

ECONOMIC ANALYSIS (COMPLEMENTARY INFORMATION)

1. In Table 1, the sensitivity analyses by component are provided. A reduction of 20% of the economic benefit leads to decrease of the economic internal rate of return of the safety and blood transfusion component under the value of 12% and considering both changes, it will be further reduced to 9.67%.

Table 1: Sensitivity Analyses

	Scenario 1:		Scenario 2:		Scenario 3:	
	Decrease of benefit	0%	Decrease of benefit	20%	Decrease of benefit	20%
	Increase of operating cost by	30%	Increase of operating cost by	0%	Increase of operating cost by	30%
	EIRR 20 years	EIRR 25 years	EIRR 20 years	EIRR 25 years	EIRR 20 years	EIRR 25 years
Safe blood transfusion	13.09%	14.38%	10.09%	11.66%	9.67%	11.28%
Medical waste management	18.46%	19.34%	14.82%	15.96%	14.48%	15.65%
Hospital hygiene and IPC	22.97%	23.68%	18.52%	19.50%	18.18%	19.19%
Total Project	17.21%	18.24%	13.76%	15.06%	13.40%	14.74%

EIRR = economic internal rate of return, IPC = infection prevention and control.

Source: Asian Development Bank.

2. For each component, the switching value of the decrease of benefit and increase of operating cost is provided in Table 2.

Table 2: Switching Values

Switching values EIRR 20 years lower than 12%	Blood bank component	Waste management	Hospital acquired infection	Total
Decrease of benefit	9.00%	32.80%	43.90%	28.45%
Increase of operating cost	121.00%	594.00%	1008.50%	479.00%

EIRR = economic internal rate of return.

Source: Asian Development Bank.