

PIARC Technical Committee  
Sustainable Development and Road Transport

Issue 2.1.2: Focused Funding

*Q1. 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?*

Summary: Many of the participating countries have positive environmental and social objectives, which are an integral part of their planning and programming processes. However, the United Kingdom has less of a linkage between plans and projects in terms of social and environmental objectives, referencing mitigation as a bandage that is often half-hearted in delivery. Similar to the United States, other countries (NOR, NZ, DM, JAP) are guided by legislation and policies, which considers the act of mitigation as a viable linkage to efficient transportation plans and ensures a safe and sustainable environment. In other countries (FIN, PK, SA) the mitigation of adverse impacts becomes critical when certain issues/actions take place or are needed (i.e. safety improvements, groundwater protection structures, greenfield projects, or impacts involving substantial amounts of money). France is currently researching new analysis methods (i.e. sustainable development principles) to adequately assess program level funding. Overall, based on the importance of social and environmental objectives in a transportation plan, integrating mitigation into program level funding does not generally serve as a barrier to project budgets.

*Q2. When your plan or program is funded, is there a full assessment against objectives? (i.e. environment, accessibility, safety, etc.)*

Summary: A common theme that exists between the United States, New Zealand, Denmark, Japan, and South Africa is that all have assessments against safety, environment, as well as economic development objectives. Finland, Norway, and United Kingdom also have a full range of assessments against a wide range of objectives; however, it is noted in Finland that the objectives are limited by financial and political uncertainties. The United Kingdom transport plans are funded with an assessment that go beyond the full range of objectives including those of non-transport plans. With a slightly different approach, Pakistan performs full assessments against their objectives based on amounts more than \$0.9 million U.S. currency and requires an EIA to be filled with the EPA. Overall, the participating countries demonstrate full assessments against their respective objectives when plans or programs are funded.

*Q3. As projects are developed, how are these program objectives translated into projects? If there are significant funding gaps between funding forecasting and actual costs, how are environmental considerations handled?*

Summary: In translating program objectives into projects, the United States set priorities for project implementation. Similarly, the United Kingdom sets precedence in translating transport/economic objectives, but environmental and social objectives are not effectively transferred into the projects. South Africa and Finland translate their objectives into projects during planning and design phases. France's Transport plans are developed along the same decision making process as the United States and United Kingdom (i.e. plans are developed at the local and regional levels, sent up to the national level for synthesis and modification, and then sent back to the regional and local level for action). As program objectives are developed, United States, Denmark and Japan requires environmental considerations to be translated into their projects. Similarly, Pakistan an EIA, making environmental work available to those undertaking technical, financial, and economic studies related to the project. If this action is not done, Pakistan usually handles funding gaps by the proponent of the project. In the United Kingdom, transportation officials explore savings in areas delivering against poorly defined objectives; whereas, Norway's environmental issues end up balancing items if projects meet funding gaps. In South Africa there is no prioritization of objectives nor is there an order of precedence in place for delivering projects.

*Q4. 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.*

Summary: Evolving themes among the countries included change of scope, phasing construction, and prioritization. The United States, Finland, and Japan all have financial plans, which create a budgetary framework. Finland revises a 4-year financial plan annually, which is comparable to the United States update cycle. Financial constraint is identified within both documents. A similar nuance applies to France and Denmark whereas their government is the regulatory entity and controls the cost. When the actual costs exceed the revenue the government has the authority to either continue the project or make new prioritizations. Where federal policies in both Finland and United States require transportation plans to demonstrate financial constraint, France's government monitors the transportation costs under related provisions to avoid imbalances with available revenues. In considering alternative funding options, New Zealand seeks partnerships, which may be public or private in nature, to help support total funding of high priority projects. Although proposals that are not cost effective do not usually make the approval process, revenues can be adjusted in Pakistan by subsidizing the cost. However, when actual costs are significantly higher than revenues, Japan extends the period of operation or degrades the level of service. There is no evidence of financial planning in Pakistan or South Africa, but both countries are open to accepting additional expenditures, as long as it does not compromise environmental and social sustainability.

*Q5. To what extent does acceptance of a mitigation culture suggest that problems will be solved downstream of planning and program levels?*

Summary: The United States, United Kingdom, Pakistan, and France all indicate acceptance of a mitigation culture, which will avoid and solve problems/conflicts downstream of planning and program levels. Although an acceptance for mitigation culture exists, approaches appear to vary. The United States, Japan, and Denmark conducts the environmental process more closely with the planning process; the United Kingdom implies the phrase acceptance as a forethought or consideration to mitigation on issues such as mitigation banking compensation; Pakistan uses a systematic environmental assessment follow up process; New Zealand's mitigation acceptances depends on the importance of the environmental/social impact or whether it involves legal obligations; and France relies on early identification of mitigation issues. Finland has expectations for acceptance of a mitigation culture and acknowledges it does exist. Norway has no acceptance for a mitigation culture, while South Africa acknowledges mitigation as a logical option, but not a culture.

*Q6. 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?*

Summary: In France, New Zealand, and the United Kingdom, project sponsors are consulted and tend to be selective in the weight attached to environmental policies. The project sponsors determine the effectiveness of plans, programs and financial documents. However, the United States, Norway, Denmark, and South Africa follow regulations/guidelines that satisfy specific compliancy and sustainability criteria. Similarly, Japan conducts an assessment that examines the necessity, effectiveness, and efficiency of new measures and future budget request. To maintain the rigor of their plan and program level appraisals, Pakistan develops strategies to feed information into the management practices and actions to improve environmental performance. In addition to developing these strategies, Pakistan conducts training programs for staff and provide incentives for environmentally sound performance. Rigor can only be maintained in Finland if there are rigorously applicable tools. Such tools are rare and prove to be unrealistic.