

GENERAL INFORMATION

PETUS description of tool in use						
Name of the case	Transport Project Assessment Guidelines					
Name of the tool	Cost-benefit-analyses					
Country	Finland					
City / region	National					
Total area (km ²)	Five million					
Population	17 people per km ² .					
Density (people/km ²)						
Tool user's profile	<p>a. Organisation name (municipality, NGO, national or regional department, company, etc.)</p> <p>b. Field of activity</p> <p>c. Detailed contact/feedback (project website, e-mail, address, tel., fax)</p>					
	<p>a. Finnish Road Administration (FRA)</p> <p>b. State roads (planning, constructions, maintenance)</p> <p>c. Road Administration: www.tiehallinto.fi (project: Tiehankkeiden arviointiohje, in Finnish), anton.goebel@tiehallinto.fi, Opastinsilta 12 A, PL 33, FIN 00520 Helsinki, Tel +358-2042211, Fax +358-20422202. Project also: Ministry of Transport and Communications (MTC): www.mintc.fi (Hankearviointin yleisohjeet, in Finnish).</p>					
Reviewer, date	Kari Ojala 1.2.2005.					
Short description of the case						
<p>The Ministry of Transport and Communications (MTC) in Finland has developed common guidelines for project assessment for all state transport projects. The latest general instructions for the assessment come from the year 2000, but the method itself has a longer tradition in road project evaluation. Some improvements were proposed 2002.</p> <p>The procedure is based on cost-benefit-analyses (CBA) also including some environmental and social aspects and has strong influence on decision-making. All transport projects proposed by state organisations must go through this procedure, and the resulting benefit/cost ratio is an important factor in considering state fund allocation to projects.</p> <p>Basically the method in the assessment is a CBA over 30 years using 5% discount rate, using forecast where the actual data is not available. The costs included are normally the infrastructure investment and maintenance, traffic operations (vehicle costs/km and time costs/h both accident costs) and external costs (noise and emissions). Project assessment procedure also includes verbal and indicator-based evaluation on impacts not mentioned above (e.g. impacts on scenery, nature, land use or urban form), and comparison of these impacts to traffic policy aims. This is more or less background information and not included in the basic CBA-analyses, and has not so direct influence on decision-making.</p> <p>The guidelines were prepared in the Ministry of Transport and Communications in co-operation with institutions controlled by the ministry and maintaining transport infrastructure: Road, Rail and Maritime Administrations. These administrations normally implement the assessment in their projects, often in co-operation with the municipalities.</p> <p>Here, the implementing of the guidelines in any particular project is the case, developing these unified guidelines for all modes is the background.</p>						
<p>Why was the case chosen? To which PETUS key-problem is this case study related?</p> <p>The case is at the same time an interesting example of</p> <ul style="list-style-type: none"> * unified guidelines for assessments in all (state) transport projects, * an assessments that really has influence on decision-making; and * a cost-benefit-analysis that includes not only economical but environmental and social variables. <p>Not very much to do with the "key"-problems chosen.</p>						
Sector	Waste	Energy	Water	Transport	Green/blue	Buildin g &

						Land Use
				X		
Scale of project	Component	Building	Neighbourhood	City	Region	
		X				
Status of project	Starting up	Ongoing	Finished	Start date	End date (exp.)	
			X			
Key words <i>each reader (author, expert, non-expert) may add his/her own suggestions</i> CBA, traffic, investments, indicators, implementation						
Project a. Object (building, city park, wind farm, etc.) b. Type of activity (regeneration, renovation, new development, etc.) c. Type of product (plan, scheme, design project, etc.)	a. Transport investments; roads, rails etc. b. Construction c. A plan (an indicator to judge the implementation of an individual investment).					
Tool a. Character (according to WP3final0704.doc) b. Benchmarks (qualitative or quantitative) c. Availability (paid/ free)	a. (Transport) sector oriented, cost-benefit-analyses b. Quantitative: c/b-ratio, euros. c. Free					
Decision-making process a. Stage of the tool implementation (preliminary, midterm, etc.) b. Level (political, technical, etc.) c. Public participation	a. From midterm to the final decision stage. b. Financial, political. c. Non.					
Other (optional, if needed)						

DETAILED INFORMATION

A. Detailed description of project and tool	
1. Description of context (existing strategies, laws, policy, action plans, etc.): EU, national, regional, municipal	The districts of Road, Rail and Maritime administrations choose the construction or improvement projects to be implemented, and compose strategic, mid-term and annual programs for implementation. The central administration of each mode collects these programs and prepares a proposal for the Ministry of Transport and Communications, which coordinates the proposals and has negotiations with the Ministry of Finance resulting proposals for the state budget. At every stage indicators are needed to enable the comparison of the projects, and the assessment is implemented.
2. Description of project a. Background (What caused the initiation of the project?; What was the problem? Who initiated the project?); b. Objectives/aims (sustainability statement – what issues of sustainability were attacked); c. Time interval and stages of project realization; d. Financing – amount, sources, institutions involved, partnerships, levels. e. Other sectors involved in the particular project/problem (conflicts and/or links)	a. See A1. To solve this problem MTC prepared unified guidelines for assessment of project of all modes. b. Economical (costs of infrastructure construction and maintenance), environmental (noise and emissions) and social (time used in traffic). c. The assessment is made for each project proposed to have state financing. This is a part of general planning. d. In most cases the (state) administration is responsible of the assessment of their own projects. In some common projects the municipalities might participate - not necessarily in terms of money but using office hours to study the effects of the proposed investment. The cost of the assessment might be 15 -20 000 € per a large project in maximum. e. See d.
3. Description of tool a. Character (according to WP3final0704.doc) - calculation tools, process tools, assessment	a. A (transport) sector-oriented cost-benefit-analysis. The costs and benefits of an investment for 30 years are

<p>methods, generic tools, simulation tools, guidelines, framework tools, schemes, indicators and monitoring, checklists, case-specific tools;</p> <p>b. Availability of the tool (web-based / paper, paid / free, etc.)</p> <p>c. Based on existing tool or newly elaborated;</p> <p>d. Adaptation of the tool to the local context (are there local experts involved in tool's development?)</p> <p>e. Other tools implemented to support the project development</p>	<p>discounted to the assessment year and compared. If the benefits/costs rate is more than 1, the project has possibilities to be implemented.</p> <p>b. Paper, free.</p> <p>c. Based on traditional CBA, but adapted and developed for this purpose (the relevant costs and benefits are identified and determined etc.).</p> <p>d. Yes, but mainly only the state experts, not necessarily the municipal ones.</p> <p>e. No.</p>
B. Tool implementation	
<p>1. Argumentation for choosing the tool</p> <p>a. What were the reasons for the implementation of the tool? (voluntary or requested by what local, national, etc regulation)</p> <p>b. Who took the initiative for choosing /elaboration the tool?</p> <p>c. What were the criteria for choosing the tool?</p> <p>d. Was there knowledge of other tools and were they considered?</p>	<p>a. Requested by the Ministry.</p> <p>b. The district administration of each mode because of a. (above)</p> <p>c. See a.</p> <p>d. No knowledge necessarily, not considered.</p>
<p>2. Barriers for the tool implementation</p> <p>What were the main problems in the tool implementation? (Regulation, information available, public awareness, lack of clear SD definitions and benchmarks, communication etc.)</p>	<p>Only qualitative barriers: the money available is not always sufficient to achieve the best possible, deep understanding over the impacts of the investment. The assessment is requested, so it's done in any case.</p>
C. Influence of the tool on the decision-making process	
<p>1. Description of the decision-making process/ procedures</p> <p>a. Stages</p> <p>b. Levels (political, technical, etc.)</p> <p>c. Sources of information used during the dmp;</p> <p>d. Who are the decision-makers?</p> <p>e. Who made the final decision for the project implementation? Was it political or technical decision?</p>	<p>a. The district of e.g. Road Administration, The Road Administration, the Ministry of Transport and Communications, the Government and the Parliament. The same stages in other modes.</p> <p>b. Inside Road Administration technical, in the Ministry and most of all Government and Parliament political.</p> <p>c. The results of the assessment mainly.</p> <p>d. In small individual projects the (chief) officials of the Road Administration, otherwise the Minister (MTC) or the Government, that is politicians.</p> <p>e. See above.</p>
<p>2. Tool in decision-making process</p> <p>a. At what stage was the tool implemented? By whom? (experts, politicians, etc.)</p> <p>b. How did the tool output influence the process (added or skipped levels/stages in the existing decision-making process, etc.)?</p> <p>c. Quantitative goals or benchmarks defined? (If YES, which – and what were they compared to?)</p> <p>d. Was the tool used to support argumentations?</p>	<p>a. During or after the planning stage by experts.</p> <p>b. Not at all. The output is the essential part of the procedure.</p> <p>c. C/B-ratio, compared to the ratio of other project, and the minimum standards for the ratio announced by the Ministry.</p> <p>d. Yes, essentially.</p>
<p>3. Transparency of decision-making process</p> <p>a. How was the information of the dmp disseminated? - directly (decision makers – public) or indirectly (decision makers - NGO, PR company, etc. - public); sources of dissemination used (mass media, internet, brochure, etc.)</p> <p>b. How was the public involved?</p> <p>c. Was there a public discussion over the project and at what stage of the project development?</p>	<p>a. Directly to the decision-makers. Only the results of the dmp are in most cases public, but not necessarily actively disseminated.</p> <p>b. Not much in the assessment, but often widely in the debate on the investment itself. Large projects are normally well exposed in the media, and citizens are eager to give their feed-back.</p> <p>c. Might be over the investment project, but not over using the tool.</p>
D. Expert assessment/analysis/comment of the tool effectiveness	
<p>1. Assessment by tool users</p> <p>a. Were there measurable improvements as a result</p>	<p>a. Difficult to measure, but the results of unified assessment</p>

<p>of the tool implementation? If YES, what? If no: why not?</p> <p>b. Were there any spun-off's or unintended consequences?</p> <p>c. General view on the tool? Lessons learned?</p> <p>d. Potentials for further use of the tool?</p> <p>e. Will the actors recommend it or use it in other cases - why / why not?</p>	<p>guidelines are clear: better coordination of projects of all modes and types, more effective state money allocation to projects. Through the assessment during each case some benefits are gained: the impacts of various factors on the assessment result can be recognised and the choice between the alternatives can be done at an early stage.</p> <p>b. Not really. Sometimes it might be a surprise for the participants that those factors which are not included in the c/b-factor in terms of money have less influence on decision making as expected.</p> <p>c. The c/b-ratio is ok, but the rest of the impacts shown as results of the assessment are not necessarily well defined, exact or transparent. The choice of them is not regulated but depends on who made the assessment and how.</p> <p>d. The tool is mandatory, and will be used further on beneficially. Some development is needed, however; see c. (above)</p> <p>e. Yes, the tool should be used on public sector more widely, e.g. on municipal health and social sectors.</p>
<p>2. Reviewer's assessment of the tool (usefulness, sustainability relevance, who are the actors excluded? etc.) Suggestions and needs for further development of the tool</p>	<p>Very useful, because the results strongly influence on decision-making. The economical aspect is more or less overwhelming, but perhaps this is the price for that influence. Can very well agree the above mentioned needs for further development presented by the users.</p>
<p>E. Additional information on the case study available</p>	
<p>Websites</p>	<p>www.tiehallinto.fi, www.mintc.fi</p>
<p>References <i>concerning the case but also the key words or problem</i> (papers, articles, reports, laws, etc.)</p>	<p>Tiehankeiden arviointihje. Paper by FRA in Finnish. Hankearvioinnin yleisohjeet. Paper by MTC in Finnish; an unofficial translation to English might be available from the Ministry.</p>
<p>Other sources (Interviews, conferences, discussions, etc.)</p>	<p>No.</p>
<p>Contact details for further information</p>	<p>anton.goebel@tiehallinto.fi, rita.pirainen@mintc.fi</p>