

Blue Book - Guide to cost benefit analysis in transport sector

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Workshop 1: Jaspers Transport Projects

- **Why another CBA Guide**
- **Real demand in Poland for a more detail Manual**
- **Origin of the Blue Book (CBA Manual)**
- **Jaspers assignment (Horizontal task)**
- **Different and new approach – development process**
- **Tool to bringing transport projects to maturity**
- **Final benefits for the beneficiary country (Poland)**
- **Jaspers Value added**

Why another CBA Guide

Demand for sstandardised tool for more than 100 EU funded projects

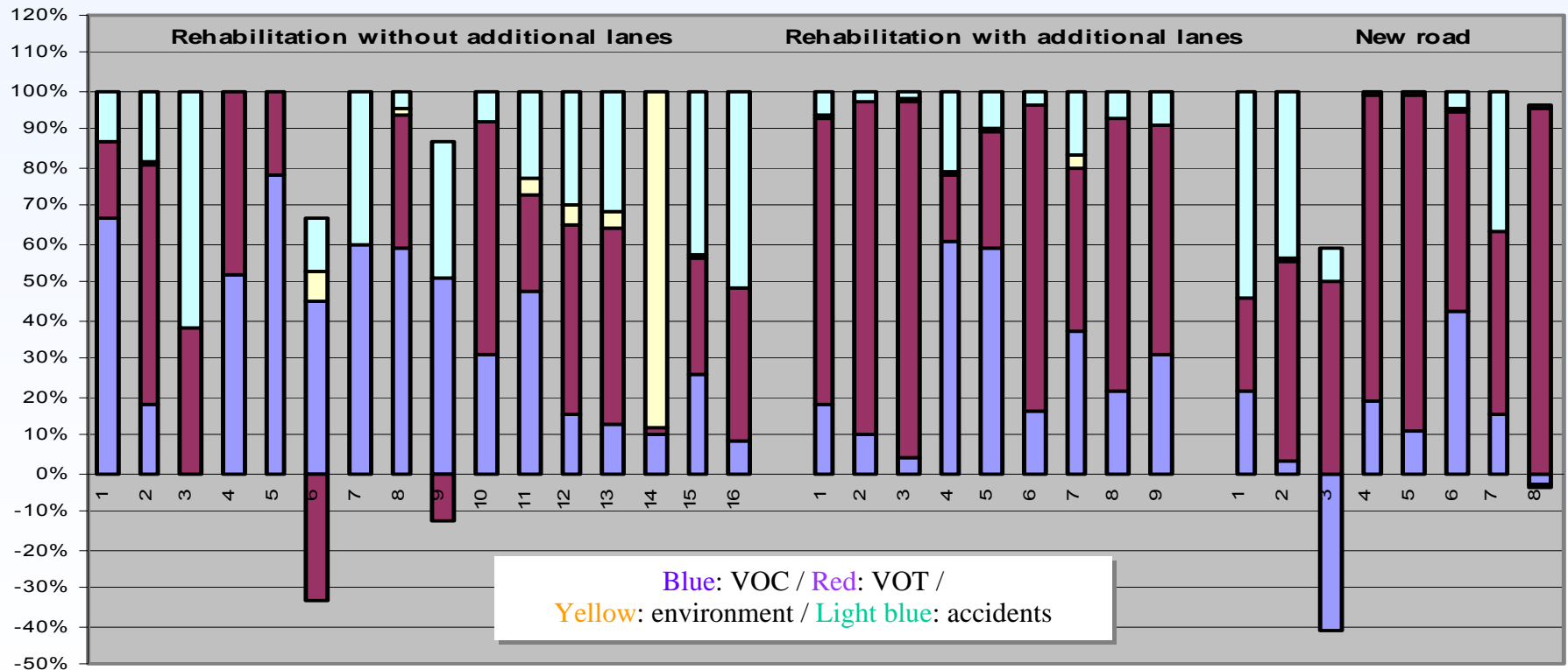
Existing guides – not bad, but too general

No information on several topics (like:....)

- traffic forecast methodology
- forecasted speed assumptions for particular scenarios
- some economic unit values and factors (country specific)

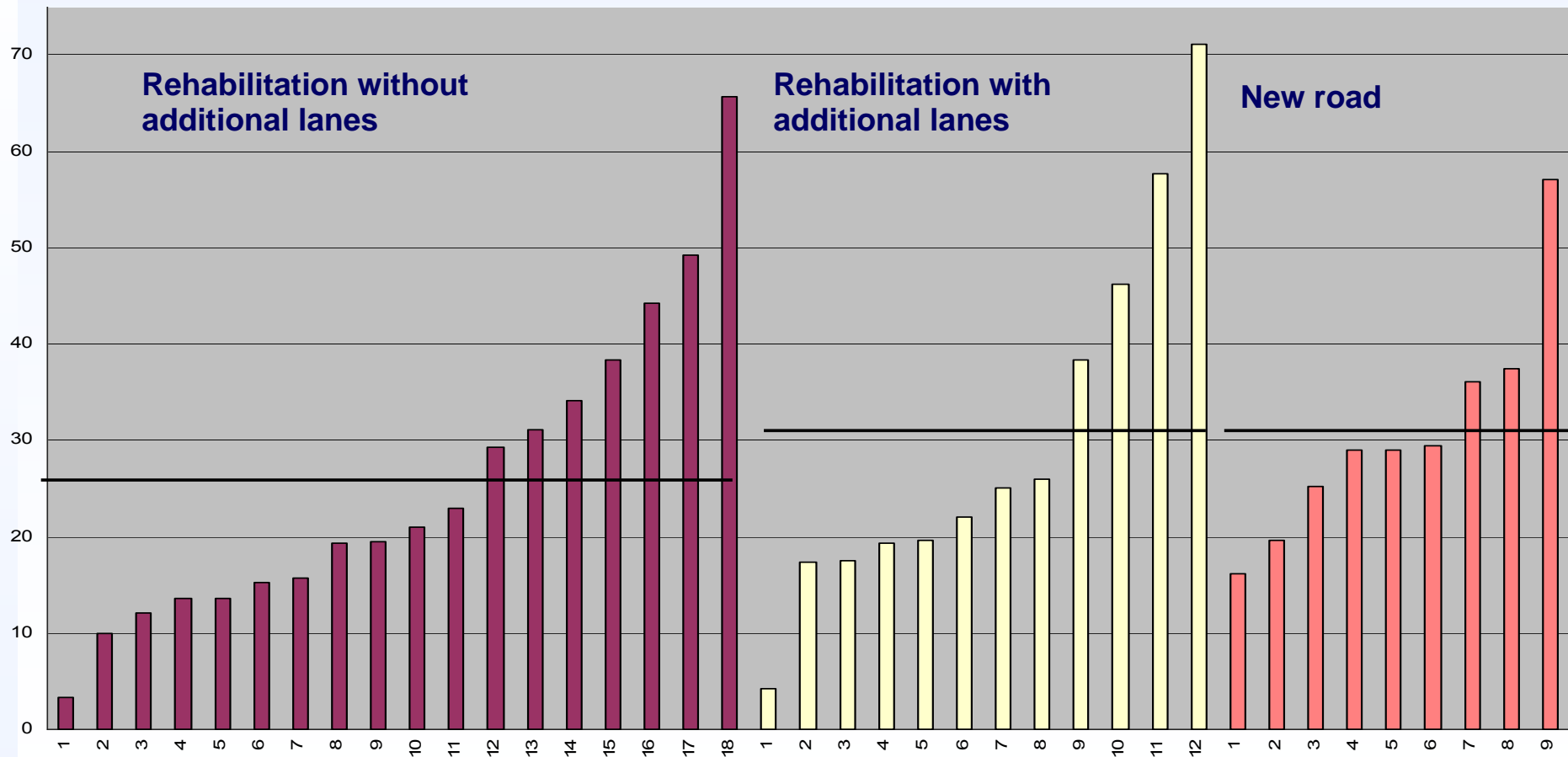
- **Expectation from the Managing Authority (MA) and Intermediate Body (*to have a CBA Manual for implementing more than 100 EU founded projects*)**
- **Expectation from experts and consulting community to update first edition of the Blue Book**
- **A sort of an assembly line for projects preparation - more detail tool was in great demand**
- **Single tool for comparison purposes and ranking creation - strongly required**
- **Why more detail guide needed? (**

Structure of economic benefits in road projects (39)



Source: Report and Presentation on evaluation of transport projects under SPOT - Sectoral Operational Programme Transport (2004-2006), Consortium Scott Wilson Arup PM Group, Preparation of the project Pipeline for European Regional Found (ERDF) in Poland

ERR ratio for different type of road projects (39)



Source: Report and Presentation on evaluation of transport projects under SPOT - Sectoral Operational Programme Transport (2004-2006), Consortium Scott Wilson Arup PM Group, Preparation of the project Pipeline for European Regional Development Found (ERDF) in Poland

- **Review, update and revise an exiting old CBA manual for the new 2007-13 Financial Perspective**
 - Blue Book - first edition created for the former EU financial perspective
 - Technical assistance contract: - Preparation of the project Pipeline for European Regional Development Found in Poland”
 - Guide developed without wide consultations with beneficiaries and experts
- **Create a new document – Blue Book New Edition**
 - Respect to best practices and quality but simplicity
 - Proper balance between theory and practice in Jaspers Approach

- **What is Blue Book?**

Manual for beneficiaries and consultants providing methodology of carrying out Cost-Benefit Analysis in transport sectors

- **What is Annex?**

Detail, structured document showing, step by step how to present all necessary information about particular transport project (road, rail, public transport, airports) – available in two languages

- 4 Blue Books covering main transport sectors:



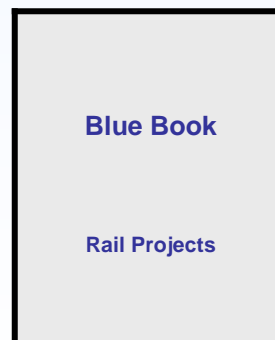
1. Road Infrastructure Projects



2. Airport Infrastructure Projects



3. Public Transport Projects
(infra + rolling stock)



4. Rail Projects
(infra + rolling stock)

- **Annexes to major project application**

(document summarising all info from Feasibility study & Cost Benefit Analysis CBA)

Developed for:

- 1. Road Infrastructure projects**
- 2. Airport Infrastructure projects**
- 3. Rail Infrastructure projects**
- 4. Rail Rolling Stock projects**
- 5. Public Transport projects**

Annex to major projects application

Feasibility Study Report and Cost Benefit Analysis (to Major Project Application) for road infrastructure projects

expected to be co-financed under the Operational Programme Infrastructure and Environment, OP Eastern Poland Development and ROPs.

Project Executive Summary

This section should contain the most important and most vital information about the project, including as a minimum: (i) the type, nature and scope of the project, its basic functional parameters and time table, (ii) brief history of the project development (with key decisions made), (iii) total cost of the project, as well as cost per km (see table below)•,

	Total cost VAT Incl.	Total cost VAT excl.	Cost per km VAT incl.	Cost per km VAT excl.
With land acquisition				
Without land acquisition				

Total project cost	Total eligible cost	Community contribution	Co-financing rate
<i>EUR/PLN not discounted</i>			%

• all costs in the "Report" should be expressed in PLN however, in Summary should be presented in Syntezie powinny być przedstawione w oddzielnych tabelach w Euro i PLN wraz z podaniem kursu wymiany

Rezultaty studium wykonalności wraz z analizą kosztów i korzyści (dla dużego projektu) dla projektów infrastruktury drogowej

przewidywanych do współfinansowania w ramach Programów Operacyjnych Infrastruktura i Środowisko, RPW oraz RPO.

Synteza Projektu

Niniejszy rozdział powinien zawierać najważniejsze i najbardziej istotne informacje na temat projektu, w tym określać, co najmniej: (i) rodzaj, charakter i zakres projektu, jego podstawowe parametry funkcjonalne i harmonogram, (ii) krótką historię projektu (wraz z głównymi decyzjami), (iii) całkowity koszt projektu oraz koszt na kilometr (patrz tabela poniżej)*,

	Koszt całkowity (z VAT)	Koszt całkowity (bez VAT)	Koszt na kilometr (z VAT)	Koszt na kilometr (bez VAT)
Z wykupem gruntów				
Bez wykupu gruntów				

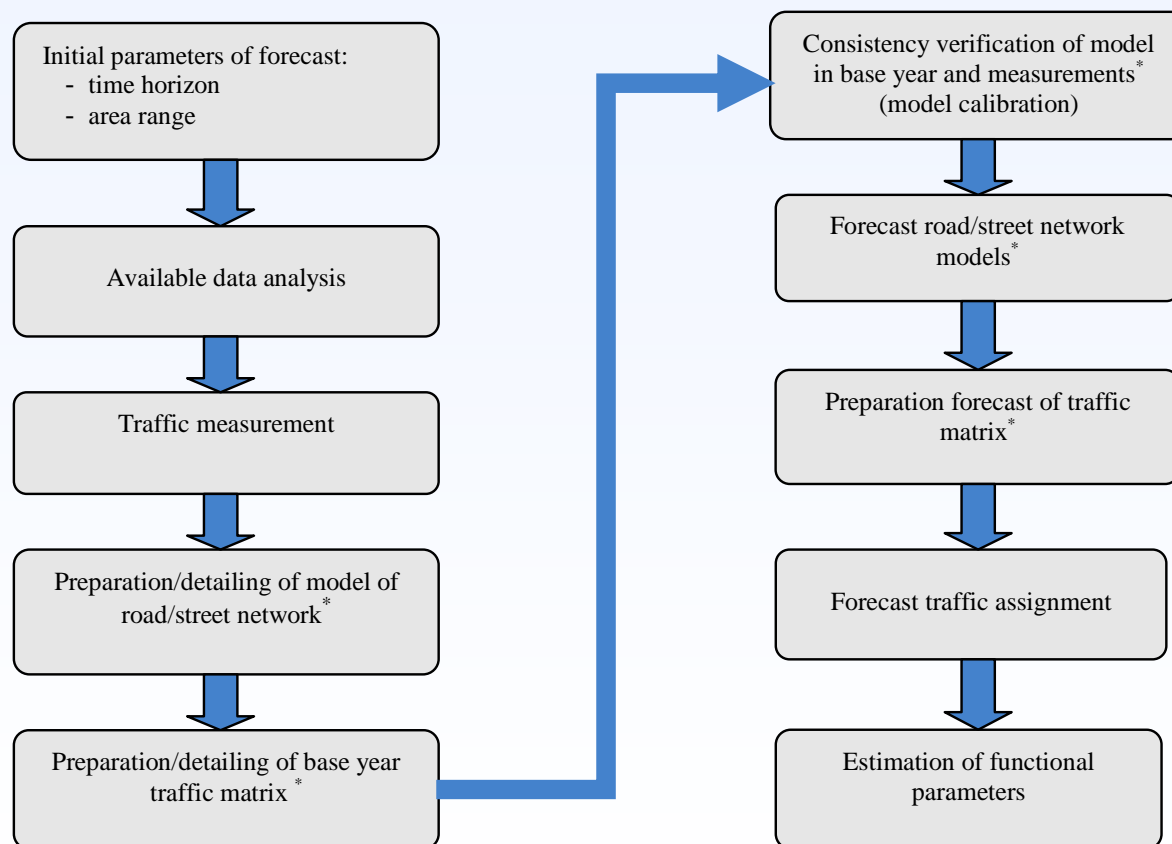
Całkowite koszty projektu	Koszty kwalifikowane	Wkład wspólnotowy	Stopa współfinansowania
<i>EURO/PLN niezdyktowane</i>			%

* wszystkie koszty przedstawione w "Rezultatach" powinny być wyrażone w PLN, jedynie w separate tables expressed both in EUR and PLN with the exchange rate used

- **Standardised macroeconomic assumptions**
- **Detail regulations regarding traffic forecast (including sequence)**
- **Fiscal correction factor for each transport sector**
- **Risk analysis simplified**
- **Developed economic unit rates for each category and transport sector**

Blue Book - Simplicity when possible, but more detail approach when necessary

Traffic Forecast Sequence (roads projects)



Full process of public consultation for all parties

- **Ministries and other intermediate bodies**
- **Experts and consulting community**
- **Beneficiaries**

- **Workshop at the beginning of the assignment (collecting expectations and input from all parties)**
- **Workshop at the end – final thesis preparation**

- **Process very transparent with consensual approach**
- **No similar process in neighbour countries**

- **Development of a document consistent with the EC regulations**
- **Creating a pipeline for project preparation – one tool for more than 100 projects**

Project portfolio – approximately 20 billion EUR

- **Single CBA methodology for comparison purposes – contest of public transport, road infra and other projects,**
- **Objective assessment tool**

JASPERS value added (II)

- **Elimination of old habits (result of the “drill” during 2004-2006)**
- **Consistency across projects, transport sectors and beneficiaries**
- **Better performance from consultants working for beneficiaries**
- **Standardised methods for the future**
- **Speeding up the process of a project development and preparation – assembly line**

- Consensual approach means **better perception of solutions provided**
- Beneficiaries can have a feeling that the Blue Book is for them really, not for „EU bureaucrats” only
- Practical experience in regions (experts and consultants) could be collected on national level and utilised for a **better solutions in the Blue Book**
- Very universal document (only 15% country specific)
 - slipping potential for a **transfer and dissemination in other countries**

- **Process quite long, but worth doing**
- **Difficulties to convince some beneficiaries for better solutions**
- **Document creation process - a kind of learning exercise for experts and beneficiaries involved in process**
- **Allowing beneficiaries and experts to participate in such activities we accelerate processes of building more responsible society**

Thank you for your attention

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