

ISSUE 2.1.2: Focused Funding

RESPONSES BY: Austria, Denmark, Finland, France, Japan, New Zealand, Norway, Pakistan, South Africa, United Kingdom, United States

Summary: Gloria M. Shepherd, Simon Price, Lisa Rossiter

1. Is a focus on the mitigation of adverse impacts rather than the clear pursuit of wide ranging positive environmental and social objectives as legitimate project goals a barrier to adequate assessment of plan and programmed level funding and the subsequent cascade to project budgets?	Austria	Did not understand the question.
	Denmark	<p>If the authorities have selected a project for further analysis it is mainly because positive environmental and social objectives can be met.</p> <p>The analysis encompasses a mapping of both positive and negative factors and results in a recommendation of two or more alternatives from which the decision makers can choose.</p> <p>The adverse impacts are thus a part of the assessment but cannot be described as a barrier for assessment of the project.</p> <p>Once the decision maker has passed a project in parliament (typically through an Act of Construction) it remains to determine when and how the project will be financed. This is achieved using wider criteria than merely project related factors.</p>
	Finland	A focus on mitigation still comes up in specific programs, or actually project packages, for safety improvement of some junctions, groundwater protection structures, noise barriers &c, that can be included as priority actions if a clear need is shown. But these are additional to the ordinary programming.
	France	We are looking for new analysis methods, for example include sustainable development principles and aims inside value analysis methods, or add social values inside cost-benefit analysis. Problem under research.
	Japan	In Japan, we have the Environmental Impact Statement (EIS) as a legal proceeding to examine the mitigation of environmental impacts. Though the mitigation of environmental impacts generally tends to increase the operation cost, it has little effect on budget allocation.
	New Zealand	<p>The Land Transport Management Act 2003 (“LTMA”) reflects the NZTS and has significantly broadened the legislative responsibilities of Transit New Zealand (“Transit”) from a safety and efficiency focus to contributing to all of the NZTS objectives (while exhibiting a sense of environmental and social responsibility).</p> <p><i>Currently:</i> Land Transport Management Act 2003 (new legislation) “to operate the state highway system in a way that contributes to an integrated, safe, responsive, and sustainable and transport system”.</p>
	Norway	Similar to US
	Pakistan	Partly yes. When a road project is likely to have an adverse environmental impact and mitigation of the impact involves substantial amount of money, it becomes imperative to

ISSUE 2.1.2: Focused Funding

RESPONSES BY: Austria, Denmark, Finland, France, Japan, New Zealand, Norway, Pakistan, South Africa, United Kingdom, United States

Summary: Gloria M. Shepherd, Simon Price, Lisa Rossiter

2. When your plan or program is funded, is there a full assessment against objectives: i.e., environment, accessibility, safety, etc.	Austria	No, there is no full assessment against objectives since at this stage the details of planning are very little. There is only an estimation of costs on the basis of existing data and very little survey work. There are objectives set at the beginning of the implementation step of a program or plan (now covered by a Strategic Environmental Assessment SEA) and every alternative plan or program is examined in the way it meets these objectives.
	Denmark	<p>Prior to the funding of a program has been through an environmental impact assessment, where a full assessment against the objectives is conducted.</p> <p>These objectives include protection of the environment, accessibility, land use, safety aspects as well as socio-economic needs.</p> <p>For each project the objectives – and the means to achieve the objectives – are written into the Act of Construction and are further detailed within each project.</p>
	Finland	The assessment is made against a very wide range of objectives, but limited by financial, as well as political uncertainties.
	France	Yes
	Japan	<p>As for the nation-wide comprehensive plan (road-building plans to be reviewed every 5 years throughout the country) we are conducting a macro-assessment on various fields such as living, safety, environment and economic vitality of people.</p> <p>As for separate project we conduct a comprehensive assessment on economic, social and environmental aspects in the early stage of the planning.</p>
	New Zealand	<p>Transit embedding social and environmental responsibility. Both project planning and forecasting require consideration of environmental and social impacts:</p> <ul style="list-style-type: none"> □ SHF level – demonstrating contribution to NZTS objectives □ Project level – specific measures for environmental protection (mitigation focus)
	Norway	Yes
	Pakistan	For all Federal or Provincial highway projects (except maintenance, rebuilding or reconstruction of existing metalled roads) with total cost more than 0.9 million \$US an EIA has to be filled with the EPA.
	South Africa	The objectives of various disciplines within a project must be reconcilable with the core function or main objective of the project. Sustainability of environmental, social and safety objectives cannot be compromised if the overall sustainability of the project is one of the key criteria.

ISSUE 2.1.2: Focused Funding

RESPONSES BY: Austria, Denmark, Finland, France, Japan, New Zealand, Norway, Pakistan, South Africa, United Kingdom, United States

Summary: Gloria M. Shepherd, Simon Price, Lisa Rossiter

3. As projects are developed, how are these program objectives translated into projects? If there are significant funding gaps between forecasting and actual costs, how are environmental considerations handled?	Austria	Program objectives are translated into the project development by examination of alternative solutions to fulfill those objectives via a cost benefit analysis. There is nearly always a gap between forecasting and actual costs - projects just become more expensive. It is nearly impossible to cut the costs of environmental measures down because they are a crucial part of the viability of a project.
	Denmark	<p>Through the environmental impact assessment the degree to which the project supports the program objectives has been established and a political acceptance of the project has been achieved.</p> <p>Before a project can be executed funding has to be provided for which purpose a technical and political prioritization is carried out.</p> <p>If significant funding gaps occur and additional funding is not available it can be considered to phase the construction over time or to reduce the quality of the project. In doing so environmental considerations are made on equal basis with the technical considerations. However, the project cannot violate the Act of Construction unless specifically approved by the political level.</p>
	Finland	Referring back to the program level is not necessarily then very simple, i.e. shifts may happen on the way, but generally the project will stay within a broadly interpreted framework.
	France	Sustainable Transport Plans are managed at the regional level under the responsibility of the "Préfet de Région". SSC are elaborated at regional and local level, then synthesised and modified at national level towards coherence and sustainability, then send back again to regional and local level for improvement, and approved by the Prime Minister.
	Japan	<p>The program objectives will be broken down to the quantity of result to be achieved and the quantity of operation to be executed for each project. After the execution, we will evaluate the project referring the quantity of result to be achieved and the quantity of operation to be executed as a barometer for assessment.</p> <p>As the importance of environmental considerations is evident, a project with inadequate concerns will never move forward. So, even if there are funding gaps between forecasting and actual costs, we always keep the attention to environmental considerations.</p>
	New Zealand	<p><u>Funding gaps</u></p> <p>There is considerable variation in how environmental considerations are dealt with in the case of significant funding gaps.</p> <p>Legislation can guide how environmental and social impacts are dealt with in the case of funding gaps. For example, conditions on resource consents often specifically require</p>

ISSUE 2.1.2: Focused Funding

RESPONSES BY: Austria, Denmark, Finland, France, Japan, New Zealand, Norway, Pakistan, South Africa, United Kingdom, United States

Summary: Gloria M. Shepherd, Simon Price, Lisa Rossiter

4. If your actual costs are significantly higher than your revenues, how do you adjust your revenues? i.e., compromising your objectives, shifting resources among projects, reprioritizing, etc.	Austria	If the actual costs are significantly higher than the revenues (which is very often the case) decision makers look for "good reasons" to get acceptance for the higher costs. Very rarely there is something like "compromising the objectives". More often the body responsible for the funding of a project, tries to shift projects so more prior projects can be carried out earlier. (This does in fact not solve the problem but it is a very common approach).
	Denmark	If the actual costs exceed the revenue acceptance to continue the project has to be sought from the political level. It is not normally a way forward to compromise program objectives. More commonly, additional funding is requested from the political level which can in turn lead to new prioritizations.
	Finland	Road administration programming follows the 4-year action and finance plan cycle. This plan is revised each year; in practice, the first plan year will be equal to the finalised state budget proposal for the coming year and the second plan year will follow the agreed budgetary framework.
	France	Control costs from the beginning. Governmental authorities in regions are in charge of the control of legality control of decisions taken by local authorities. The governmental part in funding local transport is another means of control.
	Japan	In case where extra budget would be required as a result of environmental impact assessment, we will reevaluate the budget and scope of project on the planning level, and secure necessary budget adjusting allocation of cost among projects based on this reassessment. The budget on the execution level packaged of multiple projects permits this mechanism. Sometimes when we have to readjust the project, we will respond to extend the period of operation or to degrading service level.
	New Zealand	Funding setbacks are handled in a range of ways including: <ul style="list-style-type: none"> ▪ delaying the project ▪ phasing construction over time ▪ reprioritising the project ▪ other funding options including tolling, loaning and public private partnerships ▪ reducing the scope of the project
	Norway	If the project ends up needing more funds than first estimated, we can do 2 things; either ask for more money, or reduce the projects.
	Pakistan	In case the project would result in enormous social/environmental impacts, the revenues can be adjusted by subsidizing the cost.
	South Africa	SANRAL will either accept the additional expenditure or "cut the cloth to suit the price". It will, however, not compromise on functionality or sustainability regarding environmental and social issues.
	United	In the UK all of the suggested adjustments would take place,

ISSUE 2.1.2: Focused Funding

RESPONSES BY: Austria, Denmark, Finland, France, Japan, New Zealand, Norway, Pakistan, South Africa, United Kingdom, United States

Summary: Gloria M. Shepherd, Simon Price, Lisa Rossiter

5. To what extent does acceptance of a mitigation culture suggest that problems will be solved downstream of planning and program levels?	Austria	This is a very common approach and the main reason why projects get more and more expensive the more detailed they become.
	Denmark	Acceptance of a mitigation culture is no guarantee that problems will be solved downstream of the planning level, although project managers naturally do their best to ensure the objectives are fulfilled. In Denmark the planning process includes the environmental process which reduces the conflicts or problems later in the project. During the environmental impact assessment other agencies participate and approvals from the environmental authorities are sought on a general level before an Act of Construction is passed.
	Finland	Expectations of downstream resolution do exist, but mainly for the type of problems which do not at present have politically acceptable solutions.
	France	The emphasis is on identifying and addressing mitigation issues early in the transport policies.
	Japan	We build consensus on route and structure at the upstream of planning stage where we make comparative assessment on alternatives of their global, air, and natural environmental impact. We perform the Environmental Impact Assessment (EIA) on the planning stage to evaluate each item such as noise and air pollution including checking with the environmental standards. Meantime, we have to declare practical mitigation countermeasures against environmental impact. On the execution stage of the project, we keep in touch with local parties concerned, consult with them about details of mitigation measures against environmental impact, and device practical countermeasures.
	New Zealand	How budget over-runs are dealt with depends primarily on several aspects: <ul style="list-style-type: none"> □ the degree to which resolution of the environmental/social impact is entrenched in specific legal obligations □ the considered importance of the environmental/social issue
	Norway	There is no acceptance that problems will be resolved downstream.
	Pakistan	In order to effectively mitigate the impacts, a systematic environmental assessment follow up process is undertaken to ensure that problems if any arise in due course of time are solved in order to assure certain priorities are maintained.
	South Africa	Any mitigation of impacts on environmental or social issues must be sustainable in the long term. Mitigation of expansion impacts on the environment is not a culture, but the logical option to take.
	United Kingdom	Recent evidence of the UK East of England Regional Transport Study indicates that the mitigation culture is fundamental to the approach to planning instead of an

ISSUE 2.1.2: Focused Funding

RESPONSES BY: Austria, Denmark, Finland, France, Japan, New Zealand, Norway, Pakistan, South Africa, United Kingdom, United States

Summary: Gloria M. Shepherd, Simon Price, Lisa Rossiter

6. How do you maintain the rigor of plan and program level appraisals in order to assess what they will achieve and their full funding requirements?	Austria	Decision making processes are as a matter of fact very strongly influenced by political demands. That means that funding requirement play a certain role in the decision making process but definitely not the most important role. Since the plan or program level is a very little detailed planning level it comes down to an estimation of actual costs of a projects. The funding requirements are to be solved at the project level. There are some new approaches in Austria in the way that communities that get advantages out of a project have to contribute also financially to the project which very often does not work at the end of the day because of political influence.
	Denmark	On the national, regional and local level plans are reconsidered every so often (typically every 4 years) to ensure that objectives have not changed and the projects in the program therefore still are achieving the desired objectives. If the objectives change a new prioritization takes place and projects can be replaced by other projects more in line with the new objectives.
	Finland	This rigor can be maintained only if there are rigorously applicable tools. In reality, on the plan and program level even the best appraisals have a considerable uncertainty and sometimes their validity is rather dubious.
	France	By consulting with the project sponsors to determine the effectiveness of their transport plans, programmes, and financial documents from which the projects come.
	Japan	We improve the precision of planning by executing Policy Assessment that is checking on necessity, effectivity and efficiency of new measures (for example, budget request, tax system revision request, or amendment of statute and regulation). And we are making efforts to adequately reflect these results of assessment as important data for budget request in the future. As for the poor progress projects (*1), we perform reassessment and revision of purpose and budget of the project from following three viewpoints such as (1) necessity of the project, (2) probability of project progress, and (3) possibility of cost reduction and setting alternatives, according to the Notification of Administrative Vice Minister of Ministry of Land, Infrastructure and Transport. In addition, the newly established Project Assessment Committee conducts reassessment operation.
	Japan (Cont'd)	(*1) (1) Project not yet started construction for 5 years after adoption (2) Project under construction for 10 years after adoption (3) Project pended for 5 years after budgeted for start-up cost and research cost for realization (4) Project pended for 5 years after reassessment

