



Concept Symposium 2014 **Opportunities, Decisions and their Effects**

Opportunities, Requirements and the Conceptual Choices

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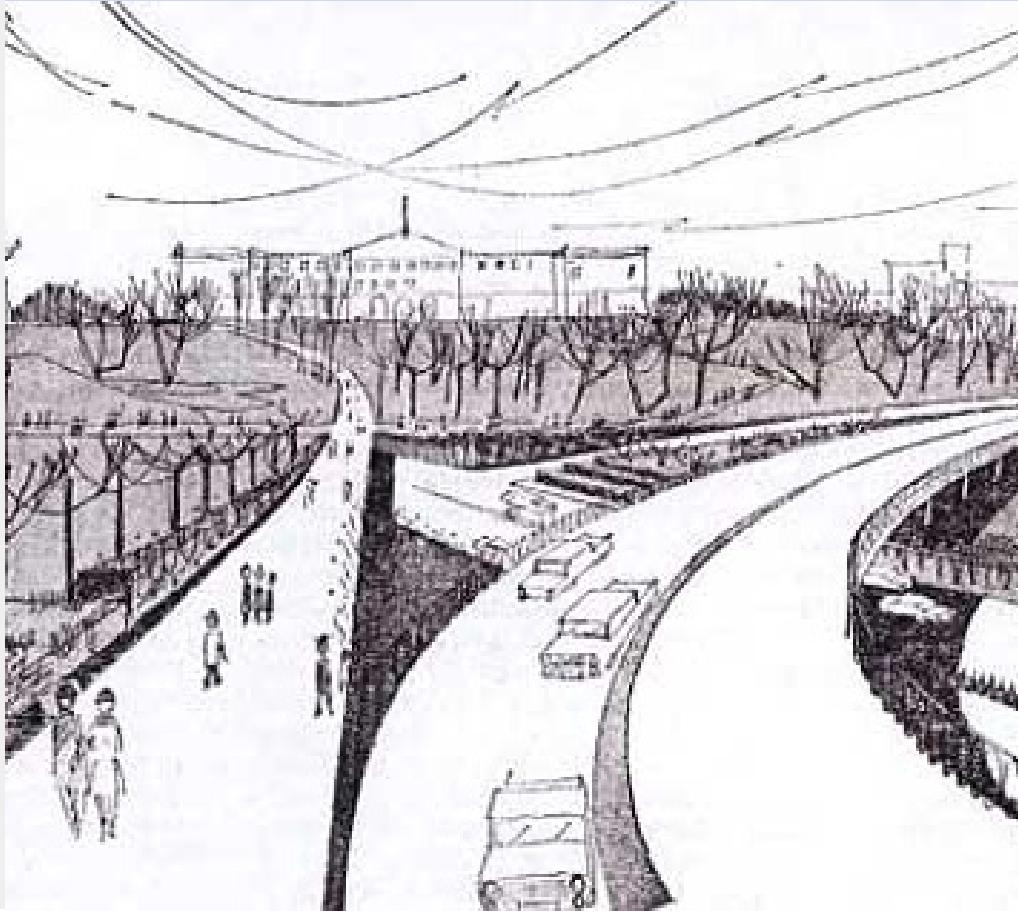
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Opportunities, overall Requirements and the Conceptual Choices

A practitioners view

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Partner Oslo Economics*

*Concept symposium
September 25th 2014*



What do we want to know when planning major public investment projects?

- What is the best alternative?
- How much will it cost?

What is the best way to get there?



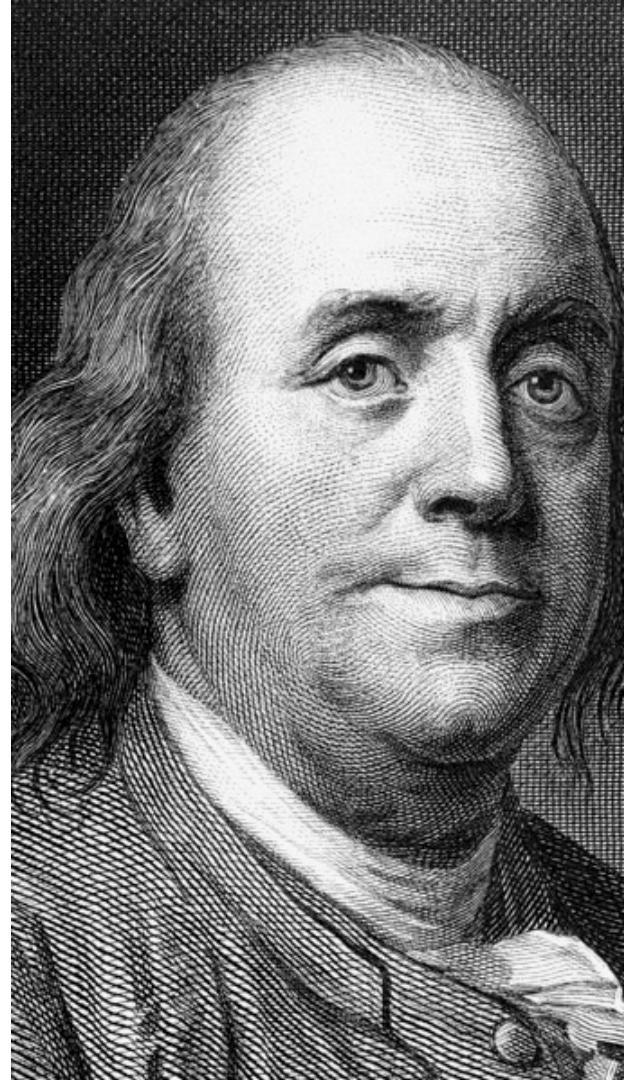
Moral or Prudential Algebra

by Benjamin Franklin

*“... my Way is, to divide half a Sheet of Paper by a Line into two Columns, writing over the one **Pro**, and over the other **Con**. Then during three or four Days Consideration I put down under the different Heads short Hints of the different Motives that at different Times occur to me for or against the Measure.*

*When I have thus got them all together in one View, I endeavour to estimate their respective **Weights**; and where I find two, one on each side, that seem equal, I strike them both out: If I find a Reason pro equal to some two Reasons con, I strike out the three. If I judge some two Reasons con equal to some three Reasons pro, I strike out the five; and thus proceeding I find at length where the Ballance lies; and if after a Day or two of farther Consideration nothing new that is of Importance occurs on either side, I come to a **Determination** accordingly.”*

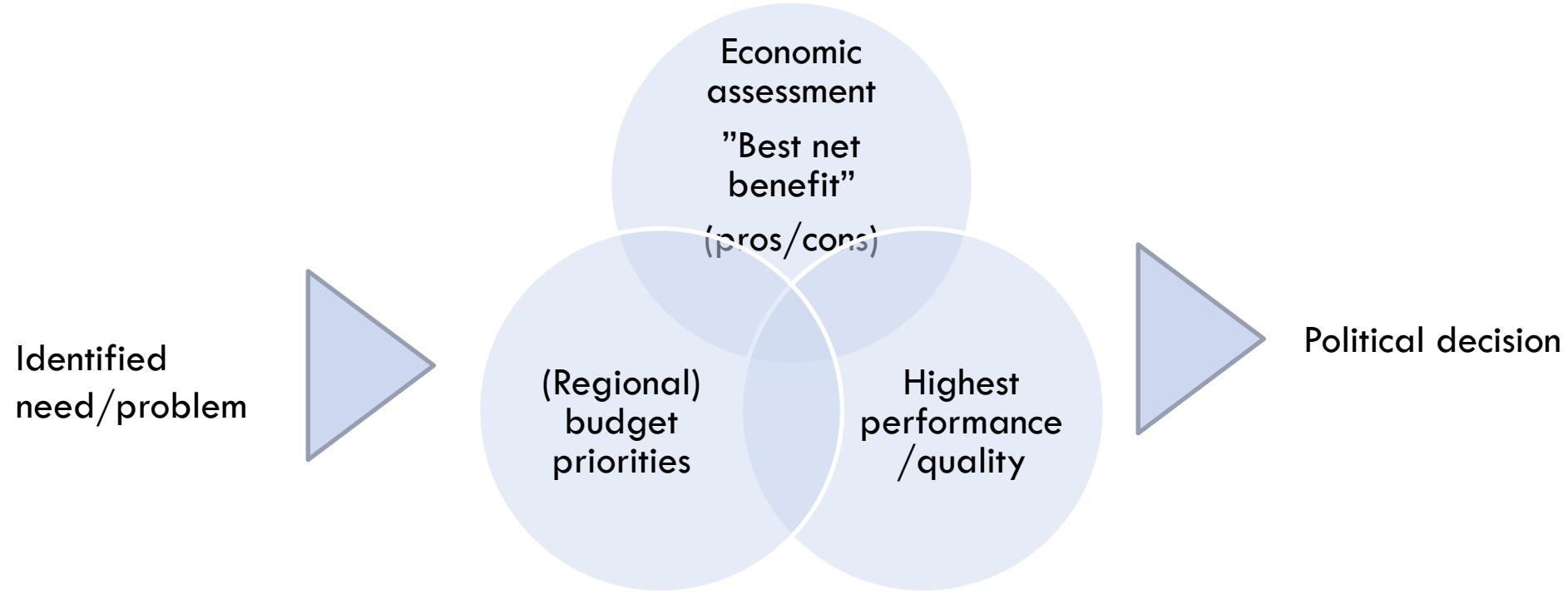
On September 19, 1772, Benjamin Franklin wrote a letter to Joseph Priestly, a noted chemist best remembered for his discovery of oxygen.



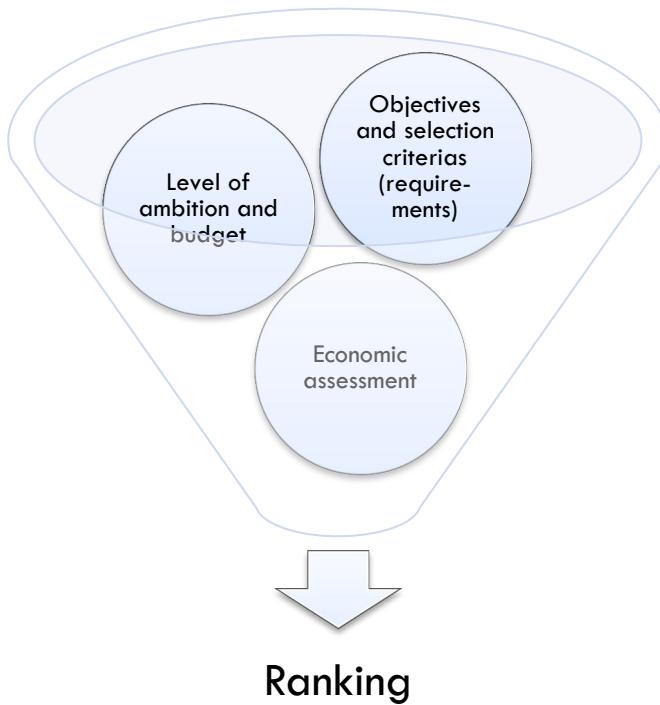
In Norwegian, the MoF has developed guidelines to be followed when planning major public investment projects

- The guidelines are to some extent applied in different ways
 - Within sectors and between sectors
 - This may lead to different outcomes both in terms of concepts developed, and in terms of concepts recommended.
- Some of these differences may be due to tactical consideration, some may be related to team resources and competence, and some may be related to the inclusion of more complex projects in the portfolio of projects undergoing quality assurance
- This presentation will focus on the differences in practice, possible consequences, and identify some suggestions to make sure that the best possible solution is recommended to the decision makers.

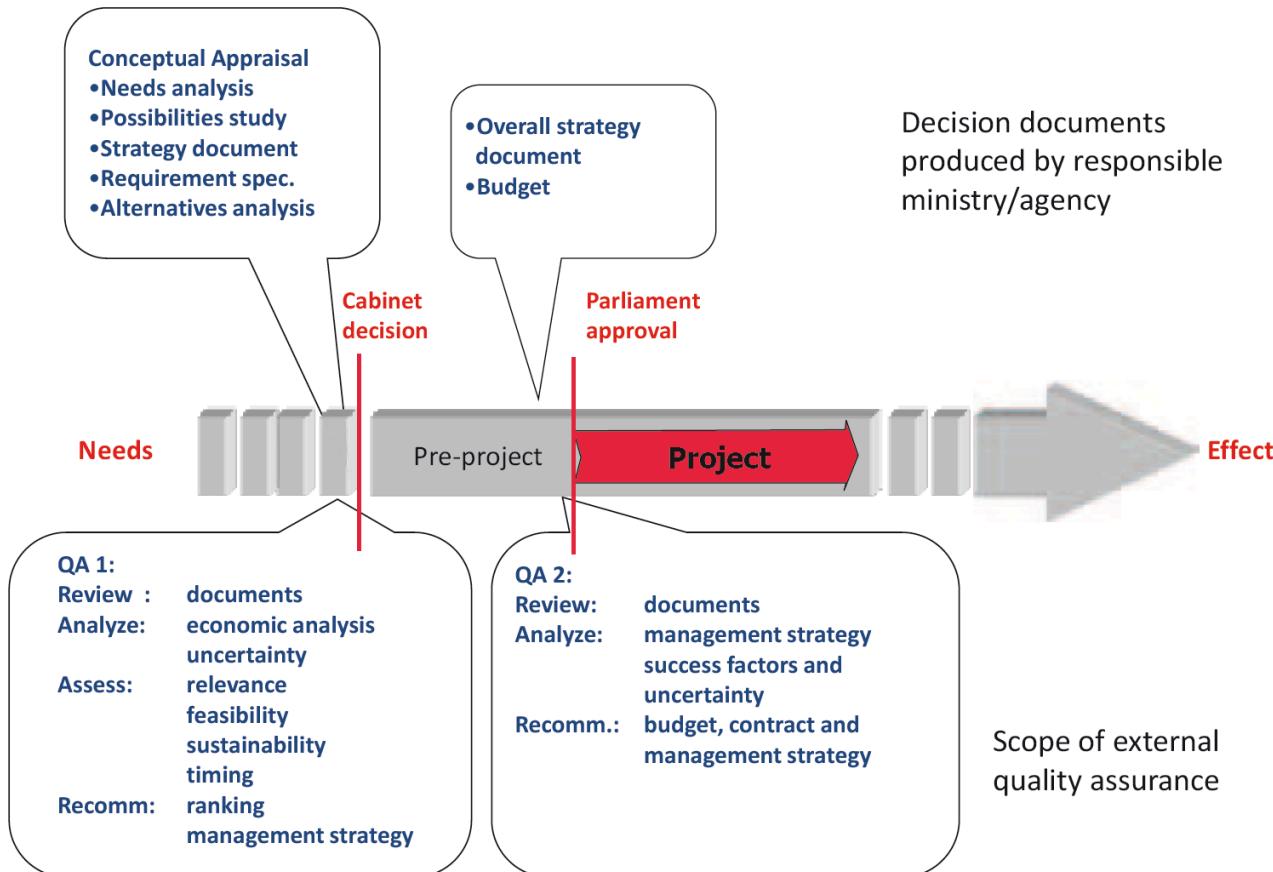
Concept evaluation

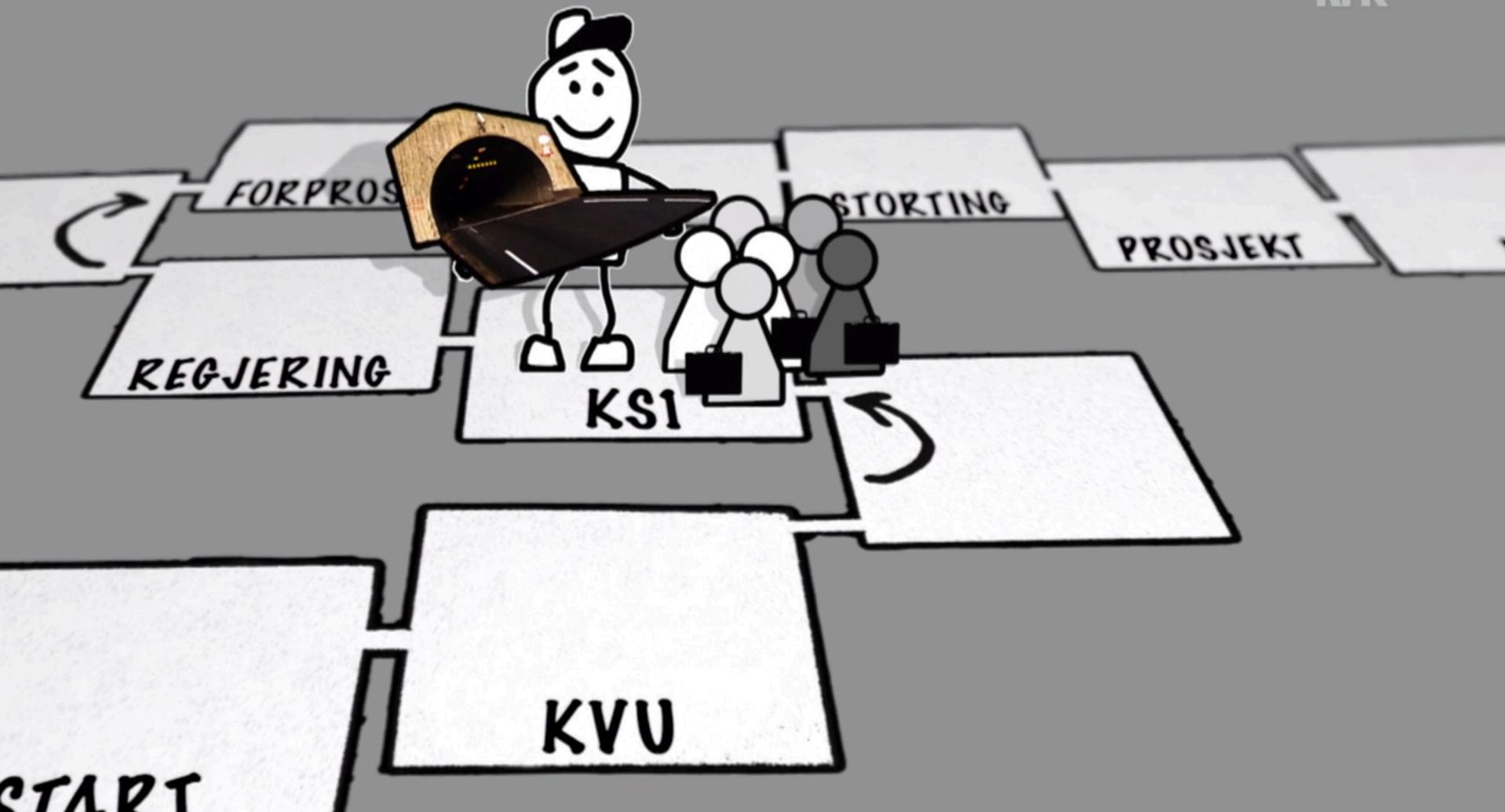


How to select the best alternative?



Ministry of Finance – Guidelines for planning major public investment projects





Ministry of Finance – Guidelines for planning major public investment projects

The ultimate aim is that the chosen concept is the one with the highest economic returns and the best use of public funds. The responsible ministry/agency is required to prepare a Conceptual Appraisal (CA) “KVU” which should include the following 6 chapters:

- **Needs analysis** mapping all stakeholders and affected parties, and assessing the project's relevance in relation to societal needs and priorities.
- **Objectives/Overall strategy** defining the project's goal and purpose (first order and long-term effects), with emphasis on consistency, realism, and verifiability.
- **Selection criterias/Overall requirements** specifying important requirements which need to be fulfilled when the project is implemented. These requirements may follow from the project's own goal/ purpose, or they may be non project-specific purposes within the overall strategic framework. The focus is on effects and functions, not on technical solutions and details.
- **Possibility study.** Needs, goal, purpose and requirements will together constitute the ‘opportunity space’. It is essential to ensure that the opportunity space is not too narrow.
- **Alternatives analysis** which should include the zero-option and at least two alternative main concepts. For all alternatives, outputs, uncertainties, and a fiscal plan should be specified. The alternatives should also be subjected to a Benefit-Cost analysis.
- **Guidance for the pre-project phase**, including an implementation strategy for the chosen concept.

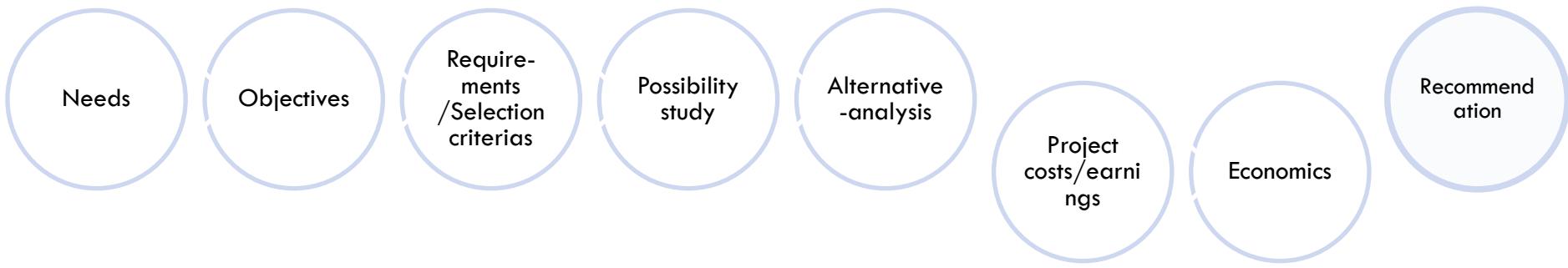
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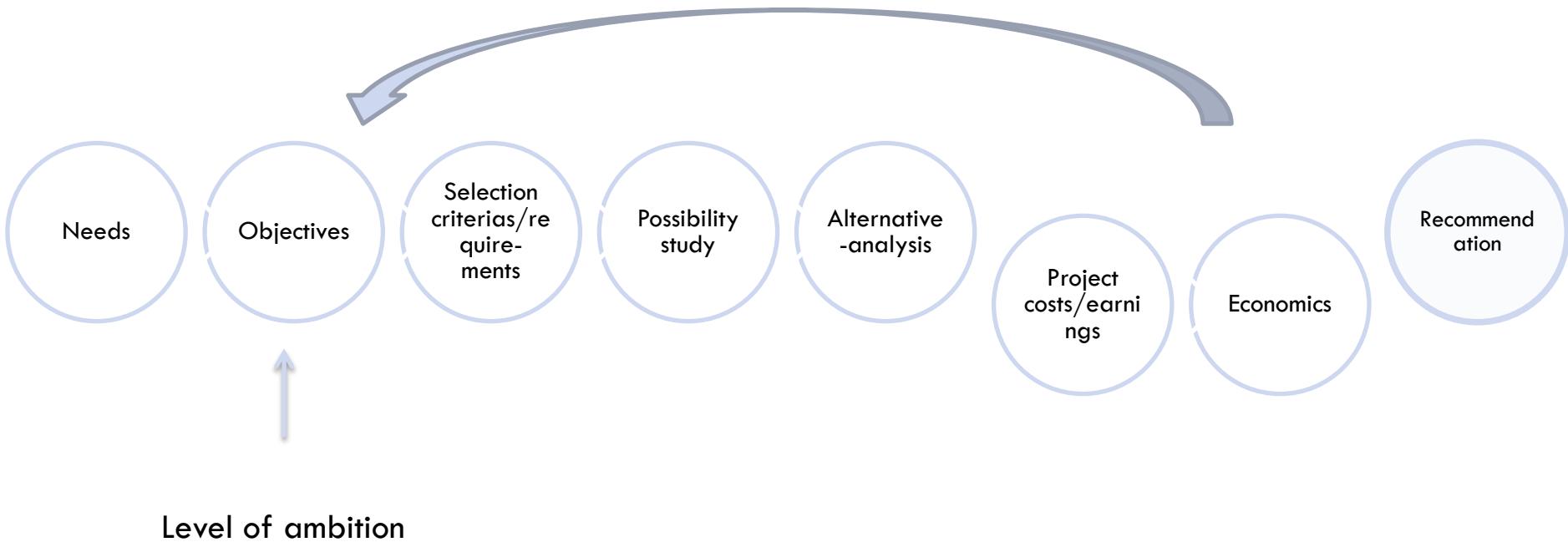
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How to include and exclude alternatives?

Conceptual Appraisal (CA) "KVU"



How to include and exclude alternatives?

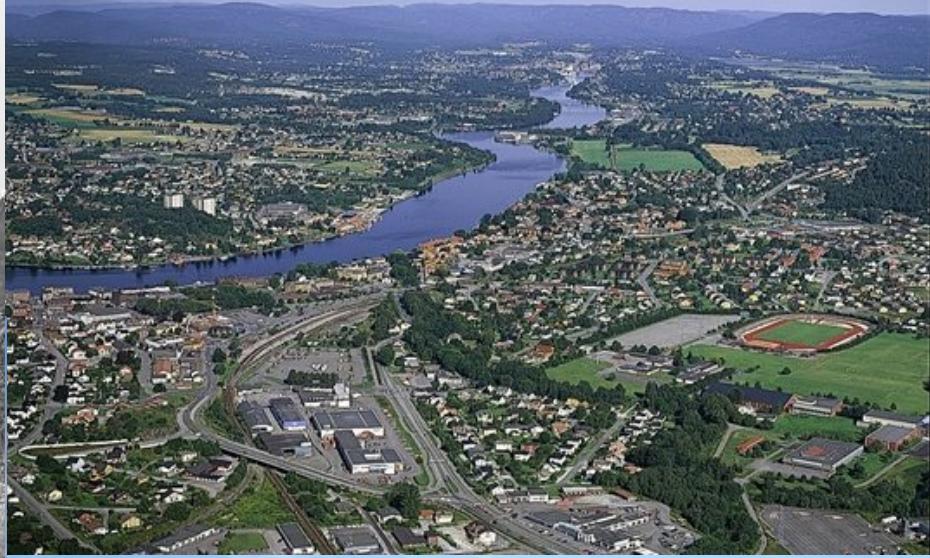


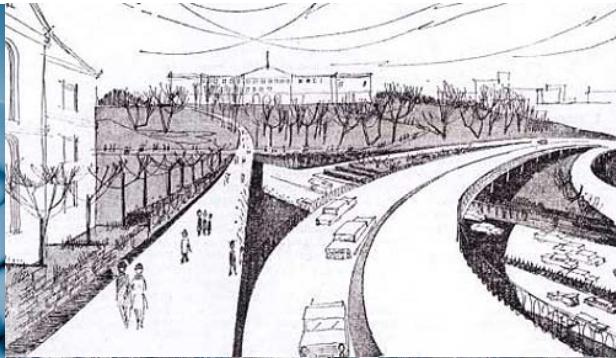
Planning in real life

- The MoF guidelines is interpreted in different ways and emphasis may be given to different aspects of the evaluation
 - Differently between sectors and projects.

Differences arise from:

- how public needs are assessed
- how strict sector strategies are followed
- the use of maximum budget limits etc.
- conflicting objectives
- what kind of requirements are regarded as absolute (vs. as evaluation criterias)
- the willingness to consider all possible solutions
- the application of CBA to rank the alternatives
- the assessments of non-monetized effects
- the ranking based on performance/quality/goal fulfillment

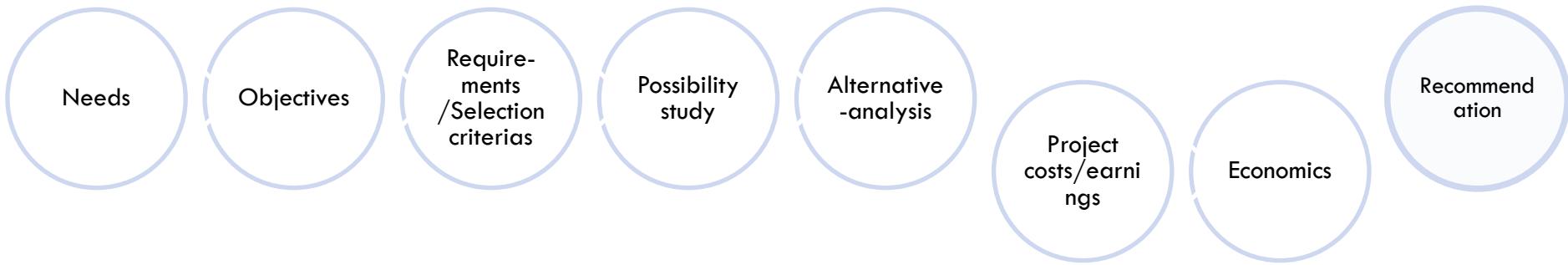




oslo **economics**

How to include and exclude alternatives?

Conceptual Appraisal (CA) "KVU"



Example: Carbon capture and storage

Requirements and level of ambition



Example of requirements (selection criterias)



Overordnede

1. Tiltaket må være ferdigstilt i henhold til tidsambisjon – basert på teknologi som er konseptuelt utprøvd / demonstrert ved investeringsbeslutning.
2. Fangst, transport og lagring av CO₂ må overholde relevante lover og regulatoriske krav.



Fangst

1. Fangstanlegget må kunne ettermonteres på gasskraftverk uten omfattende ombygging av eksisterende anlegg.
2. Fangstanlegget må optimalisere fangsteffektivitet gjennom å minimere kostnaden per tonn CO₂ fanget innenfor gitte grenseverdier.



Transport

1. Transporttilgjengeligheten må være høyere enn for fangstanlegget, minimum 97 % tilgjengelighet.
2. Transportløsningen må ha minimum årlig kapasitet tilsvarende kapasiteten til fangstanlegget med fleksibilitet for varierende transportvolum.
3. Transportløsningen må ha fleksibilitet i tilkoblingsløsninger for økt oljeutvinning ved hjelp av CO₂-injeksjon.

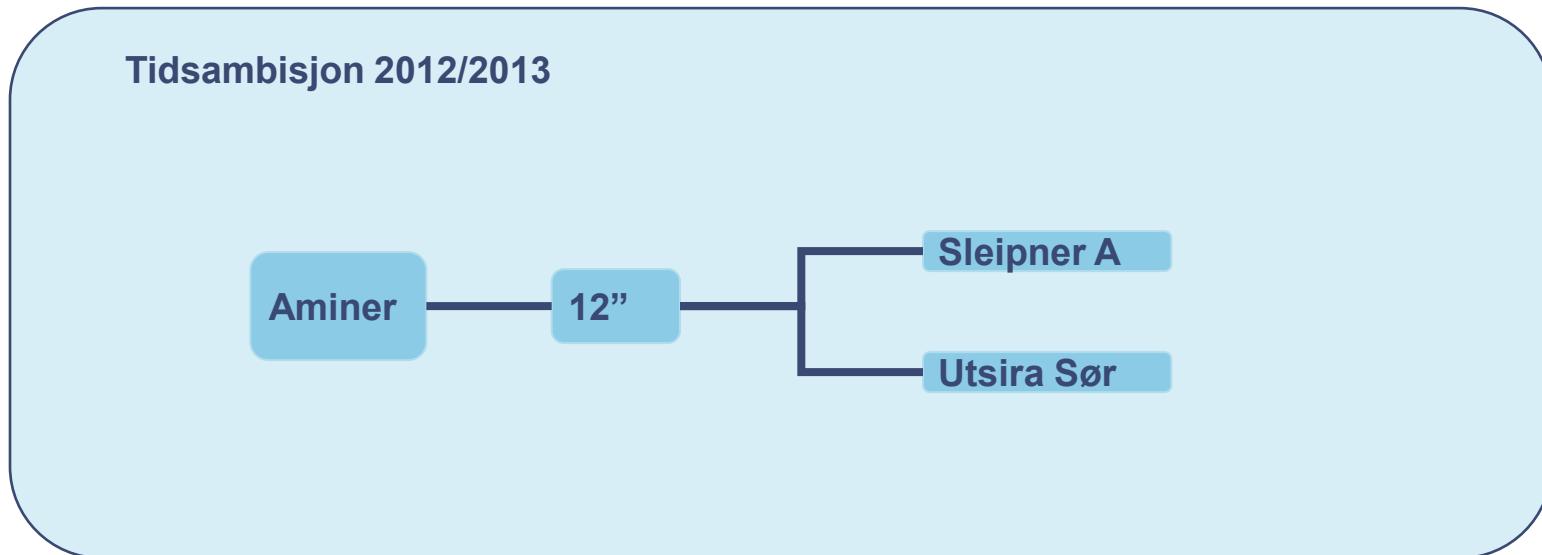


Lagring

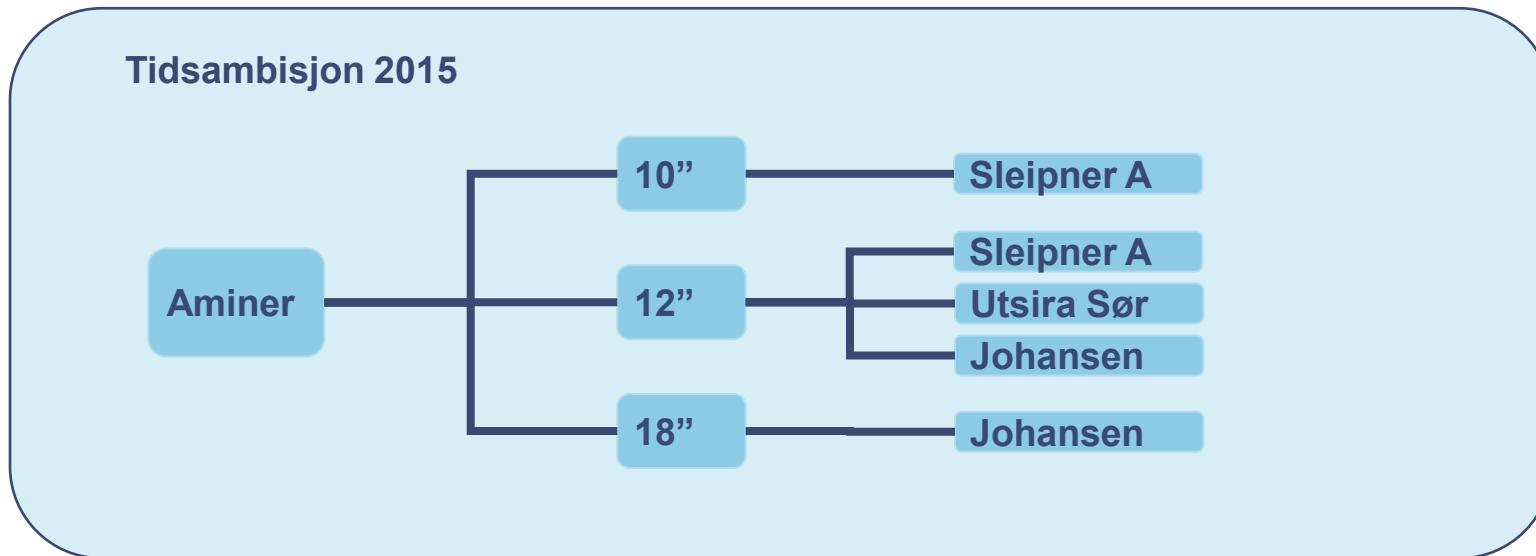
1. Deponiet må, med stor sannsynlighet ha en minimum lagringskapasitet tilsvarende kapasiteten til fangstanlegget per år over 50 år.
2. Lagringstilgjengeligheten må være høyere enn tilgjengeligheten for fangstanlegget, minimum 97 % tilgjengelighet.
3. Deponiet må forsegle lagret CO₂ med stor sikkerhet mot lekkasje i form av migrasjon til overflaten eller inn i omkringliggende reservoarer.
4. Det kreves tilstrekkelig datadekning og tilhørende prosesser for forsvarlig reservoarovervåkning.

Example of alternative levels of ambition (discussion in strategy chapter)

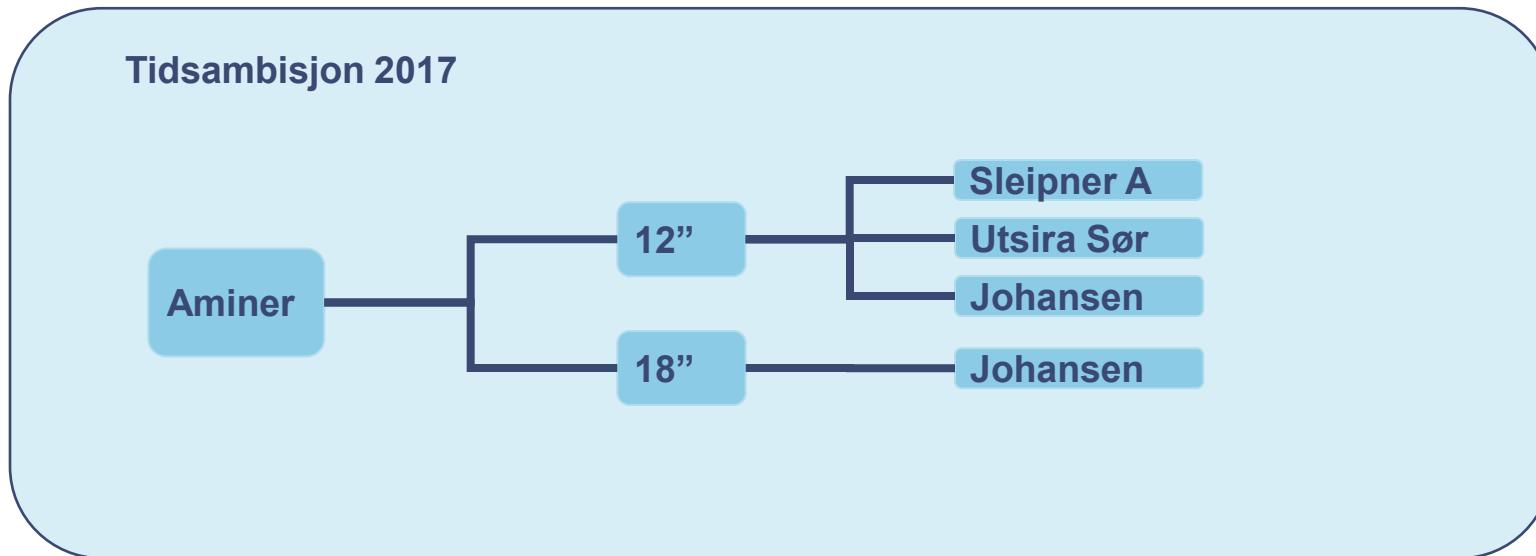
Alternativer ved tidsambisjon 2012/2013



Alternativer ved tidsambisjon 2015



Alternativer ved tidsambisjon 2017



A photograph of a public swimming pool. In the foreground, several children are playing in the water, creating splashes. One boy on the right is wearing goggles. The pool has blue mosaic tile walls and a dark blue floor. In the background, there are wooden paneling and a row of white swim lane lines. A large black cylindrical structure is visible on the left edge of the frame.

Example: Public swimming pool in Oslo
Identifying possible alternatives

Overordnede kriterier for alternative lokaliseringer

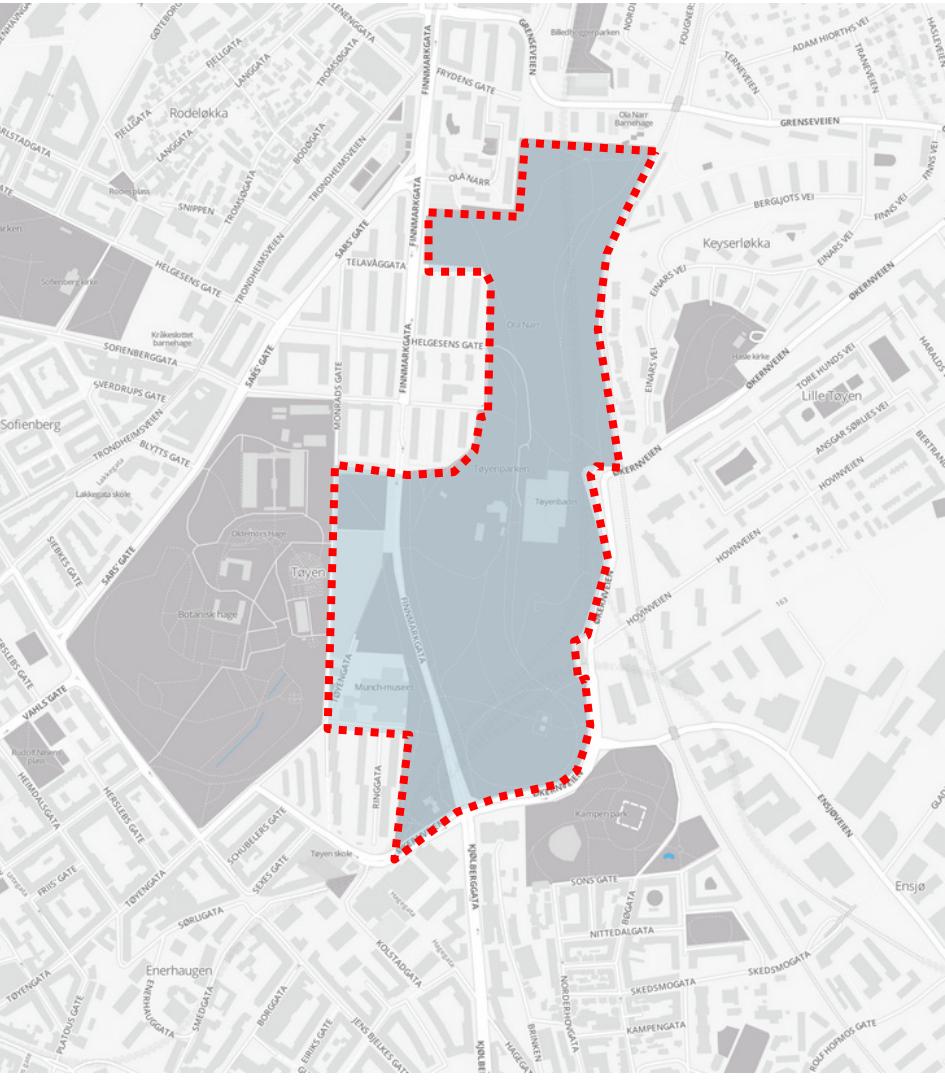
«Skal-krav»

For at en lokalisering i utgangspunktet skal kunne vurderes som aktuell legges følgende «Skal-krav» til grunn for å inkluderes i grovsorteringen:

- S1. Hovedbadet skal ligge innenfor Tøyenparken
- S2. Felles kravspesifikasjon Oslo kommune – Overordnede krav 2012 skal gjelde. Dette innebærer blant annet at:
 - Badet skal være universelt utformet
 - Badet skal ha passivhusstandard

Overordnet kriterie S1: tomteavgrensning

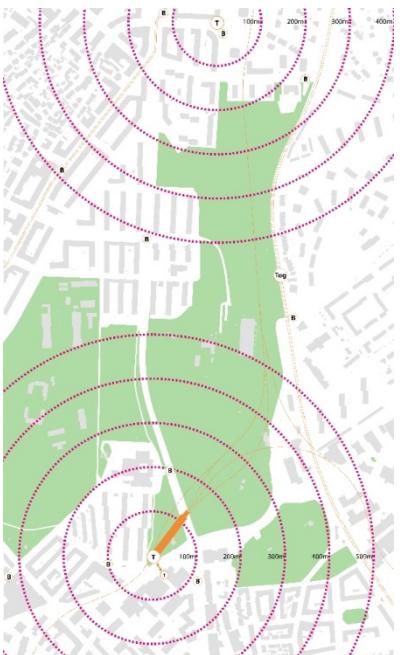
Situasjonskartet til høyre viser avgrensning av området som er lagt til grunn for KBU grovsorteringen. Planområdet utgjør i prinsipp Tøyen parken slik den er definert av BYM minus Botaniske Hage i vest, men inklusiv dagens Munch museum og Tøyenbadet.



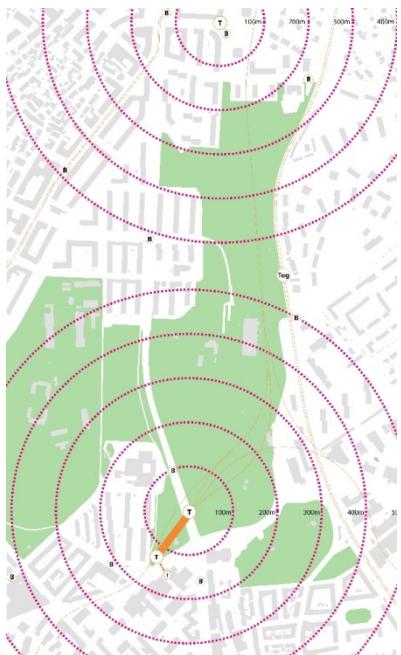
Overordnet kriterie 2: Byutvikling

B.5 Bærekraftig mobilitet

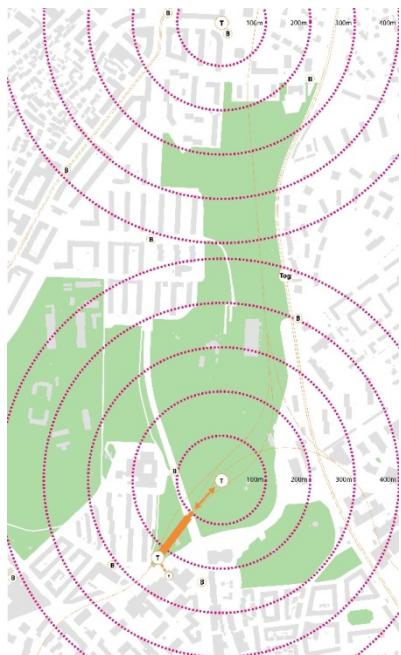
Tøyen T-banestasjon – hovedkollektivtransport navet med muligheter



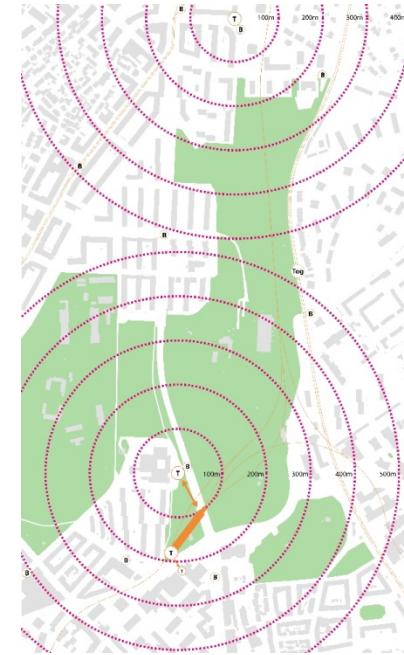
Dagens situasjon
(lengder luftlinje):
Tøyen T – Inngang Tøyenbadet = 500 m
Tøyen T – Inngang Munch = 250 m
Tøyen T – Sirkustomta = 350 m
Tøyen T – Caltex = 150 m



Ny inngang i øst ved Finnmarksgata
(lengder luftlinje):
Tøyen T – Inngang Tøyenbadet = 400 m
Tøyen T – Inngang Munch = 180 m
Tøyen T – Sirkustomta = 300 m
Tøyen T – Caltex = 50 m



Ny inngang i øst nedgang ved Caltex
(lengder luftlinje):
Tøyen T – Inngang Tøyenbadet = 300 m
Tøyen T – Inngang Munch = 170 m
Tøyen T – Sirkustomta = 300 m
Tøyen T – Caltex = 0 m



Ny inngang i øst nedgang ved Munch
(lengder luftlinje):
Tøyen T – Inngang Tøyenbadet = 320 m
Tøyen T – Inngang Munch = 50 m
Tøyen T – Sirkustomta = 200 m
Tøyen T – Caltex = 100 m

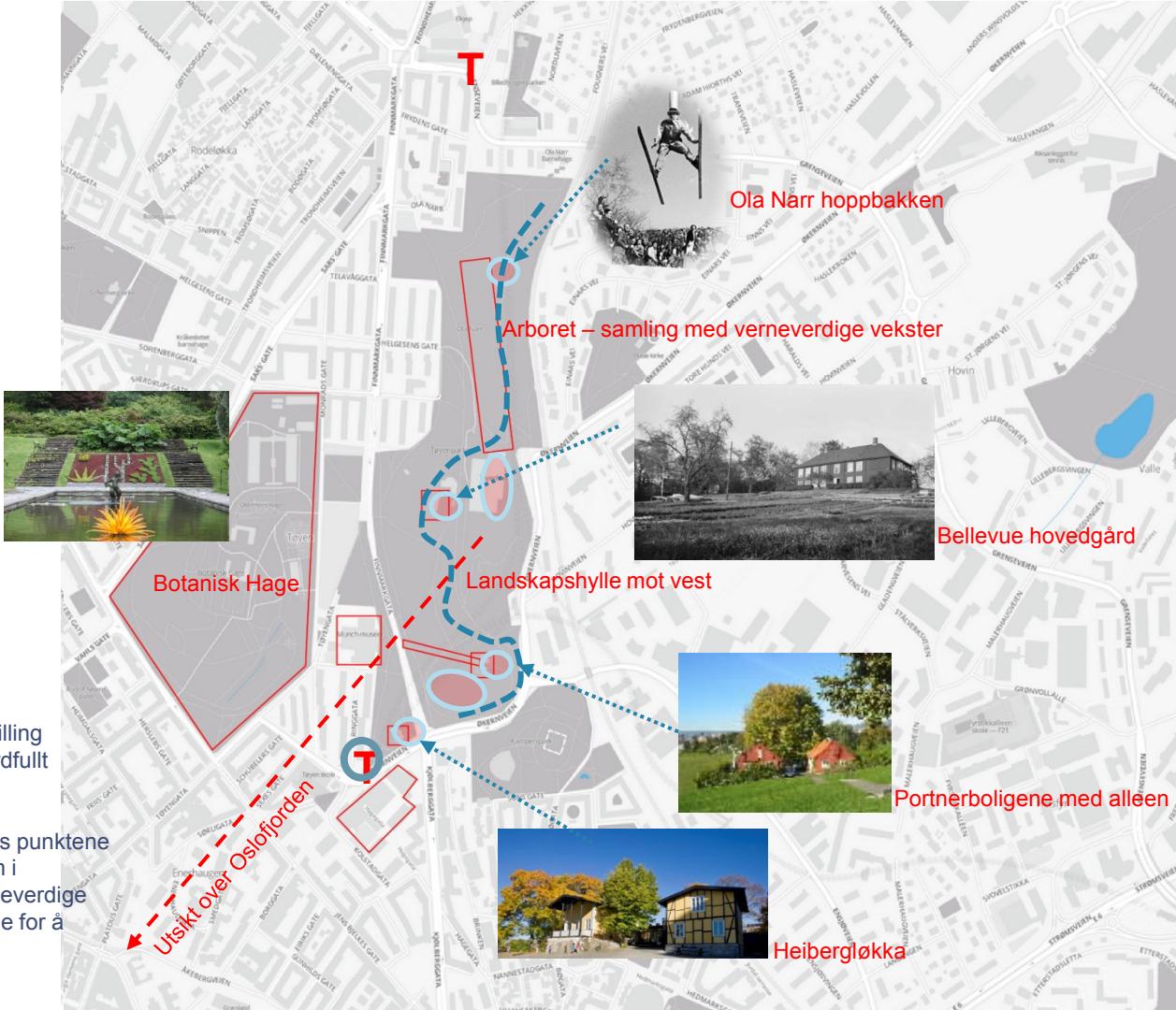
Overordnet kriterie 2: Byutvikling

B5. Grønne trygge byrom

Overordnede muligheter - verdikartlegging

Kartleggingen vist til høyre er en sammenstilling av fysiske elementer og spor som det er verdfullt å basere en utvikling av Tøyenparken på.

Firkantene symboliserer hele områder, mens punktene indikerer bygg, elementer eller definerte rom i landskapet. Dette er ikke nødvendigvis verneverdig eller historiske spor men kan anses verdifulle for å styrke Tøyens karakter og identitet.



Alternative områder til grovsortering

Vest - områdene vest for Finnmarksgata:

- Friområdet i krysset Sørligata/Finnmarksgata
- Dagens Munchmuseum
- Sirkustomta
- Veksthustomta

Øst - områdene midt i Tøyenparken:

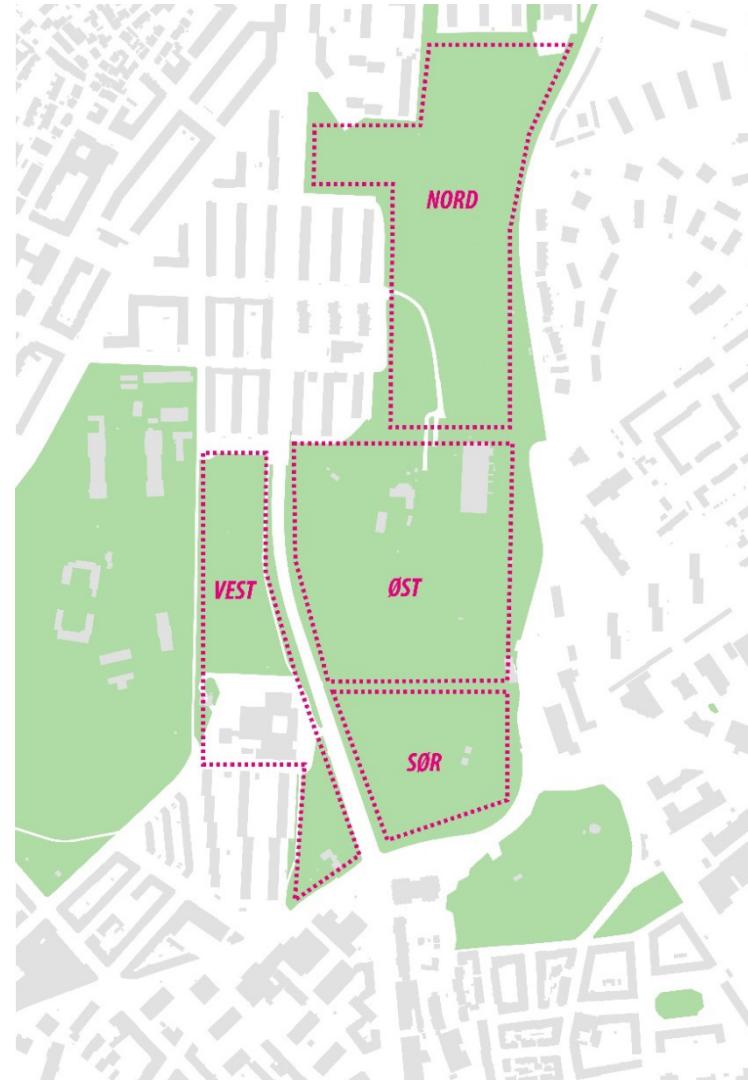
- Dagens Tøyenbad
- Bellevue og samisk barnehage
- Tøyenparken mot Finnmarksgata
- Tøyenparken sør for dagens Tøyenbad

Sør - områdene sør for Portnerallèen:

- Caltexløkka

Nord - områdene nord for dagens Tøyen bad:

- Ola Narr
- Friområde mot Finnmarksgata





Caltex 1

- Nybygg og friluftsbad langs Økernveien i syd og innenfor Caltexløkka (ca 16.000 m²)

Caltex 2

- Nybygg på Caltexløkka
- Friluftsbad nord for alleen og integrert i terrenget

Caltex 3

- Nybygg nord for alleen integrert i terrenget
- Friluftsbad på Caltex

Caltex 4

- Nybygg og friluftsbad kompaktløsning på Caltexløkka

Caltex 5

- Nybygg og friluftsbad kompaktløsning nord for alleen og integrert i terrenget

Finnmarksgata + Caltexløkka

- Løsning på tvers av Finnmarksgata/Sørligata
- friluftsbad danner lokk over Finnmarksgata

Konsept:	Nybygg på dagens bad 1	Nybygg på dagens bad 2	Tilbygg 1	Tilbygg 2	Tilbygg 3
Øst a					
Effektivt og attraktivt badeanlegg:					
(B1) Beliggenhet og utforming bør gi gode forutsetninger et effektivt badeanlegg	<input checked="" type="radio"/> Terrenghylle gir mulighet for en flate	<input checked="" type="radio"/> Terrenghylle gir mulighet for en flate. Friulutsbad mot nord noe utfordrende	<input checked="" type="radio"/> Terrenghylle gir mulighet for en flate. Friulutsbad fin plassering Dagens bad ikke egnet for videre drift	<input checked="" type="radio"/> Terrenghylle gir mulighet for en flate. Friulutsbad fin plassering Dagens bad ikke egnet for videre drift	<input checked="" type="radio"/> Terrenghylle gir mulighet for en flate. Friulutsbad fin plassering Dagens bad ikke egnet for videre drift
(B2) Hovedbadet bør få en tomt på 15 500 kvm	<input checked="" type="radio"/> Ok, men dagens bad må rives.	<input checked="" type="radio"/> Ok, men dagens bad må rives	<input checked="" type="radio"/> Ok, men sammenheng med eks. bad utfordrende	<input checked="" type="radio"/> Ok, men sammenheng med eks. bad utfordrende	<input checked="" type="radio"/> Ok, men sammenheng med eks. bad utfordrende
(B3) Bør ha gode estetiske kvaliteter	<input checked="" type="radio"/> Hovedentre sti fra Finnmarksgata <input checked="" type="radio"/> Fin utsikt og plassering midt i landskapsrommet <input checked="" type="radio"/> Må tilpasses terrenget <input checked="" type="radio"/> Utsikt	<input checked="" type="radio"/> Hovedentre sti fra Finnmarksgata <input checked="" type="radio"/> Fin utsikt og plassering midt i landskapsrommet <input checked="" type="radio"/> Må tilpasses terrenget <input checked="" type="radio"/> Utsikt	<input checked="" type="radio"/> Hovedentre sti fra Finnmarksgata <input checked="" type="radio"/> Fin utsikt og plassering midt i landskapsrommet <input checked="" type="radio"/> Må tilpasses terrenget <input checked="" type="radio"/> Utsikt	<input checked="" type="radio"/> Hovedentre sti fra Finnmarksgata <input checked="" type="radio"/> Fin utsikt og plassering midt i landskapsrommet <input checked="" type="radio"/> Må tilpasses terrenget <input checked="" type="radio"/> Utsikt	<input checked="" type="radio"/> Hovedentre sti fra Finnmarksgata <input checked="" type="radio"/> Fin utsikt og plassering midt i landskapsrommet <input checked="" type="radio"/> Må tilpasses terrenget <input checked="" type="radio"/> Bellevue gård <input checked="" type="radio"/> Utsikt
(B4) Bør være tilgjengelig for alle brukergrupper	<input checked="" type="radio"/> 4-500 m til t-bane, nærmeste tog. <input checked="" type="radio"/> Bratt <input checked="" type="radio"/> Publikum: Økernv./Vare: Helgesengt.	<input checked="" type="radio"/> 300 m til t-bane, nærmeste tog. <input checked="" type="radio"/> Bratt <input checked="" type="radio"/> Publikum: Økernv./Vare: Helgesengt.	<input checked="" type="radio"/> 4-500 m til t-bane, nærmeste tog. <input checked="" type="radio"/> Bratt <input checked="" type="radio"/> Publikum: Økernv./Vare: Helgesengt.	<input checked="" type="radio"/> 4-500 m til t-bane, nærmeste tog. <input checked="" type="radio"/> Bratt <input checked="" type="radio"/> Publikum: Økernv./Vare: Helgesengt.	<input checked="" type="radio"/> 4-500 m til t-bane, nærmeste tog. <input checked="" type="radio"/> Bratt <input checked="" type="radio"/> Publikum: Økernv./Vare: Helgesengt.
Understøtte god byutvikling					
(B5) Bør bygge under en bærekraftig mobilitet og ha en lesbar tilgjengelighet	<input checked="" type="radio"/> Dårlig kollektiv <input checked="" type="radio"/> Litt bortgjemt, men kan bli signalbygg på høyden	<input checked="" type="radio"/> Dårlig kollektiv <input checked="" type="radio"/> Litt bortgjemt, men kan bli signalbygg på høyden	<input checked="" type="radio"/> Dårlig kollektivtilgjengelighet <input checked="" type="radio"/> Litt bortgjemt	<input checked="" type="radio"/> Dårlig kollektivtilgjengelighet <input checked="" type="radio"/> Litt bortgjemt	<input checked="" type="radio"/> Dårlig kollektiv <input checked="" type="radio"/> Litt bortgjemt, men kan bli signalbygg på høyden
(B6) Bør gi gode premisser for grønne og trygge byrom	<input checked="" type="radio"/> Kan plasseres fint som element i parken, men kan bli liggende uten relasjon til viktige byrom	<input checked="" type="radio"/> Kan plasseres fint som element i parken, men kan bli liggende uten relasjon til viktige byrom	<input checked="" type="radio"/> Kan plasseres fint som element i parken, men kan bli liggende uten relasjon til viktige byrom	<input checked="" type="radio"/> Kan plasseres fint som element i parken, men kan bli liggende uten relasjon til viktige byrom	<input checked="" type="radio"/> Kan plasseres fint som element i parken, men kan bli liggende uten relasjon til viktige byrom
(B7) Bør ta hensyn til verneinteresser og sørge for godt samspill med naboen i parken	<input checked="" type="radio"/> Utfordrende å tilpasse stort bygg til landskapsform	<input checked="" type="radio"/> Utfordrende å tilpasse stort bygg til landskapsform	<input checked="" type="radio"/> Utfordrende å tilpasse stort bygg til landskapsform	<input checked="" type="radio"/> Utfordrende å tilpasse stort bygg til landskapsform	<input checked="" type="radio"/> Utfordrende å tilpasse stort bygg til landskapsform <input checked="" type="radio"/> Bellevue
Framdrift					
(B8) Bør kunne oppføres raskt, uten at det svekker dagens kapasitet i Oslobadene	<input checked="" type="radio"/> Må legges ned drift av dagens bad i byggeperioden	<input checked="" type="radio"/> Med drift av dagens i byggetida, ikke friulutsbad 2018	<input checked="" type="radio"/> Drift av dagens kan gjøre byggeperioden mer kompleks	<input checked="" type="radio"/> Drift av dagens kan gjøre byggeperioden mer kompleks	<input checked="" type="radio"/> Drift av dagens kan gjøre byggeperioden mer kompleks

E-39 Skei - Valsøya

- Three different conceptual appraisals (CA)
Skei-Ålesund
Ålesund – Bergsøya
Bergsøya-Valsøya

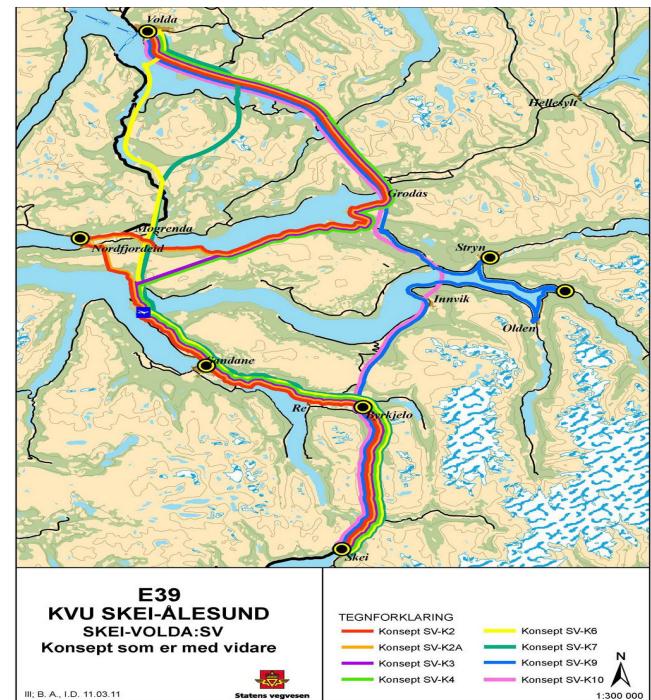
Main objects for the concept evaluations:
Which route should E-39 have in the future?
How to cross the fjords?





- How the needs, strategy and overall requirements are defined are decisive with regards to which concepts are developed
- In the E-39 case, effect goals are formulated as reduction in travelling time between specified destinations
- Concepts were developed along mainly two dimensions
 - Route – where should the road lie
 - Technology – how to cross the fjords

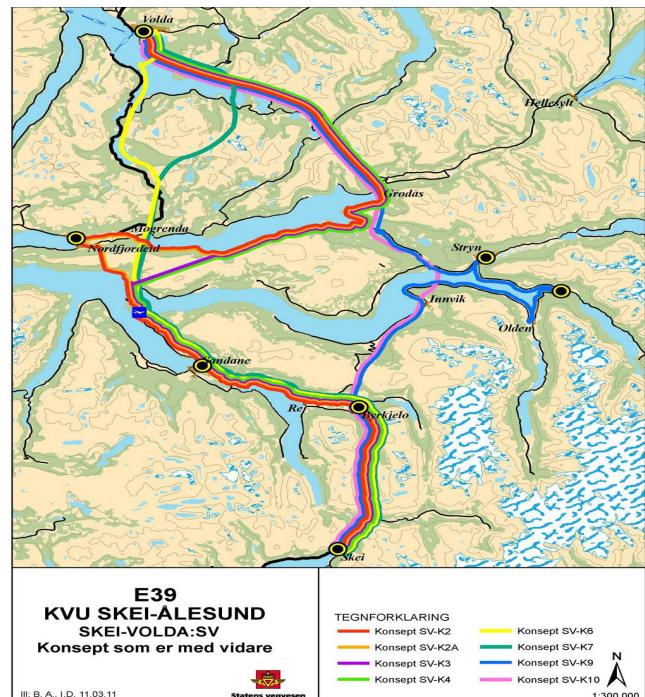
- Alternatives Skei-Volda



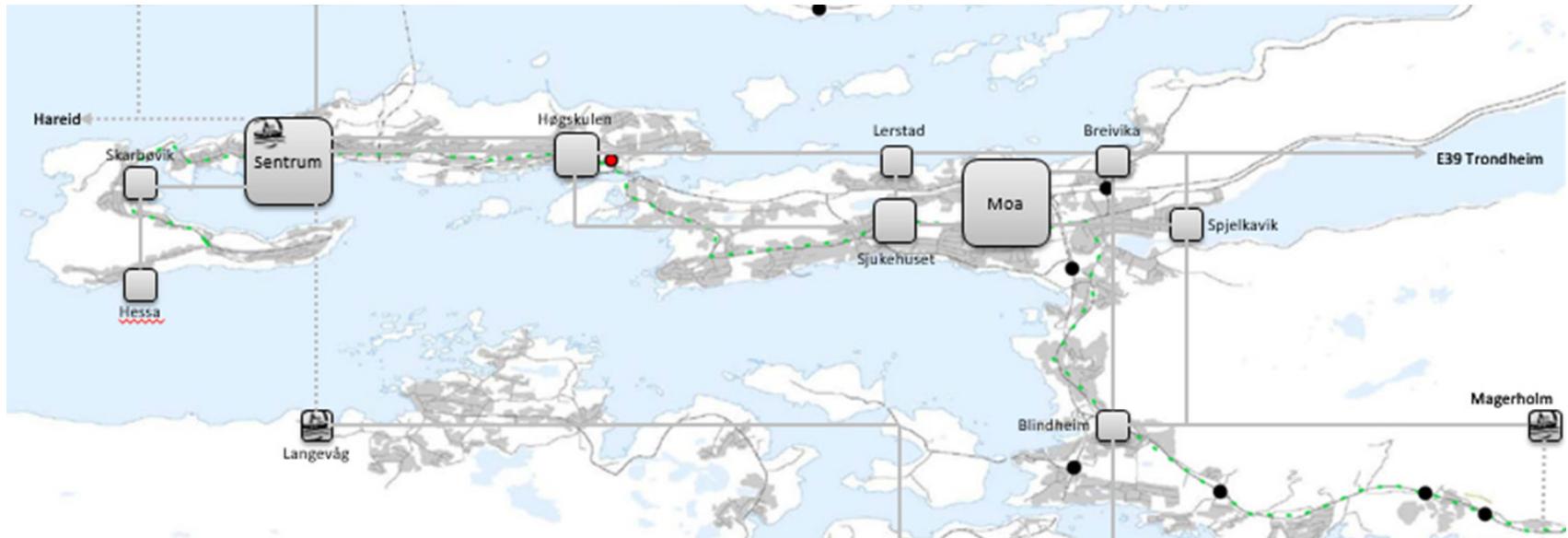
Concepts developed will depend on which destinations the effect goals are defined for

- Effect goals for travelling time between Bergen and Trondheim would lead to other conceptual solutions than between Ålesund and Molde
- In the KVU Skei-Ålesund there was an additional effect goal to increase the number of people that could reach the municipal centres within 45 minutes
- The concepts developed for the part Skei-Volda (as shown to the right) solves different needs
- Should E-39 solve national, regional or local needs?

- Alternatives Skei-Volda



Planning in real life – KVU - Transportation system Ålesund



- Concept evaluation focuses on how to develop a transportation system for the Ålesund region
 - How to reduce congestion problems and increase use of environmentally friendly transportation
 - How to revitalize the city centre
 - How to connect Ålesund with surrounding areas

- In the Ålesund case the conceptual solutions were also developed along mainly two dimensions:
 - Which form of transportation should be the primary solution?
 - Which parts of the region should be included in the project (just the centre or more of the surrounding areas)?
- Concepts consisting of a combination of a large number of measures raises some important issues:
 - Does the developed concepts constitute the most relevant combinations of measurements to solve the needs?
 - How do we know which measures gives what effects and benefits?
 - Are the measures within the concepts complementary or substitutable?



CBA vs multi-target analysis

- The recommendations in both the E39 and Ålesund cases were based on a discussion of both
 - monetized (priced) and non-monetized effects in the CBA, but mainly on
 - the concepts performance on effect goals and overall requirements
- This could be interpreted as a form of a multi-target analysis, as an alternative to a traditional economic cost-benefit analysis, but where the net present value is included as one of the goals
 - Danger of double counting
 - Selection of costly alternatives
 - Not transparent recommendation

Economic analysis in practice

- Describe alternatives and their impact
 - Who do they impact?, how?, when?
 - Intended/not intended
 - (Do they fulfill the project objectives?)
- Monetized impacts
- Non-monetized impacts
- Uncertainty
- Distributional effects
- Flexibility / real option
- Discussion (social sciences/court witness)
- Ranking and recommendation

	Effektens omfang Size/scale	Weight		
		Liten	Middels	Stor
Stort positivt		+++	++++	+++++
Middels positivt		++	+++	++++
Lite positivt		+	**	***
Intet		0	0	0
Lite negativt		-	--	--
Middels negativt		--	---	----
Stort negativt		---	----	-----

Impact

Weighting of effects will inevitably also imply political considerations. This in principle requires that the decision maker is involved in the analysis process, which is hardly possible when the government is the decision maker. Use policy guidelines, previous decision processes in Parliament, technical expertise, transparent discussion



Når vi ser alt i sammenheng, ser Lillehammer-Økern ut som det beste alternativet

Samfunnsøkonomisk nettokostnad før ikke-prissatte effekter (mrd kr)	Lillehammer Økern	Norefjell Økern	Lillehammer Kjelsrud	Norefjell Kjelsrud	Lillehammer Breivoll	Norefjell Breivoll
	13,0	13,0	15,5	16,5	15,0	16,0
Gode opplevelser	+++++	+++++	+++++	+++++	+++++	+++++
Løft for idrettsbevegelsen	+++	+++	+++	+++	+++	+++
Profilering av næringslivet	+++	+++	+++	+++	+++	+++
Styrket frivillighet	++	++	++	++	++	++
Dialog og samhold	+++	+++	+++	+++	+++	+++
Økt aktivitet – nye byrom	+++	+++	+++	+++	+++	+++
Region- og byutvikling	++++	++++	+++++	++++		
Styrket kulturliv	+(+)	+	+(+)	+		
Miljøvennlig utvikling	++	++	++	++		
Kompetanseheving	++	++	++	++		
Miljø- og naturinngrep	--	--(-)	--	--(-)		
Begrenset fremkommelighet	--	---	--(-)	--(-)		
Sikkerhet og bedret beredskap	++	++	++	++		
Gjennomførbarhet	●	●	●	●		



Samlet vurdering - foreløpig

	Alt 0	Alt 0+	1 Utvidelse nært	2 Større utvidelse nært eller nabolokaler	3 Satellitt-alternativet	4 Større utvidelse adskilt
Sum nettonåverdi, mill. 2013-kr	x	x	x	x	x	x
Økt kunstnerisk kvalitet og utvikling som følge av bedre bygningsmessige rammer	0	+ (+)	+++(+)	+++++	++++	+++
Flere og bedre publikumsopplevelser	0	+ (+)	++++	+++++	+++(+)	+++
Styrket kunnskapsformidling gjennom pedagogiske aktiviteter	0	0	++(+)	++++	+++	+++
Teatret som møteplass for åpen og offentlig samtale	0	0	++(+)	++++	+++	+++
Sikre vern av kulturhistoriske verdier	0	0	+++	+++	+++	-
Ivareta dagens byakser og estetisk struktur	0	0	-	--	0	0
Mer vitalt og publikumsvennlig byrom	0	0	+++(+)	++++	+++(+)	++(+)
Bedre arbeidsforhold for de ansatte	0	+	++(+)	+++	++	++
Tilrettelegging for kompetanseutvikling av teatrets faggrupper	0	+				++
Mer attraktiv samarbeidspartner for samfunns- og næringsliv	0	0				++
Tilgjengelighet og universell utforming	0	0				+++
Miljøvirkninger	0	+				++
<i>Styrket nasjonal og internasjonal posisjon*</i>	-----	--				++
Gjenomføringsusikkerhet	MIDDEL	MIDDELS-LAV	HØY	HØY	MIDDELS-HØY	MIDDEL

Non-monetized impacts

Concept rapport Nr. 38

- *90% of the economic analyses included an analysis of non-monetized impacts.*
- *The agencies' analyses often placed greater emphasis on the non-monetized impacts than the quality assurers' analyses*
- *Other analysts seemed to perform an assessment of goal achievement, and their reports seemed to take the form of multi-criteria decision analyses rather than economic analyses*
- *Still others included both two types of analysis, but did not always distinguish between them explicitly.*

		Effektens betydning for samfunnet		
		Liten	Middels	Stor
Effektens omfang	Stort positivt	+++	++++	+++++
	Middels positivt	++	+++	++++
	Lite positivt	+	++	+++
	Intet	0	0	0
	Lite negativt	-	--	---
	Middels negativt	--	--	----
	Stort negativt	---	---	---

- *The most commonly used measurement scale comprises plus and minus signs.*
- *Information about who had performed the analysis was only found in about half of the projects.*
- *40% of the reports included distributional effects.*
- *40 % included regional effects (as part of the distributional analysis or as a separate analysis)*

Non-monetized...

- *30% of the reports contained an overall recommendation, based on the monetized and non-monetized impacts, distributional effects, and other considerations.*
- *Only a few of these gave a thorough justification for the tradeoffs made.*
- *Our impression is that quality assurers normally base their recommendation on the economic analysis alone (monetized and nonmonetized)*
 - (In accordance with the MoF guidelines)

Get rid of "hopeless" alternatives in the possibility study

- Be cautious to map all needs and make prioritations between them
- When defining goals and overall requirement it might be fruitful to consider different levels of ambition
- In the possibility study – do preliminary analysis to find out which measures will contribute most to solving the defined problem
 - Continue only with relevant alternatives
 - Exclude extremes not meeting the selection criterias
 - Redesign the selection criterions if the quality is too low or the net cost too high

We need to rank the alternatives

- Economic assessment (Monetized and non-monetized impacts) should be the basis of the ranking and recommendation
 - All relevant effects of the project should be included
- Do not rely on standardized tools for CBA if these are developed for other contexts
 - If some effects, ie- congestion or urban development are not included in the traditional tools, one should do supplementary analysis.
- Not including non-monetized impacts may lead to sub-optimal solutions
 - Ranking including non-monetized impacts is not perfect, but is still preferable
 - The effect should be weighted – otherwise not useful as a tool for recommendation
 - Explain process, arguments, keep it transparent
 - Case specific – Not one size fits all

Make sure that politicians understand the consequences of their decisions

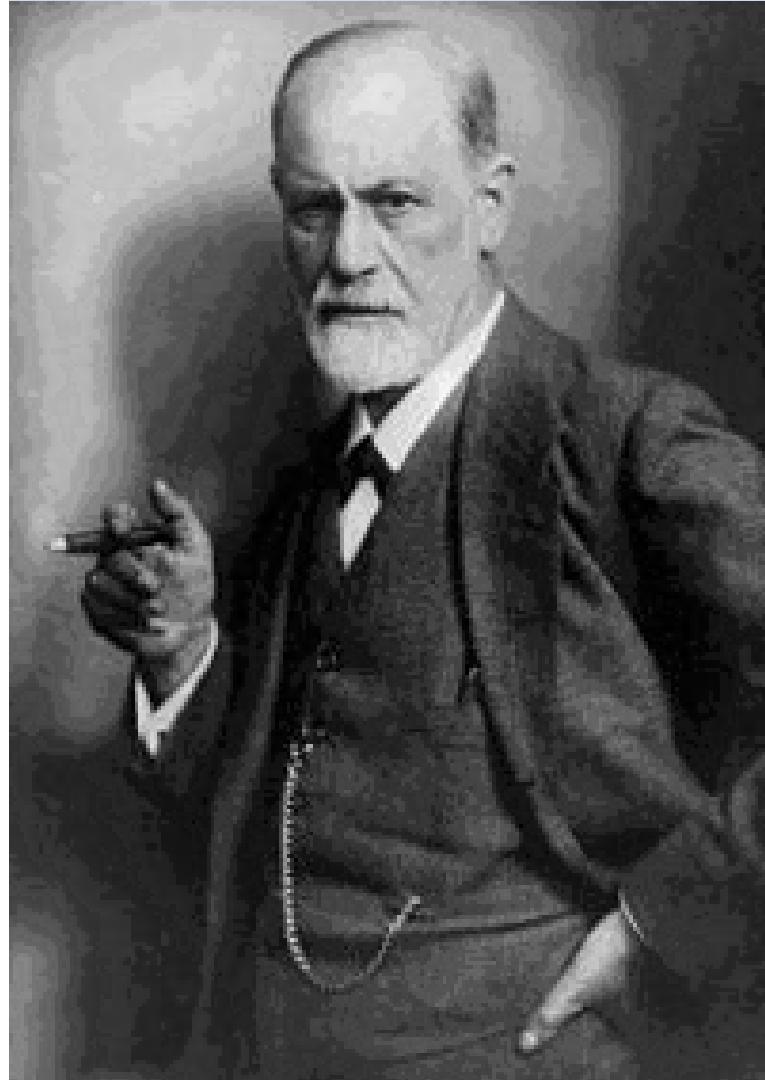
- Present a discussion explaining the recommendation
 - Tradition of the social sciences/court witness
 - Make it easy to understand the consequences of alternative weighting

Or alternatively...

“When making a decision of minor importance, I have always found it advantageous to consider all the pros and cons.

In vital matters, however, ..., the decision should come from the unconscious, from somewhere within ourselves.”

Sigmund Freud on Choice



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