

## **Addendum D1: Current practice in project appraisal in Europe, Analysis of country reports**

### **Based on comments of the Dutch Ministry of Transport-AVV Transport Research Centre**

A number of the included country information on the Netherlands is either not correct, or lacks the finer nuances due to the choice for a table structure with only one item per country. Below, we give the most significant omissions, always with respect to the information on the Netherlands:

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#### **Major comments**

- P23 Table 3.4. It should be noted that the appraisal period can only be infinite in combination with a 4% discount rate if all specific risk in the costs and benefits are estimated explicitly. Otherwise, if the risks are difficult to quantify, a 3% mark-up on the discount rate (thus a discount rate of 7%) should be used.
- P30 Table 4.3 Disruption during construction is NOT included in the CBA. It is excluded for specific reasons (also annex table III.2, table V.5 should be 'not relevant').
- P32 Table 4.4 System operating costs are defined in a general way that: all costs that are necessary to have a project up & running, should be included.
- P43. Description of approach to Dutch VOT for freight transport could use some more elaboration. It is a combination of factor costs multiplied with an elasticity of time versus costs, procured from a stated preference experiment. The information for all modes is similar.
- P40. Table 5.5 gives the VTTS for car trips. The price base should be 1997 (instead of 1998). This should lead to the values expressed in Euros of: Work= 22.82; Non work= 6.59;
- P39. Table 5.4 says that the rate of growth of the value of travel time is GDP. This is not true. It must be the gross average salaries.

#### **Minor comments**

- P36. Last sentence "The Netherlands differs from France in that it provides different values for travel time for different income groups, but not for journey length or urban/non-urban." This is true for car trips. However for public transport we differentiate between bus/tram/metro (urban) and train (inter urban).
- Annexes (only additional points to the above bullet points)
  - Table II.1, In the Dutch general appraisal framework not only cost-benefit analysis and quantitative measurements are used but also qualitative assessments. The qualitative assessments are used to describe important costs and benefits that can not be expressed in monetary terms.
  - Table III.3 system operating costs and maintenance for sea are also included (ports!) in CBA
  - Table III.6 There is information on vehicle operating costs available, which have been used indirectly to determine the VOT estimations.
  - Table IV.7 if applicable, a risk mark-up is be included in the discount rate. Answer should be: yes, when necessary
  - Table V.1 an add-on for underestimation is included in the cost estimations.
  - Table V.7. Should be a)
  - Table V.8 depends, if available project specific estimates are being used.
  - Table V.10 the guidelines describe that all relevant costs should be included, thus also potential additional costs on existing networks.
  - Table VI.3 and VI.4. Info on certain aspects available, please check "factorkosten van het goederenvervoer" NEA and Transcare, 2004.
  - Tables on safety and environmental impacts. More info is available. However the guideline does not prescribe one specific method, more than one is used. Which complicates the table because each method has its own information profile.