

# **HEATCO**

## **Developing Harmonized European Approaches for Transport Costing and Project Assessment**

**Workshop on  
“Harmonised European Approaches for  
Transport Costing and Project Assessment”  
Brussels, March 30, 2006**

### **Objectives**

## **The Problem**

- **Transport is of vital importance for economy and welfare, however causes costs, time losses and environmental, health, and social impacts.**
  - **When making decisions about transport projects all relevant economic, environmental and social impacts should be taken into account**
- > All EU countries have and apply an appraisal framework**

**But:**

- **The frameworks applied differ considerably with regard to scope, methodology and parameter values used.**
- > **For transnational transport projects, inconsistent assessment results might occur.**

**-> Harmonized guidelines for transnational projects are needed.**

## **Basic Principles**

- **Cost-benefit-analysis should be used.**
- **This implies, that impacts should be – as far as possible – expressed in monetary terms. For most non-monetary impacts the ‘willingness to pay’ approach is recommended.**
- **Impacts, that currently can not be monetized, should be reported in addition – however the guidelines focus on monetisable impacts.**
- **Use of factor costs (market price minus indirect taxes), a common price base (€2002), changes of real values for future years, purchasing power parity exchange rate.**

## HEATCO – the Topics

### ➤ **General Issues:**

*- How to find monetary values for non-market effects; value transfer; European-wide or country-specific values; discounting and intra-generational equity issues; evaluation period; decision criterion; treatment of indirect socio-economic effects; uncertainty; treatment of non-monetized impacts...*

➤ **Value of time and congestion: time savings of business and non-work passengers and commercial goods transport; treatment of congestion, unexpected delays and reliability.**

## HEATCO – the Topics

- **Accident Risks:** *correction for unreported accidents, assessment of fatalities and injuries*
- **Environmental costs:** *health and environmental impacts and annoyance from air pollution, noise and global warming*
- **Costs and indirect impacts of infrastructure investment:** *capital costs, costs for maintenance, operation and administration, optimism bias*

## **HEATCO Objectives I**

- **Develop and propose guidelines for project assessment and transport costing in Europe by analysing:**
  - **the national assessment practice in the EU member states – and**
  - **new research results e.g. on projects developing methods for impact assessment,****taking into account the recommendation and advice from the participants of the first HEATCO workshop ( April 2005) and the results of a survey to substantiate values for assessing noise annoyance and time costs**

## **HEATCO Objectives II**

- **Application of the methodology for case studies**
- **Discussion of the project aims and the guidelines with policy makers and stakeholders**  
**-> bilateral meetings, this workshop and a final conference**

# Agenda of the workshop

## **Part A) Setting the scene**

## **Part B) The draft harmonized guidelines**

- **Overview and general approach**
- **Value of changes in accident risks**
- **Value of time and congestion**
- **Assessment of noise, air pollution and emissions of greenhouse gases**
- **Costs and network impacts of infrastructure projects**

## **Part C) Case studies: demonstration of the application of the HEATCO methodology**

## **Part D) Panel discussion**

## **The next steps**

- **Based on the recommendations and findings of this workshop the consortium will revise and finalise the harmonised guidelines .**
- **In a conference on May, 17th 2006 in Brussels the final version of the guidelines will be presented.**

**All information will be available on the HEATCO webpage:  
<http://heatco.ier.uni-stuttgart.de>**