Council of Ministers

RESOLUTION 2003/1 ON ASSESSMENT AND DECISION MAKING FOR INTEGRATED TRANSPORT AND ENVIRONMENT POLICY

Ministers adopted the Resolution at the Brussels session of the Council of Ministers.
COVER NOTE

At the Prague Council in 2000, Transport Ministers agreed to a common approach to developing sustainable transport policies\(^1\) that highlighted the need for improved support for decision making on transport projects and policies. The importance of good systematic evaluations of costs and benefits and effective strategic environmental assessment was stressed and guidance sought on developing better procedures and tools for presenting the results of appraisals to decision makers. Improved decision making was viewed as the key to integrating transport and environment policies. This resolution takes up these issues.

An accompanying paper [CEMT/CM/(2003)9] presents the results of work on improving tools to support decision making undertaken since the Prague Council, based on a review of experience the United Kingdom, France, Italy and the Netherlands with additional short summaries provided by Germany, Spain and Finland. The paper draws the following main conclusions.

The purpose of economic and environmental appraisals is not to attempt to take the decision in place of technical or political decision makers but to present them with the information they need to make an adequately well informed decision. Assessments therefore need to be presented in a way that directs decision makers to the key factors to weigh in their decision, highlighting trade-offs, risks and uncertainties, rather than making judgements in place of the decision maker. The limits to appraisal techniques also need to be acknowledged.

The key to making appraisals useful and indeed useable for decision makers is effective presentation and communication of results. The main results and issues have to be presented succinctly, in just a few pages, but in a way that makes the analysis behind each issue readily accessible.

Appraisals are usually more effective when the financial responsibility for projects matches their spatial dimension (e.g. for local projects local governments have discretionary powers over the use of resources). Where this is not the case it may be more efficient to reorganise government responsibilities than develop elaborate assessment and consultation procedures.

Establishing the regional economic development and other objectives that transport projects are intended to deliver at the early stages of planning is critical, as unless there is a consensus the plan or project objectives may be challenged later on and different or additional objectives applied, potentially aborting previous work at great cost. Early stakeholder involvement is crucial together with wider public consultation.

Difficulties are apparent in most countries in reaching individuals and the public in general as opposed to organised groups. Consultation must go wider than institutional stakeholders and just creating the opportunities is not sufficient. It requires formal strategies for public involvement. Partners for achieving political acceptance have to be identified and all representative groups solicited, especially weak groups and particularly potential losers.

\(^1\) Sustainable Transport Policies, ECMT 2000
Assessments should be linked directly to the decision making procedures of elected and technical decision makers for full effect. **Integrated assessments as part of the planning process** are therefore likely to be more effective than separate economic, environmental, health and other impact assessments undertaken in isolation.

An appraisal focus upon economic efficiency can struggle to provide a single measure of the net benefit of a project as the valuation of some benefits and costs, particularly those of an environmental character is difficult. In all the countries examined multi-criteria analysis is becoming a central part of project assessment, complementing traditional cost benefit analysis an lending more credibility to economic assessment procedures. Notwithstanding the limitations of economic appraisal in isolation, good quality economic appraisals are an essential part of effective decision making. Quality here requires that all important economic effects are addressed.

Opportunities should be taken to streamline assessment procedures in a linked process down to the project environmental impact assessment level. In this way efficiency gains can be made and repetitious assessments avoided.

The quality of assessments and the value in practice of the procedures discussed here depend on the availability of **staff with the skills needed**. Adequate resources have to be allocated to managing consultation and contracting expert assistance. More fundamentally for transport Ministries, staff have to be recruited or trained with the skills to manage assessment procedures, interpret results and liaise with other stakeholders.

The accompanying draft Resolution was drawn up in co-operation with the OECD Environment Policy Committee's Transport Working Group. It is to be submitted through the committee to the OECD Council for agreement in due course.
RESOLUTION 2003/1 ON ASSESSMENT AND DECISION MAKING FOR INTEGRATED TRANSPORT AND ENVIRONMENT POLICY

The Council of Ministers of Transport, meeting in Brussels on 23 and 24 April 2003,

CONSIDERING:

− that integration of transport and environmental policies is fundamental to sustainable development;
− that improved decision making procedures are the key to more integrated policies;
− that tools to support better decision making developed by ECMT Member Governments should be more widely deployed.

RECALLING the joint statement of Ministers on Sustainable Transport Policies agreed at the Council of Prague in 2000 and in particular the stress it puts on the importance of integrated decision making.

RECALLING ALSO Resolution 2002/1 on the Development of European Railways and especially its recommendation that good multicriteria and cost benefit analyses must be used as the basis for making decisions on infrastructure investment;

HAVING REGARD TO:

− the Key Messages for Government from reports [CEMT/CM(2001)12 and 13] on Implementing Sustainable Urban Travel Policies;

NOTING:

− The Report to the European Council on integrating environmental concerns and sustainable development into Community policies, SEC (99)1941;
− The Protocol on Strategic Environmental Assessment to the UN/ECE Espoo Convention in the process of negotiation;

− The UN/ECE Convention on access to information, public participation and access to justice in environmental matters (Aarhus Convention);

− The OECD Environment Strategy and Environmentally Sustainable Transport Guidelines adopted by Environment Ministers on 16 May 2001;


CONFIRMS the importance Ministers attach to integrated transport and environment policy and decision making.

AGREES:

− That good economic assessments of transport policy and project proposals are essential to ensuring efficient and robust decision making and cost effective use of resources;

− That appraisals of economic efficiency need to be supported with wider analysis that values — qualitatively and/or quantitatively — environmental, health and safety effects and reveals the distribution of costs geographically and in terms of the different communities affected;

− That integrated assessments are likely to be more effective than isolated economic, environmental, social and health appraisals;

− That integrated transport and environmental policy requires transparent decision making procedures that relate clearly to the results of economic and environmental assessments;

− That assessment and decision making procedures should be designed to facilitate rather than delay decisions;

− That co-operation between the Ministries responsible for transport, planning, the environment, infrastructure, regional development and health will be required to develop effective integrated appraisal procedures.

RECOMMENDS that systematic evaluation of economic, social and environmental effects should underpin all transport plans and programs and all major transport sector investments, and to this end the guidelines annexed below should be followed.

INSTRUCTS the Committee of Deputies to monitor best practice in the development of evaluation procedures and tools to support decision making.

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2. Whilst ensuring transparency and adequate assessment of social, environmental and health impacts, procedures must be designed both to safeguard objectivity and guard against potential abuse to obstruct the programs of elected decision makers or unnecessarily hinder flexibility in implementing their policies.
ANNEX
GUIDELINES FOR GOOD ASSESSMENT AND DECISION MAKING SUPPORT

**Overall**

Systematic evaluation of economic, social and environmental effects should underpin all transport plans, programs and all major transport sector investments, as part of integrated assessment procedures developed in place of isolated economic, environmental, health and social evaluations;

As far as possible, similarly integrated evaluation should be incorporated into transport policy making;

Decision makers should be engaged in establishing the wider objectives that transport projects are intended to deliver for the economy and the community, through consultation with transport experts, planners, stakeholders and the public, early in the planning process in order to establish consensus and avoid challenges to project objectives at later stages with potentially high costs.

**In relation to decision making support**

Assessments should be presented in a way that directs decision makers to the key factors to weigh in their decision, highlighting trade-offs, risks and uncertainties, rather than making judgements in place of the decision maker.

The results of project, plan and program assessments should be presented to decision makers in a form that is simple, concise and clearly communicates the key issues;

Traceability must be assured and this can be done by referencing summary results to supporting analysis in successive layers of detail;

**In relation to institutional arrangements and procedures**

Assessments should be linked directly to the decision making procedures of elected and technical decision makers for full effect — integrated assessments as part of planning processes are therefore likely to be more effective than separate assessments undertaken in isolation;

Consultation with stakeholders and the general public is critical to the legitimacy of assessments and the durability of their results, it should begin early and be professionally conducted in order successfully to engage participation, and elicit and address the true concerns of the public;

Evaluations of infrastructure investments should be undertaken with equal rigor whatever the mode of transport concerned;

Cross-border consultations should be undertaken where necessary;

Ex post evaluations\(^3\) are important for verifying the results of assessments and for improving future project assessments;

Transport and land-use planning agencies may need training, support and additional expertise in the newer disciplines of environmental and health impact assessment; institutional capacity building is desirable even in respect of existing procedures.

\(^3\) Evaluations to analyse the effectiveness of policies and projects after their implementation.
**In relation to the contents of assessments**

Integrated assessments should aim at a systematic presentation of all relevant welfare effects (economic, health, environment, safety), where possible these should be quantified, otherwise they should be qualitatively described in a transparent way;

Assessments should contain explicit consideration of alternatives including the "non-implementation" option;

The uncertainties and limits of assessments should be made clear;

Assessments should explicitly account for significant distortions\(^4\) in the pricing of transport services and in the markets they serve as such distortions result in wider economic effects, both positive and negative, than captured in conventional cost benefit analysis;

Where additional positive effects, for example in terms of regional development, are important to the overall benefits of a project, the specific mechanisms by which they are delivered must be identified in order to be sure that the intended results are likely to be achieved;

Distributional impacts should be reported in sufficient detail, as the indirect benefits of regional development accrue to different people and places than initial transport benefits and their incidence is likely to change over time.

\(^4\) In relation to marginal social costs.