE OF HYDROELECTRIC ENERGY

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## ABSTRACT

In developing countries, efficiency in public expenditures, especially public investments, fulfilling of their expected functions, is related to high efficiency in investments. It is obligatory to measure the efficiency of public investments with scientific criteria whose monetary values and benefits are measurable. While the state wants to do investments in areas useful for public, it has to estimate and decide the investment's cost and income according to currency's present value. In public investments cost price and total income can't be estimated different from market prices?

In this study, choice between alternative investment projects according to the criteria cost-benefit analysis of making, the determination of the "optimum investment amount" has meant. Hence, the development of investment policy based on cost-benefit criteria is important for efficient use of resources.