Working Party on National Environmental Policy
Working Group on Transport

DRAFT COUNCIL RECOMMENDATION ON ASSESSMENT AND DECISION MAKING FOR INTEGRATED TRANSPORT AND ENVIRONMENT POLICY

Paris, 3-4 December 2003

This document has been prepared by the Secretariat following the discussion at the November meeting of the Environmental Policy Committee when discussing the preparation of the Ministerial meeting next year and possible OECD Council Acts to be proposed to Ministers. The Draft Council Recommendation is based on the recently adapted ECMT Resolution reproduced in the appendix. The changes to the original are marked and any additions put in square brackets. Please see the explanatory notes on page 2.

Action required: WGT Delegates are asked to discuss this proposal for a draft Council Recommendation for transmission via its supervising body to EPOC for consideration.

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JT00154851

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At the last joint session of the OECD EPOC Working Group on Transport and the ECMT Working Group on Transport and Environment in May 2003 the issue was raised by the then Acting Environment Director whether the recently adopted ECMT Resolution on “Assessment and Decision-Making for Integrated Transport and Environment Policy” (ECMT Resolution 2003/1) could be taken up by the OECD through Working Group on Transport (WGT) a subsidiary of the Environment Policy Committee (EPOC), with a view to adopting it as an OECD Council Recommendation, once the subsidiary bodies have reached agreement on the substance. This Resolution had been prepared by the ECMT Working Group on Transport and Environment based on the work completed on integrated assessment and decision-making on transport and environment. A draft resolution had been discussed in the joint session in order to reconcile comments received from the WGT. The draft resolution was finalised and submitted to the ECMT Committee of Deputies which then agreed to submit the documents to Transport Ministers for decision. The Resolution was subsequently adopted at the ECMT Ministerial meeting in Brussels on 23-24 April 2003.

EPOC met on 13-14 November 2003, preceded by a high-level special session on decoupling environmental pressures of the transport sector. When discussing preparations for its forthcoming Environment Ministerial meeting (20-21 April 2004), it indicated that all four of the possible Council Acts mentioned in ENV/EPOC(2003)17/REV1, including the one mentioned above, were potentially of interest, and requested the relevant subsidiary body to develop a draft for review at its meeting on 5-6 February 2004.

The draft Council Recommendation is, accordingly, proposed to be developed for Environment Ministers to endorse it at their Ministerial meeting in April 2004. The effect of a Council Recommendation would be to extend the ECMT instrument to OECD countries not represented in the ECMT and ensure a “whole of government” perspective.

The text of the adopted ECMT Resolution 2003/1 [contained in document CEMT/CM(2003)4] has been included in Appendix 1 together with the annexed guidelines and has been adjusted to bring it in line with OECD draft Council Recommendations. The changes are marked and any additions to the original text are shown in square brackets.

Once the proposed Council Recommendation is agreed in the WGT, it will be submitted via its supervising body, the Working Party on National Environmental Policies, to EPOC which will decide whether or not to submit it to Environment Ministers when they meet in April 2004 for endorsement prior to being sent to the OECD Council for approval.
APPENDIX 1

Draft Council Recommendation on Assessment and Decision Making for Integrated Transport and Environment Policy

The [OECD] Council meeting in [Paris] on April 2004,

CONSIDERING:

- that integration of transport and environmental policies is fundamental to sustainable development;

- that improved decision making procedures are the key to more integrated policies;

- that tools to support better decision making developed by ECMT [OECD]Member Governments should be more widely deployed.

RECALLING the joint statement of [ECMT Transport] Ministers on Sustainable Transport Policies agreed at the Council of Prague in 2000 and in particular the stress it puts on the importance of integrated decision making.

RECALLING ALSO [ECMT]Resolution 2002/1 on the Development of European Railways and especially its recommendation that good multi-criteria and cost benefit analyses must be used as the basis for making decisions on infrastructure investment;

Having regard to:


NOTING:


− The Report to the European Council on integrating environmental concerns and sustainable development into Community policies, SEC (99)1941;

− The Protocol on Strategic Environmental Assessment to the UN/ECE Espoo Convention in the process of negotiation (Kiev, 2003);

− The UN/ECE Convention on Access to Information, Public Participation and Access to Justice in Environmental Matters (Aarhus Convention, 25 June 1998);

− The OECD Environmental Strategy and Environmentally Sustainable Transport Guidelines adopted by Environment Ministers on 16 May 2001;


CONFIRMS the importance Ministers attach to integrated transport and environment policy and decision making.

AGREES:

− That good economic assessments of transport policy and project proposals are essential to ensuring efficient and robust decision making and cost effective use of resources;

− That appraisals of economic efficiency need to be supported with wider analysis that values — qualitatively and/or quantitatively — environmental, health and safety effects and reveals the distribution of costs geographically and in terms of the different communities affected;

− That integrated assessments are likely to be more effective than isolated economic, environmental, social and health appraisals;

− That integrated transport and environmental policy requires transparent decision making procedures that relate clearly to the results of economic and environmental assessments;

− That assessment and decision making procedures should be designed to facilitate rather than delay decisions;¹

− That co-operation between the Ministries responsible for transport, planning, the environment, infrastructure, regional development and health will be required to develop effective integrated appraisal procedures.

¹. Whilst ensuring transparency and adequate assessment of social, environmental and health impacts, procedures must be designed both to safeguard objectivity and guard against potential abuse to obstruct the programs of elected decision makers or unnecessarily hinder flexibility in implementing their policies.
RECOMMENDS that systematic evaluation of economic, social and environmental effects should underpin all transport plans and programs and all major transport sector investments, and to this end the guidelines annexed below should be followed.

INSTRUCTS the [Environmental Policy] Committee of Deputies to monitor best practice in the development of evaluation procedures and tools to support decision making [through its country-specific environmental performance reviews].

ANNEX

GUIDELINES

FOR GOOD ASSESSMENT AND DECISION MAKING SUPPORT

Overall

Systematic evaluation of economic, social and environmental effects should underpin all transport plans, programs and all major transport sector investments, as part of integrated assessment procedures developed in place of isolated economic, environmental, health and social evaluations;

As far as possible, similarly integrated evaluation should be incorporated into transport policy making;

Decision makers should be engaged in establishing the wider objectives that transport projects are intended to deliver for the economy and the community, through consultation with transport experts, planners, stakeholders and the public, early in the planning process in order to establish consensus and avoid challenges to project objectives at later stages with potentially high costs.

In relation to decision making support

Assessments should be presented in a way that directs decision makers to the key factors to weigh in their decision, highlighting trade-offs, risks and uncertainties, rather than making judgements in place of the decision maker.

The results of project, plan and program assessments should be presented to decision makers in a form that is simple, concise and clearly communicates the key issues;

Traceability must be assured and this can be done by referencing summary results to supporting analysis in successive layers of detail;

In relation to institutional arrangements and procedures

Assessments should be linked directly to the decision making procedures of elected and technical decision makers for full effect — integrated assessments as part of planning processes are therefore likely to be more effective than separate assessments undertaken in isolation;
Consultation with stakeholders and the general public is critical to the legitimacy of assessments and the durability of their results, it should begin early and be professionally conducted in order successfully to engage participation, and elicit and address the true concerns of the public;

Evaluations of infrastructure investments should be undertaken with equal rigor whatever the mode of transport concerned;

Cross-border consultations should be undertaken where necessary;

Ex post evaluations\(^2\) are important for verifying the results of assessments and for improving future project assessments;

Transport and land-use planning agencies may need training, support and additional expertise in the newer disciplines of environmental and health impact assessment; institutional capacity building is desirable even in respect of existing procedures.

**In relation to the contents of assessments**

Integrated assessments should aim at a systematic presentation of all relevant welfare effects (economic, health, environment, safety), where possible these should be quantified, otherwise they should be qualitatively described in a transparent way;

Assessments should contain explicit consideration of alternatives including the "non-implementation" option;

The uncertainties and limits of assessments should be made clear;

Assessments should explicitly account for significant distortions\(^3\) in the pricing of transport services and in the markets they serve as such distortions result in wider economic effects, both positive and negative, than captured in conventional cost benefit analysis;

Where additional positive effects, for example in terms of regional development, are important to the overall benefits of a project, the specific mechanisms by which they are delivered must be identified in order to be sure that the intended results are likely to be achieved;

Distributional impacts should be reported in sufficient detail, as the indirect benefits of regional development accrue to different people and places than initial transport benefits and their incidence is likely to change over time.

\(^2\) Evaluations to analyse the effectiveness of policies and projects after their implementation.

\(^3\) In relation to marginal social costs.