

## FEASIBILITY STUDIES FOR INFRASTRUCTURE CONSTRUCTION PROJECTS: HOW GOOD ARE THEY?

Khalied H. Hyari

This paper presents an evaluation of feasibility studies conducted to justify investments in infrastructure projects. An analysis of a previous feasibility study for a highway construction project is presented in this paper with an emphasis on the estimates and forecasts presented in that study in order to weigh expected benefits from the project against expected costs. The forecasted numbers are compared with actual data collected during the operation phase about the usage of the facility. The comparison reveals a huge difference between estimated numbers and actual numbers. Based on the lessons learned from the analyzed case study, recommendations are presented to improve feasibility studies for infrastructure projects including: peer review of feasibility studies; before-and-after feasibility studies; and defined scope and methodology for feasibility studies. Decision makers are advised to take outcomes of feasibility studies for infrastructure projects with extreme caution as some studies may provide erroneous and misleading input to their decisions regarding investment in infrastructure projects.