

European Commission in Belgium

Support to the Implementation of the Strategic Work Programme of the South East Europe Transport Observatory

Improvement of the projects analysis and prioritisation

Final report

July/2014



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Member of COWI Consortium

European Commission in Belgium

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Implementation of the
Strategic Work Programme
of the South East Europe
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A handwritten signature in blue ink, appearing to be 'Mariano Benito Méndez', written over a horizontal line.

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Executive Summary

This document contains information, activities, description and outputs corresponding to the second activity (a.2-“Improvement of the project analysis and prioritisation”) of the Project Track a (“Improved data collection and analysis mechanisms”) of the Technical Assistance “Support to the Implementation of the Strategic Work Programme of the South East Europe Observatory (SEETO)”. It should be noted that this document is a *Draft* according to the Work Programme, subject to changes after SEETO’s revision.

The report has been structured as stated in the Work Programme:

- 1.1. List of project analysis
 - 1.1.1. Introduction to current priority and non-priority projects analysis
 - 1.1.2. Determination of content and structure of new analysis
 - 1.1.3. Proposal of guidelines for future analysis
 - 1.1.4. Purpose and possible users of this new analysis
- 1.2. Refined projects rating mechanism with provided detail elaboration of potential new criteria
 - 1.2.1. Evaluation of current mechanism
 - 1.2.2. Defining proposal for its upgrade
 - 1.2.3. Establishment of new criteria

The main goal of this report is to provide with a series of recommendations to upgrade the existing system of project analysis and prioritisation. This Upgraded Project Analysis and Prioritisation has been developed by the Consultant based on the following guidelines that could be understood as the main inception to reach the objectives:

- Proposal of a project prioritisation analysis similar to the current one, without considerable changes.
- No introduction of changes for the scoring methodologies in the existing indicators
- Attractive and understandable project evaluation
- Emphasize on economic and financial features, as well as regional integration performance.
- A balance between qualitative and quantitative analysis
- Definition of an exclusive questionnaire for the Project Analysis and Prioritisation
- Avoid distinction between Priority Projects eligible for funding and eligible for preparation.
- Establish a method to penalise the projects whose information is incomplete or insufficient.
- Request for an homogeneous method to obtain the indicators that will be evaluated in the rating process.

According to these pillars that follow the introduction of changes, the Consultant has undertaken an analysis of the existing prioritisation process and the current Multi-Criteria Analysis (MCA). This MCA works as the practical tool within the prioritisation process to reach an objective and proper selection of Priority Projects. In this regard, the Consultant firmly defines the prioritisation process as appropriate and the same steps will be followed to implement the new MCA.

Nevertheless, the MCA has not suffered relevant changes. Regarding the Criteria, four Criteria are maintained but two of them have been extended in their definition to involve more subcriteria to be analysed:

- **Economic and Financial Criteria - 40%**
 - EIRR (Economic Internal Rate of Return) ^(existing)
 - TOTAL COST ^(new)
 - PERCENTAGE OF COMMITTED FUND ^(new)
 - POTENTIAL FOR PPP ^(new)
- **Regional Criteria - 35%**
 - GOVERNMENT COMMITMENT ^(existing)
 - BORDER CROSSING COORDINATION ^(existing)
 - BORDER CROSSING TECHNICAL STANDARD ^(existing)
 - INTERNATIONAL TRAFFIC ^(existing)
 - FORECASTED BORDER CROSSING DELAY REDUCTION ^(new)
- **Regulatory/Technical Criteria - 10%**
 - MAINTENANCE ^(existing)
 - OPERATION ^(existing)
 - TECHNICAL STATUS ^(new)
- **Environmental and Social Criteria - 15%**
 - ENVIRONMENTAL EFFECTS ^(existing)
 - AFFECTED KM ON PROTECTED AREAS ^(new)
 - CO₂ EMISSION REDUCTION ^(new)
 - ANNUAL TRAFFIC DEMAND GROWTH ^(new)
 - JOURNEY TIME REDUCTION (LINEAL INFRASTRUCTURES) ^(new)

Details of the definition of new subcriteria and all the methods for their calculation have been properly defined. It should be noted that all the existing subcriteria remain for the new MCA, but the Criteria Groups have been completed with new ones, especially in the cases of the Economic and Financial Criteria and the Environmental Criteria. The first case is due to the relevance of the economic feasibility of the projects and the guarantees for their funding. Regarding the Environmental Criteria, the number of sustainable indicators that can be collected shall be used to enrich this part. Also Regional Criteria and Regulator/Technical Criteria have been reinforced with one new subcriterion per criteria group.

Due to the addition of new subcriteria about Environment and Social, its weight has been increased to 15%, causing a decrease of the Regional Criteria weight to 35%. However, Economic and Financial Criteria and Regional Criteria are the most scored with the weighting system, according to the abovementioned guidelines.

Likewise, it should be noted that most of the new subcriteria are evaluated by means of quantitative procedures, achieving a more balanced MCA between qualitative and quantitative indicators.

Finally, one of the most relevant changes regarding the methodology is that there will not be a preliminary distinction between Priority Projects eligible for funding and eligible for preparation. Therefore, projects without an approved Feasibility Study can be selected as priority when it deserves. In contrast, the Consultant has included a penalty scoring applicable to several subcriteria with the purpose of “punishing” those projects that do not provide information. This measure has been taken to encourage the Regional Participants to provide all the required indicators of the New Questionnaire to rate proposed Priority Project (included in Annex 1).

Therefore, considering that the general system for prioritisation is really appropriate, the efforts have been focused on improving the Multi-Criteria Analysis and adapting it to new methodological decisions.

Contents

1. IMPROVEMENT OF THE PROJECT ANALYSIS AND PRIORITISATION

This document aims to analyse the current project prioritisation process and to propose further changes to enhance it. The current “Methodology for Rating Priority Projects” proposed on July 2012, has been used by SEETO in the two last “MAP” Reports with positive results. The Consultant considers this methodology really adequate and can be taken as a starting point for the proposal of improvements.

Additionally to the paper “Methodology for Rating Priority Projects”, there are other previous documents that have been consulted in the elaboration of this Report:

- “Regional Balkans Infrastructure Study (REBIS) - Transport Final Report”, July 2003 Section 3.3 Short-term investment plan.
- Technical Note 3: “Project Criteria and Prioritisation”, February 2006 – It was not applied. Although the criteria were explained, they could not be applied maybe because the methodology was not systematic. Nevertheless, the criteria and general explanations were very interesting.

The structure of the document follows the proposed index of the List of Activities. Firstly the upgraded analysis is explained conceptually and in the second section the guidelines for practical implementation are developed

1.1. LIST OF PROJECT ANALYSIS

1.1.1. Introduction to current priority and non-priority projects analysis

One of the main tasks carried out by SEETO is the elaboration of an annual Priority Projects list for the “MAP”. Throughout the prioritisation process a distinction between priority projects and non-priority projects is reached as a result.

Currently, the prioritisation analysis is based on the “SEETO priority projects rating methodology” Report. This Document sets the Basic Requirements for the System

Current Basic Requirements

Focusing on the current “SEETO priority projects rating methodology” Report it is possible to extract the basic statements previous to the scoring process:

- Only projects located on the SEETO Comprehensive Network are shown in the priority list
- Projects eligible for funding are rated, whereas project eligible for preparation are listed but not rated.
- Close attention to the quality of the projects.
- Evaluation of the reduction of crossing times and benefits for other Regional Participants or for other users outside the region
- Incorporation of criteria covering the project’s sustainability
- Clear assignment of responsibilities: the SEETO Secretariat would rate the projects but the final decision to include them in the MAP is taken by the Steering Committee.
- When information to score an indicator is not available, minimum points would be given in the evaluation.

- Monitoring the projects already prioritised in a new Investment Report¹

Currently each Regional Participant sends a list with the proposed projects eligible as priority. With the aim of gathering the required data and carrying out the rating of the projects, there is a standard questionnaire, which is closely related to the used criteria in the rating methodology. This questionnaire looks very easy to be filled and is really clear regarding the indicators.



Figure 1. Current Priority Projects Application questionnaire

1.1.2. Determination of content and structure of new analysis

Summary of the prioritisation process

The prioritisation process is one of the phases within the elaboration of the Priority Project list for the “MAP”. As shown in the already delivered report “Dissemination and presentation of the results”, it can be described in this way: The inception of each Priority Project comes from the initiative of the different Regional Participants, who propose projects to be prioritised. These

¹ After the proposal in the current methodology an investment report has been added to the library of papers produced by SEETO, with a complete list of the current situation of the priority projects in its Annex 1.

projects are developed with a different stage of maturity – some of them do not have a completed Feasibility Study whereas others have a complete Project Design -. In order to elaborate a prioritisation ranking, SEETO Secretariat applies a rating methodology. Finally, the selection of the Priority Projects is carried out by the Steering Committee and they are included in the following version of the “MAP”.

Following chart shows this procedure in four stages, highlighting the particular state in which the rating methodology is applied.

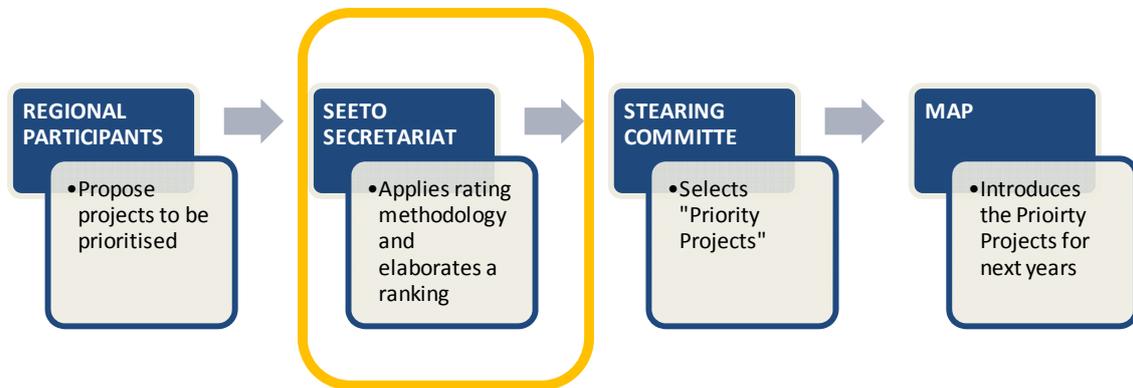


Figure 2. Scheme of the prioritisation and selection of the Priority Projects

Likewise, the current Priority Projects rating methodology follows a flowchart – that can be consulted in the following Figure - summarising the whole process. The Consultant believes that the process is particularly suitable and no changes are proposed on it. Next Figure summarises the followed steps in the prioritisation process.



Figure 3. Followed steps in the projects prioritisation process

It should be noted that one of the most relevant concerns of the SEETO members is related to the lack of provided information when the prioritisation process is undertaken. Therefore, with the aim to encourage the Regional Participants to provide complete information about the projects to be prioritised, one of the proposals for the upgraded project analysis and prioritisation is to score negatively some gaps in the questionnaires. This particular issue is broadened farther ahead in the text when the new rating methodology is presented.

In the existing prioritisation process the procedure is the same: first a preliminary ranking is made based on the completion and delivery of the Priority Project Questionnaire by the Regional Participants. This evaluation is done and the results presented for a "MAP" first draft (this could be considered as a preliminary rating). After this first preliminary rating, the SC members have a second opportunity to send some additional data if they missed in the first round. This second "opportunity" for SC members will be therefore maintained in the prioritisation process but, as said in the previous paragraph, in the Upgraded System penalties will be applied when indicators are not provided after the second round.

Thus, preliminary ranking allows to identify the uncompleted data and also detect unexpected mistakes in the application of the methodology, which is really useful for the whole process and a continuous improvement of the procedures.

The core of this process is the rating of the projects following the proposed Multi-Criteria Analysis. The proposed methodology is based on the following for criteria:

- Economic and Financial
- Regional Criteria
- Regulatory and Technical Criteria
- Environmental and Social Criteria

As observed, these four criteria are similar to the implemented ones in the current rating methodology. After conversations between the Consultant and the Secretariat, one of the agreed points was not to propose significant changes in the current process. Hence, the four main criteria groups remain with the same thematic purpose. Only the description has been extended for some of them in order to widen their descriptions according to the inclusion of new proposed subcriteria. New subcriteria are defined through further section 1.2.2.

In order to clarify the inception and definition of concepts a brief description of each criteria and its suitability is contained in the following Table:

New Criteria	Description
Economic and Financial Criteria	<p>Conceptually the Economic and Financial Criteria will be the tool to technically evaluate the economic feasibility of projects and the real possibility of finance them. Achieving socio-economic viability of the projects to help the development of the region is a key issue in the context of SEETO activity. But also the real possibilities to fund the projects are also crucial.</p> <p>Therefore, a series of subcriteria will be analysed based on indicators that use socio-economic evaluation ratios, data about the finance real possibilities or simply analysing the total cost of the project.</p>
Regional Criteria	<p>Integrating the Regional Participants among them and with the border countries of the EU is one of the critical goals of the SEETO. Obviously, transport development based on a proper planning is crucial to promote the economy and trade relations. But this is particularly relevant when supranational infrastructures are considered and this is the case of many of the projects proposed and developed by SEETO's activity.</p> <p>Therefore, it is completely justified that the regional integration has its own criteria group to measure a series of indicators that technically provide with measurable contributions of each project to the regional cohesion.</p>
Regulatory and Technical Criteria	<p>Apart from economic, financial or regional criteria; obviously the technical performance and the quality of the projects in terms of engineering and operation shall be evaluated. That's why a number of indicators shall be defined to determine the degree of quality in terms of maintenance, operation, technical status...</p>
Environmental and Social Criteria	<p>Considering also the impact of the transport infrastructures and their utilisation, the environmental evaluation has a crucial role in the evaluation of projects. A series of indicators,</p>

New Criteria	Description
	<p>rankings, and technical considerations can be extracted from the EIAs developed for each project.</p> <p>Nevertheless, the Consultant's aim has been addressed towards the extension of the concept of this Criteria group. That's why it is called "Environmental and Social". Social concept has been included to take also into account the influence of each project on human activity. For this purpose a series of subcriteria with measurable indicators shall be selected to assess social benefits.</p>

Table 1. New Criteria used in the proposed project analysis

Afterwards - in section 1.2.3. – the methodology with the proposed indicators to measure these criteria will be explained in detail.

1.1.3. Proposal of guidelines for future analysis

The following guidelines are adopted to upgrade the existing analysis and the rating methodology. They come up as result of the conversations between the Consultant and the Secretariat in the context of enhancing the current analysis.

- Proposal of a project prioritisation analysis similar to the current one, without considerable changes.

As mentioned in the Introduction to the current analysis, the current project prioritisation analysis is considered quite acceptable and suitable for the prioritisation of projects. For this reason and to easy the work of the Secretariat, no considerable changes has been proposed.

In fact, the process of prioritisation will not be modified and will remain with all the previous steps adapting them to the characteristics of the upgraded Multi-Criteria Analysis. Only changes regarding the details of criteria have been included to enrich the upgraded Multi-Criteria Analysis. But, as abovementioned, the criteria groups are the same and the Consultant has tried to maintain the structure of the methodology to the possible extent.
- No introduction of changes for the scoring methodologies in the existing indicators

Many of the current subcriteria of the Multi-Criteria Analysis will remain the same after the proposal for improvement. In these cases, the Secretariat of the SEETO highly suggested that the Consultant does not change the existing scoring methodologies for each particular indicator. The recommendation is based on the broad experience in applying this prioritisation method and the knowledge of the provided information about the projects in the Region. For instance, regarding the existing "Economic Internal Rate of Return (EIRR) Criteria", the assignment of scores by EIRR ranges will be strictly maintained.
- Attractive and understandable project evaluation

The project evaluation should be based on the principles of clear contents, consistent methodology and understandable divulgation to the Regional Participants. The consecution of providing clear contents and a consistent methodology starts from the elaboration of this Report and finishes with the achievement of objectives and comprehensive results. Additionally the attractiveness of the methodology is based on a suitable divulgation among the Regional Participants that involves also a clear Priority Project Questionnaire

- Emphasize on economic and financial features, as well as regional integration performance.

Focusing on the main objectives of the SEETO and the territorial cohesion, the Consultant considers that there are two crucial issues in the preparation of the upgraded Project Analysis and Prioritisation:

- Economic and financial.
- Regional Integration

Both are closely in line with the main objectives of the SEETO activity and with general European Transport Policies. Since they represent two Criteria groups, the objective is that these two criteria group have a significant weight compared with the rest.

- A balance between qualitative and quantitative analysis

The Consultant considers that the existing Multi-Criteria Analysis contains many qualitative indicators if compared with the quantitative ones. Therefore, one of the guidelines of the upgraded Multi-Criteria Analysis is the inclusion of more subcriteria that use quantitative evaluations. For this purpose, all the indicators, ratios, parameters and analyses proposed through the questionnaires and reports in previous deliverables can be utilised.

Using more quantitative criteria in the Multi-Criteria Analysis will allow introducing weighted lineal formulations to ranking them, strengthening the quantitative or “mathematical” feature of the system

- Definition of an exclusive questionnaire for the Project Analysis and Prioritisation

The questionnaire and collection of data is closely related to the Multi-Criteria Analysis. Probably, the great majority of indicators and parameters to be used during the Multi-Criteria Analysis are included in other previously defined questionnaires or can be extracted from Feasibility Studies or EIAs. However, the Consultant considers necessary the existence of a “Priority Project Questionnaire” *ad hoc*. Nowadays, this Priority Project Questionnaire exists and will be extended according to the new subcriteria and indicators.

- Avoid distinction between Priority Projects eligible for funding and eligible for preparation.

The current system distinguishes between Priority Projects eligible for funding or preparation. This methodology will be upgraded and this distinction will disappear, so the methodology shall be properly adjusted. Until now, those projects without a Feasibility Study were not able to be eligible for funding. However, the members of SEETO expressed the fact that many of these projects are more necessary for the regional development and in many cases enough information is provided to fulfil the requirements although this information is based on Pre-feasibility studies.

Therefore, the Consultant proposes a project rating methodology to be applied to all projects nevertheless they do not have their Feasibility Study completed. However – as indicated ahead in section 1.2.3. – an upgraded proposed subcriteria would rate the technical progress status of the proposed project to be prioritised. Additionally, the total cost of the project should include the estimated cost to complete the technical preparation of the project. For example, if the Feasibility Study has not been drafted yet, the project cost should include the estimated expenditure for its elaboration.

- Establish a method to penalise the projects whose information is incomplete or insufficient.

Many ideas were discussed in order to encourage the Regional Participants to provide all the necessary information contained in the “Priority Project Questionnaire”. Although the system conceives a second opportunity to fill all the requirements, sometimes it is difficult to achieve a full completion for all the projects. Finally, instead of refusing those projects

with lack of information in the “Priority Project Questionnaire”, the Consultant decided to include a penalty when key subcriteria are not provided. Through this way the objective of fostering the filling of the “Priority Project Questionnaire” is achieved but we avoid that a really necessary and good project is eliminated because only one indicator is missed.

Nevertheless, it should be noted that this penalty measure – that will be explained for each subcriteria in further sections – could be postponed for two years. Through this way all the Regional Participants will be advised during the first year about this new rule so that they can arrange the preparation of their projects.

- Request for an homogeneous method to obtain the indicators that will be evaluated in the rating process

After studying the Priority Projects fiches contained in the Annex of the “MAP”, the Consultant has observed that there are differences in the parameters used to calculate indicators such as the EIRR or the NPV. For example different assumed value of time and discount rate was observed in similar projects. Considering that the projects have to be compared between them for the prioritisation, huge differences in these kind of parameters can produce significant changes in the ranking result.

1.1.4. Purpose and possible users of this new analysis

Purpose of the New Project Analysis and Prioritisation

The purpose of the Upgraded Analysis is to identify and select those projects which would have the best impact on the SEETO Comprehensive Network development. By means of a Multi-Criteria Analysis with a series of criteria and subcriteria, projects are scored based on the indicators that define them. As a result of this Multi-Criteria Analysis all the projects are properly ranked considering the benefits according to the SEETO principles. And finally, the result of the Upgraded Project Analysis and Prioritisation is to provide with a list of Priority Projects to be included in the “Multi-Annual Plan (MAP)”.

Prioritisation, ranking and selection of projects are necessary for the obvious reason that finance resources are limited. Moreover, considering the existing global economic situation, the evaluation of projects should be reinforced in order to ensure the feasibility and sustainability of them towards the consecution of highest benefits for the Region.

Hence, in general terms, the purpose of the Upgraded Project Analysis and Prioritisation is basically the same that the old one system followed. Consequently the main purpose is based on the evaluation of the four Criteria groups that were previously defined and that will be developed in sections 1.2.2. and 1.2.3.

- Economic and Financial
- Regional
- Regulatory and Technical
- Environmental and Social

However, we can affirm that the introduced changes by this Upgraded Analysis contribute to better achieve the objective of selecting a list of Priority Projects. These changes are inspired by the guidelines shown in the previous section 1.1.3. Among the benefits of the upgraded system compared with the existing system, we can highlight the following ones:

- All the projects can be evaluated by the upgraded system. The distinction between projects “Eligible for funding” and “Preparatory projects” is eliminated, and both lists are merged in an only one. In this way, projects whose prefeasibility study contains enough information could be considered to be prioritised as eligible for funding. When there is an

interesting project in a stage of project idea, the corresponding Regional Participant can produce the technical documentation with the needed information to fulfil the “New Questionnaire to rate the proposed Priority Projects” – contained in the Annex 1. The decision of penalising some subcriteria when data is not provided will encourage the Regional Participants to improve the elaboration of the projects. Besides, they can base the elaboration of their technical documents on the methodology. This can ease the comparison among different projects to be prioritised.

- As abovementioned in the guidelines, the Upgraded Analysis contains a balance between qualitative and quantitative subcriteria. The quantitative introduced subcriteria are easier to measure and can be clearly analysed.
- The introduction of quantitative subcriteria allows compare the projects between themselves. For some subcriteria a new scoring method is introduced. This method allows the assignation of the score taking into account the figures of the other projects. This provides a wider range of scores for the same subcriterion and allows establish a better prioritisation ranking. Afterwards - at the end of the section 1.2.2. the applied measuring methods are explained.

Within the four Criteria groups, the subcriteria have been extended to cover more fields of analysis and to define with more precise indicators the performance of the projects. As abovementioned, a MCA will be applied, in which the definition of weights and the methodologies to input each indicator shall be crucial.

Possible users

The “MAP” is the main document where the list of the priority projects is presented. Therefore, the possible users of this list coincide with the “MAP” ones:

- Transport Authorities
- Financial Institutions
- Strategy and decision makers advisers – policy makers
- SEETO members
- Possible future private entities for PPPs projects
- Bidders of future projects
- Bidders of future construction works
- Interested citizens in the SEETO activities

The main target group of users are who have the capacity to fund these projects. Occasionally the prioritisation of projects helps to find a first “seed” in the financing of new projects. This seed can serve as a catalyst to complete the entire needed investment.

1.2. REFINED PROJECTS RATING MECHANISM WITH PROVIDED DETAIL ELABORATION OF POTENTIAL NEW CRITERIA

1.2.1. Evaluation of current mechanism

Through the different “MAP” reports produced by SEETO in the last years, a prioritisation of projects has been undertaken in all of them. The existing applied methodology can be found in the report “SEETO priority projects rating methodology” published in July 2012. Previously, the methodology used was proposed in the Technical Note 3: “Project Criteria and Prioritisation”.

Focusing on the current methodology, four main criteria groups are taken into consideration:

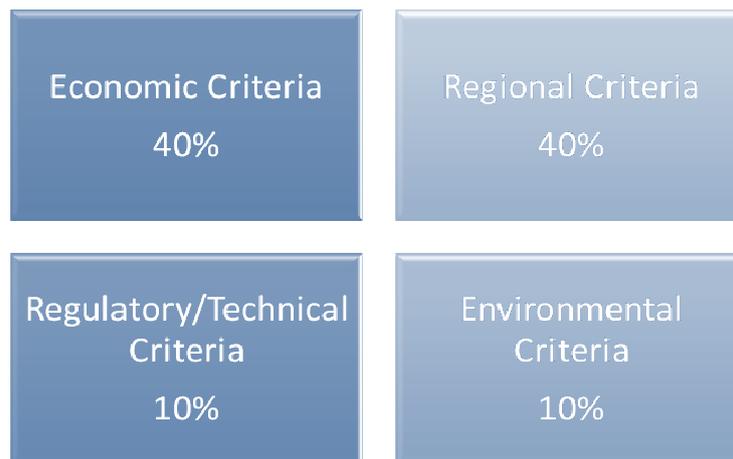


Figure 4. Four main criteria groups and their weights in the current prioritisation methodology

The main source of information to apply this methodology is the “Priority Project Questionnaire” which allows the Regional Participants to fill the data related to the chosen indicators. These indicators have been defined according to the preference for a qualitative study of the priority projects list.

As mentioned at the beginning of this document - in the section 1.1.1. “Introduction to current priority and non-priority project analysis” - only the projects with completed feasibility studies are currently rated. Therefore, besides the information that the Regional Participants can provide, the main source of data to fulfil the “Priority Project Questionnaire” is the feasibility study of each project².

Before evaluating the different criteria that make the current Multi-Criteria Analysis, an important remark should be introduced. When analysing the fiches of the prioritised projects within the last “MAP 2014”, the Consultant realised that some indicators have not been calculated following a homogeneous method. For example, significant different values of time have been used in the calculation of the EIRR for similar projects in the same country. It should be noted that in the current methodology there is not any requirement regarding the homogeneity of the calculation of the indicators. Therefore the consecution of this homogeneity is one of the main guidelines to be followed in the Upgraded Analysis, which were presented in the section 1.1.3.

The following tables collect the indicators used at present to carry out the Multi-Criteria Analysis.

² It should be noted that EIAs of the projects are often utilised.

■ Economic Criteria (40%):

Subcriteria	Points awarded
Economic Internal Rate of Return (EIRR)	<p>For roads, seaports and airports:</p> <p>≥12%: 100 points</p> <p>Between 10% and 12%: 50 points</p> <p>Between 8% and 10%: 30 points</p> <p>≤8%: 0 points</p> <p>For railways and inland waterways:</p> <p>≥8%: 100 points</p> <p>Between 6% and 8%: 50 points</p> <p>Between 4% and 6%: 30 points</p> <p>≤4%: 0 points</p>
<p><i>Comments:</i> the Consultant considers appropriate to use the EIRR as a tool for economic evaluation of projects since its utilisation is internationally extended in transport projects. Nevertheless, it is really important to remark the necessity of standardising its calculation to the possible extent in order to avoid unfair deviations in the subsequent comparison.</p> <p>On the other hand, the utilised ranges and corresponding scores by type of infrastructure will be maintained after assessing their adequacy.</p>	

Table 2. Evaluation of the Economic indicators in the current methodology

■ Regional Criteria (40%)

Subcriteria	Points awarded
Government commitment to the proposed project	<p>Project is included in operational documents endorsed by the Government (Ministry of Finance, if applicable): 30 points</p> <p>Project is included in national transport plan/strategy: 15 points</p> <p>Public consultations have been positively carried out -The relevant stakeholders are involved: 7 points</p> <p>The project is not priority for the Government but for transport agencies: 0 points</p>
<p><i>Comments:</i> it is crucial that the project is previously supported by official plans, strategies or policies in a regional context. Therefore, the Consultant considers this is also beneficial for the consecution of further finance.</p> <p>Since the SEETO members and specialists have a broad experience in the communication with the Regional Participants and their procedures, the subcriterion and the indicator calculation shall be maintained.</p>	
If project include border crossing, what type of coordination between Regional Participants or with neighbouring Member States takes place?	<p>Commitment to improve border crossing infrastructure and procedures: 25 points</p> <p>No coordination on border crossing infrastructure: -25 points</p>

Subcriteria	Points awarded
<p><i>Comments:</i> According to the European Transport policies the consecution of efficient transnational infrastructure is achieved by means of close collaboration between the involved Regional Participants. Technology and traffic measures are not enough when the involved administrations in bordering infrastructure are not committed. Therefore, the subcriterion and the calculation of the indicator will remain.</p>	
<p>If cross border road or railway project: Are the same technical standards applied in both Regional Participants or in neighbouring Member States?</p>	<p>Yes, the same standards will be applied: +25 points</p> <p>No, there are no plans to apply the same standards in future: -25 points</p>
<p><i>Comments:</i> implemented technical procedures at both sides of the border crossing points are also crucial. Since the coordination of technical standards has not intermediate interpretations, the Consultant considers the indicator calculation as appropriate and it will be used in the Upgraded Analysis as it is currently defined.</p>	
<p>Does the project generate significant user benefits for users from other Regional Participants or for users from outside the region?</p>	<p>Proportion of international traffic $\geq 10\%$: 20 points</p> <p>Proportion of international traffic 2% to 10%: 10 points</p> <p>Proportion of international traffic $\leq 2\%$: 0 points</p>
<p><i>Comments:</i> The European determination to foster international infrastructures to communicate different regions has a notable impact on the trade and economy. Facilitating the international traffic with flexible and fast border crossing generally causes an increment of the international traffic. Consequently, the indicator and the range for calculation will be maintained in the Upgraded Analysis considering the experience of SEETO's members in their definitions.</p>	

Table 3. Evaluation of the Regional indicators in the current methodology

■ Regulatory/ Technical Criteria (10%):

Subcriteria	Points awarded
<p>Will the road and railway infrastructure be maintained in the future?</p>	<p>Yes, there is a dedicated fund or budget line for the maintenance of roads or railways: 75 points</p> <p>Yes, there will be a dedicated maintenance programme for the road or railway sector: 0 points</p> <p>Yes, but there is no dedicated programme or fund: -75 points</p>
<p><i>Comments:</i> the evaluation of the maintenance – as one of the most relevant operational cost in infrastructures – was a key issue from the beginning of the study. Therefore, it was included individually for each infrastructure in the new questionnaires for the data collection. Additionally, two questionnaires were developed for the total data of maintenance both for railways and roads at a national level.</p> <p>The Consultant considers crucial to keep this subcriterion and the question used as indicator. Therefore, apart from all the questionnaires related to maintenance in the data collection process, this question will be included and checked within the “Priority Project Questionnaire”,</p>	
<p>Will the road and railway infrastructure be operated effectively and efficiently?</p>	<p>For roads:</p> <p>Concessionaire model will be applied or adopted plan for public operation and maintenance will be in place: 25 points</p> <p>No concession model will be applied and no plan for operation</p>

Subcriteria	Points awarded
	and maintenance will be in place: -25 points
<p><i>Comments:</i> consideration for this subcriterion is really similar to the previous one regarding maintenance. Thus, this will also remain in the Upgraded Analysis as it is now.</p>	

Table 4. Evaluation of the Regulatory/Technical indicators in the current methodology

■ Environmental Criteria (10%):

Subcriteria	Points awarded
<p>What are the environmental effects of the project?</p>	<p>Contribution to the re-balancing of transport modes in favour of the most environmentally friendly one: 100 points</p> <p>Positive effects or in case of possible environmental negative effects, the project foresees adequate mitigation measures: 50 points</p> <p>An environmental impact assessment has been carried out: 25 points</p> <p>No environmental impact assessment has been carried out: -50 points</p> <p>No mitigation measures are foreseen in case of potential negative effects: -100 points</p>
<p><i>Comments:</i> this subcriterion contains a comprehensive valuation of the project from the environmental point of view. The 5 options provide with a general and really clear definition of the general impact related to the main evaluation tools: <i>Environmental Impact Assessment, mitigation measures...</i></p> <p>The Consultant highly recommends that this subcriterion is maintained in the Upgraded Analysis although more environmental and social subcriteria will be added.</p>	

Table 5. Evaluation of the Environmental indicators in the current methodology

1.2.2. Defining proposal for its upgrade

Throughout the following last two sections, the proposed methodology to be implemented in the Upgraded Analysis is detailed. Based on the current methodology, this proposal has been developed according to the guidelines established in section 1.1.3. The current subcriteria and the indicators used to evaluate them have been kept. New subcriteria and indicators have been included with the aim to have a wider estimation of the project's impacts.

The addition of the new subcriteria has the aim to enrich the existing project rating methodology. At present – as abovementioned in the analysis of the current analysis – excepting the subcriteria related to the EIRR, all the subcriteria are evaluated using qualitative indicators.

However, the implementation of the questionnaire “Projects subjected to be prioritised” and the “Sustainability Analysis of the Proposed Projects” Report³ will complete the available data regarding quantitative indicators. In order to develop an unbiased and even more complete method to rate the projects to be prioritised, the Consultant has considered the definition of new subcriteria taken into consideration some of those quantitative indicators.

The Table 6 contains the new proposed subcriteria to be added to the existing ones to shape the suggested priority projects rating methodology:

Criteria group	New subcriteria
ECONOMIC AND FINANCIAL CRITERIA	<p>Total cost – The lower is the cost of a project, the easier the collection of funding will be. This subcriterion would prioritise those projects whose implementation total cost is lower.</p> <p><i>Source: Technical documentation as the Feasibility Study or the Prefeasibility Study. Also it could be found in the Cost-Benefits Analysis.</i></p> <p>Percentage of committed fund – Some projects have already an economic support agreed by the governments or other Investments Agents. The Consultant considers that it would be appropriate to reward this effort and this subcriterion aims to rate positively these projects.</p> <p><i>Source: Most recent financial documentation as Financial Annex, Project Financing,... Also through direct contact with the Financial entities</i></p> <p>Potential for Public–Private Partnership (PPP) – Although this subcriterion is presented here as new, it was included in the previous methodology that was applied before to the current one⁴. Nowadays PPP are becoming an important way to finance, operate and maintain transport infrastructures. The implementation of PPP could generate positive impacts in the Regional Economy and this subcriteria aims to evaluate this fact.</p>

³ The questionnaire “Projects subjected to be Prioritised” and the “Sustainability Analysis of the Proposed Projects” Report both were proposed within the “Improvement of the data collection and analysis” corresponding to the first activity of the Project Track “Improved data collection and analysis mechanisms” of the Technical Assistance “Support to the Implementation of the Strategic Work Programme of the SEETO”.

⁴ “Project Criteria and Prioritisation” Technical Note 3 – Published February 2006

Criteria group	New subcriteria
	<p><i>Source: Project Financing other financial documentation. Additionally it should be checked if there are any agreements related to the PPP.</i></p>
<p>REGIONAL CRITERIA</p>	<p>Forecasted border crossing delay reduction – One of the most significant issues to improve in the SEETO Comprehensive Network is the reduction of the border crossing delay.</p> <p>This subcriterion would score positively those projects that reduce the needed time to cross the border (for example introducing electronic pre-arrival announcements).</p> <p><i>Source: Benefit-Cost Analysis, Feasibility Study or Prefeasibility Study. In some cases the supporter of the project should calculate this figure ad hoc and include it within the technical documentation.</i></p>
<p>REGULATORY / TECHNICAL CRITERIA</p>	<p>Technical status – Since all the projects – without regard if they have not completed their Feasibility Study – would be evaluated with the proposed new priority project rating methodology, this subcriterion would reward those projects with a more advanced technical documentation available.</p> <p><i>The score assigned to this subcriterion depends on the attached most technically advanced documentation to the “Questionnaire to rate the proposed Priority Projects” by the Regional Participant.</i></p>
<p>ENVIRONMENTAL AND SOCIAL CRITERIA</p>	<p>Affected kilometres on protected areas – On the line of raising the environmental awareness followed by the European Countries in the last decades, this subcriterion takes into consideration the affection to the protected areas.</p> <p><i>Source: Environmental Impact Assessment if exists. Otherwise it could be calculated by the Regional Participant taking into consideration the alignment of the project.</i></p> <p>CO₂ emission reduction – This subcriterion is suitable to those projects which involve a transfer of traffic from a transport mode to another more efficient.</p> <p><i>Source: Environmental Impact Assessment, Benefit-Cost Analysis... The supporter of the project could calculate it from the estimation of the traffic applying some of the available tools for this issue.</i></p> <p>Annual traffic demand growth – Within the considered</p>

Criteria group	New subcriteria
	<p>as social subcriteria, the annual traffic demand growth is chosen to illustrate the estimated project impact on the citizens.</p> <p><i>Source: Feasibility Study or Prefeasibility Study, regarding the sections related to the estimation of traffic.</i></p> <p>Journey time reduction (lineal infrastructures) – The reduction of travel is other social subcriterion that measures the positive impact of the implementation of a project. A lower travel time would allow citizens to dedicate time to other activities; therefore it would help to the economic development of the Regional Participants.</p> <p><i>Source: Feasibility Study or Prefeasibility Study, Benefit-Cost Analysis...</i></p> <p><i>As observed, some of the subcriteria could be part of the starting data in the realisation of a Benefit-Cost Analysis. If this analysis has not been already produced, it would be highly recommendable that the project supporter would do it. That's why the Benefits-Costs Analysis is the starting point to obtain a clear overview of the impact of a project.</i></p>

Table 6. New proposed subcriteria for the priority projects rating methodology

In addition to the definition of new subcriteria, the Consultant has considered convenient to change the weight of the criteria groups. The Figure 5 shows these weights:

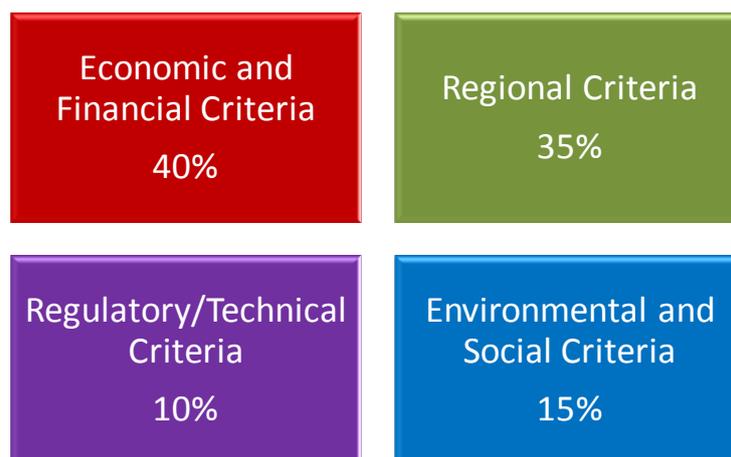


Figure 5. Criteria groups and their proposed weights for the new Multi-Criteria analysis

Once that the new subcriteria have been decided, it was necessary to assign weights and a way to measure the indicators used to determine the Priority Projects. Regarding the kept subcriteria - after conversations between the Consultant and the Secretariat - it was agreed not to change the measuring indicators.

Focusing on the validity of the subcriteria application, the proposed priority projects rating methodology – as well as the current one – considers some subcriteria to be applied only to projects with specific characteristics. For example there are subcriteria referred exclusively to projects including border crossing. On the other hand, there are indicators that cannot be applied to nodal infrastructures. For this reason, it is important to know the maximum score that a project could reach. These maximums scores are summarised within Table 10 on page 33 – after the description of the measurement procedure for each subcriteria.

In order to rate homogeneously all the presented projects to compare and obtain the priority project list, it is necessary to adjust the score of each project taken into account their maximum possible score. The proposed method is to obtain the percentage between the reached score and the respective maximum possible one.

Hence the proposed fiches for priority projects to be included as Annex in the “MAP”⁵ show the partial score reached within criteria groups – Economic and Financial, Regional, Regulatory/Technical and Environmental and Social –. The score for each criteria group should be given also as a percentage between the reached score and the maximum possible one. The Figure 6 illustrates how the total score and the score by criteria are shown within the proposed Priority Project fiches.

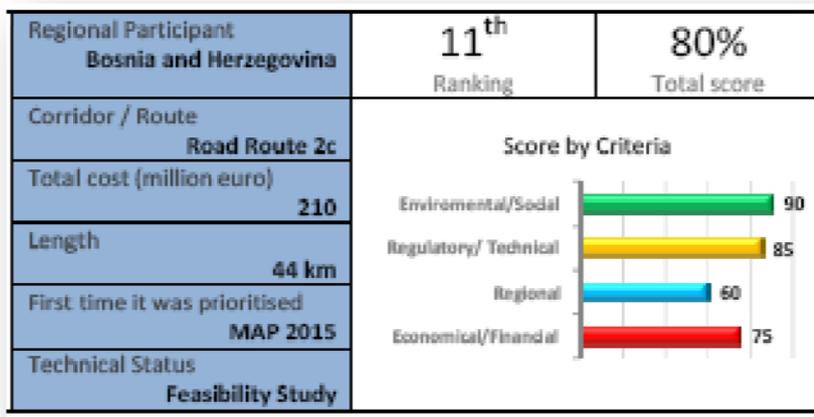


Figure 6. Visual example extracted from the proposed Priority Project fiches

Paying attention to the measurement procedure, the Consultant has kept the measuring for those subcriteria already contained in the existing priority project methodology. Regarding the measuring method, three different ways have been adopted in general terms. In order to clarify the kind of method used for each subcriterion, different colours have been used when the proposed measuring for each subcriterion are defined in the section 1.2.3.

⁵ The proposal for the Priority Projects fiches can be found in section 1.1.2 within the “Dissemination and presentation of the results” Report corresponding to the third activity of the Project Track “Improved data collection and analysis mechanisms” of the Technical Assistance “Support to the Implementation of the Strategic Work Programme of the SEETO”.

- Score by ranges

A numeric indicator – for example the EIRR - is chosen to measure the subcriteria. Then different scores are assigned depending of the range of values where the chosen indicator is contained. Different ranges to evaluate the same indicator can be used depending of the type of project. The following table contains an example of this scoring for the abovementioned EIRR:

Range	Score	Range	Score
≥ 12 %	100	≥ 8 %	100
≥ 10 % and < 12%	50	≥ 6 % and < 8%	50
≥ 8 % and < 10%	30	≥ 4 % and < 6%	30
< 8 %	0	< 4 %	0

Table 7 - Example of ranges employed to score the EIRR subcriterion

As observed, there are two different groups of ranges regarding the type of project. That means that for example two projects with the same EIRR can have different scoring because they are referred to different type of infrastructure. A road project with an EIRR=9% would obtain 30 points, whereas a railway project with the same EIRR would obtain 100 points.

It should be noted that the Consultant has keep the ranges for those subcriteria already used in the current methodology.

- Score by fulfilling of requirements

This scoring method is mainly used to score qualitative subcriteria. Some conditions or requirements are established with an assigned score if the project fulfils these statements. The conditions have to be clear and not to give rise to any hesitation, avoiding different interpretations. Sometimes the statements answer a question.

The score by fulfilling of requirements is used for example with the Border Crossing Coordination subcriterion. Since a numeric value has not been previously chosen to score this subcriterion, the score is assigned checking the answers among the statements is the most appropriate for the next question:

If project includes border crossing, what type of coordination between Regional Participants or with neighbouring Member States takes place?

Statement	Score
Commitment to improve border crossing infrastructure and procedures	25
No coordination on border crossing infrastructure and procedures.	-25

Firstly, it has to be taken into account if the project includes a border crossing. If not, none score is assigned for this subcriterion and it would not be consider for the total score. For example, if there is a border crossing project where an agreement exists between Member States to establish a common procedure in both sides of the border, the obtained score would be 25 points.

- Score depending of the maximum or minimum value

This scoring method assigns a score to a subcriteria depending of its value when is compared with the maximum or the minimum value for the same indicator considering all the presented projects to be prioritised. A score is assigned to the maximum or minimum value of a chosen indicator, and the others project are evaluated comparing the value of the same chosen indicator with the maximum or minimum. Obviously the criterion has to be measured by a numeric indicator.

One of the advantages of this method is that it allows score the project by comparison with the other ones.

As example, the subcriterion Total Cost try to award those projects whose cost is lower because is considered easier to carry out. Table 8 shows the assigned score for this subcriterion:

Total Cost	Score
MIN	20
others	$20 \cdot \frac{MIN}{X}$

Table 8. Example for the scoring depending of the Total Cost subcriterion

The first step to obtain the score consists on indentifying the minimum (or maximum) value. After assigning to this minimum (or maximum) value the given score, the others projects are scored regarding the minimum (or maximum) indicator value. For example, there are three projects whose Total Costs are: 100, 200 and 500 M€. The corresponding scores – according to the Table 8 - are:

Project	Total Cost	Score
A	100	20 points (it is the minimum)
B	200	$20 \cdot \frac{100}{200} = 10$ points
C	500	$20 \cdot \frac{100}{500} = 4$ points

Table 9 - Example of the scoring depending of the maximum or minimum value applied to the Total Cost subcriterion

The above developed example is related to a subcriterion that obtains the maximum score if the measuring indicator coincides with the minimum value. Nonetheless if the maximum score is given to the project with the maximum measuring indicator value, the process will be analogous employing the following formula:

$$SCORE = MAX SCORE \cdot \frac{X}{MAX}$$

Throughout the guidelines – section 1.2.3. –the purpose of improvement by the acquisition of data from the Regional Participants was established. Regarding the project analysis and prioritisation, the Consultant proposes the penalisation of those projects to be prioritised that include gaps within the provided data. Within the measurement of some subcriteria a penalty of 10 points is considered when there is no data to score this subcriterion. Applying this measuring, projects with lack of information would have difficulties to be selected as priorities. Additionally, this measure shall foster Regional Participants to fulfil all the data requirements in the future.

As indicated in the guidelines, this penalty could not be applied immediately, allowing a time of dissemination of this measure.

1.2.3. Establishment of new criteria

This last section summarises the chosen criteria - as well as the subcriteria – to apply on the priority project rating methodology. All the subcriteria are presented within their respective criteria group.

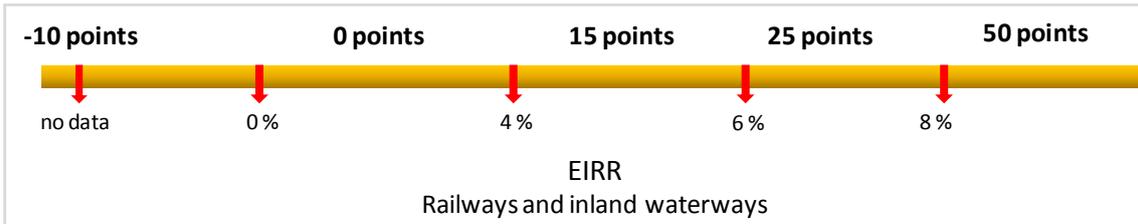
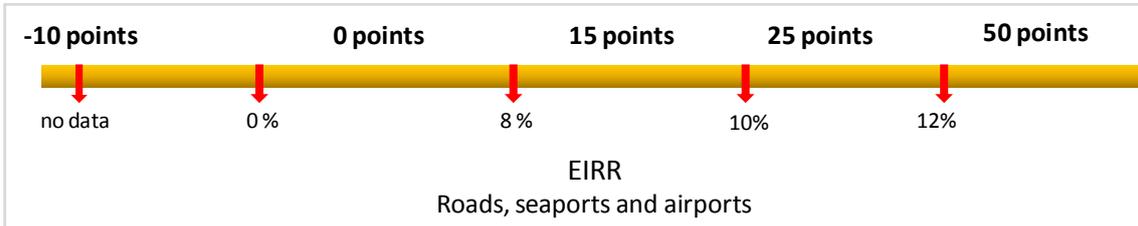
The Consultant has considered using a chart with different colour to distinguish the scoring method. The proposed indicator as well as the range of scoring has been indicated within each chart. There is a scoring method chart per subcriterion.

Finally, after the summary of the criteria with their indicators and their scoring methods, there is a table with the maximum values that each kind of infrastructure could reach. As above-mentioned, due to the fact that some subcriteria are not applied to all types of infrastructures, it is necessary to homogenise the results in order to make them comparable.

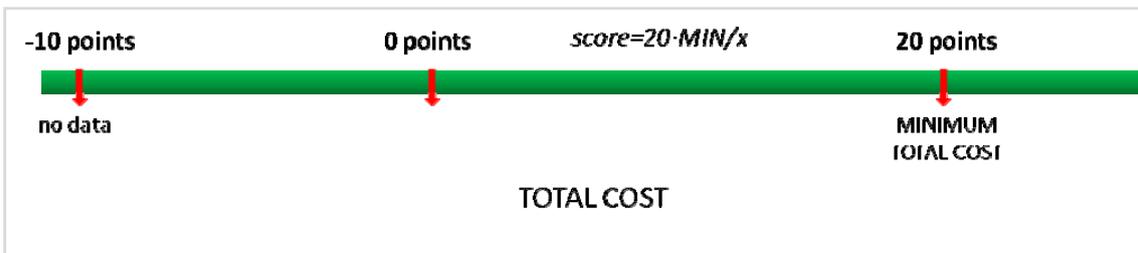
The following pages content the summary of criteria and subcriteria:

ECONOMIC AND FINANCIAL CRITERIA

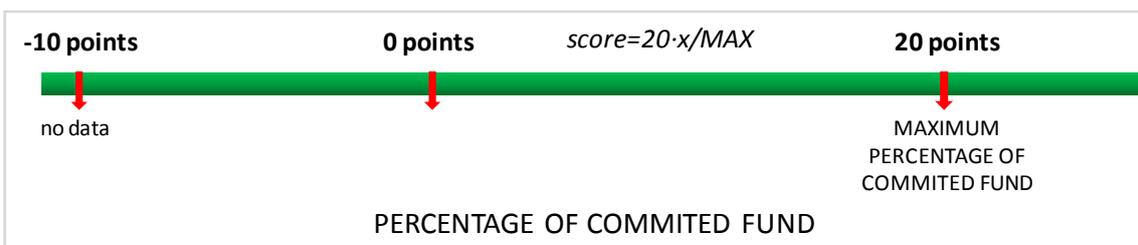
- EIRR (Economic Internal Rate of Return) ^(existing): remains as the current one and with the established ranges. (NO DATA: -10)



- TOTAL COST ^(new): score depending of the minimum value is proposed. Maximum score for the minimum total cost of 20 points. (NO DATA: -10)



- PERCENTAGE OF COMMITTED FUND ^(new): score depending of the minimum value is proposed. Maximum score for the maximum percentage of committed fund of 20 points. (NO DATA: -10).



- POTENTIAL FOR PPP ^(new): extracted from the previous methodology used by SEETO. Score by ranges just like then and with the same assumptions.

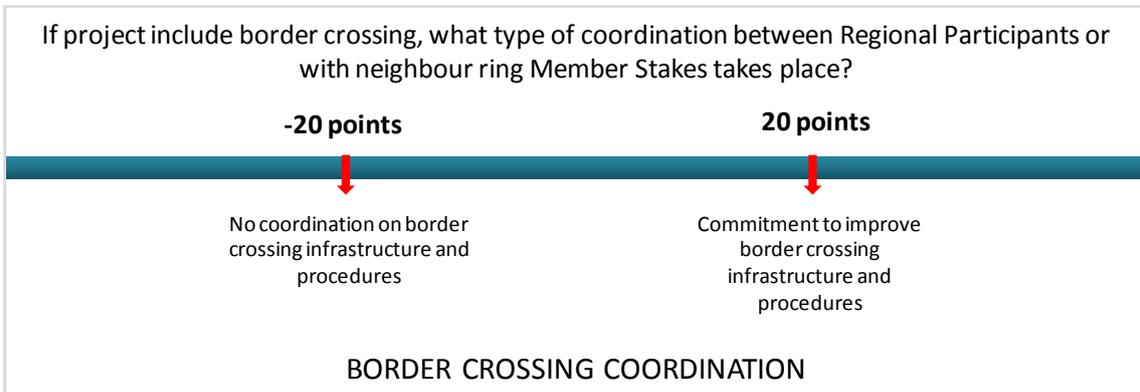


REGIONAL CRITERIA

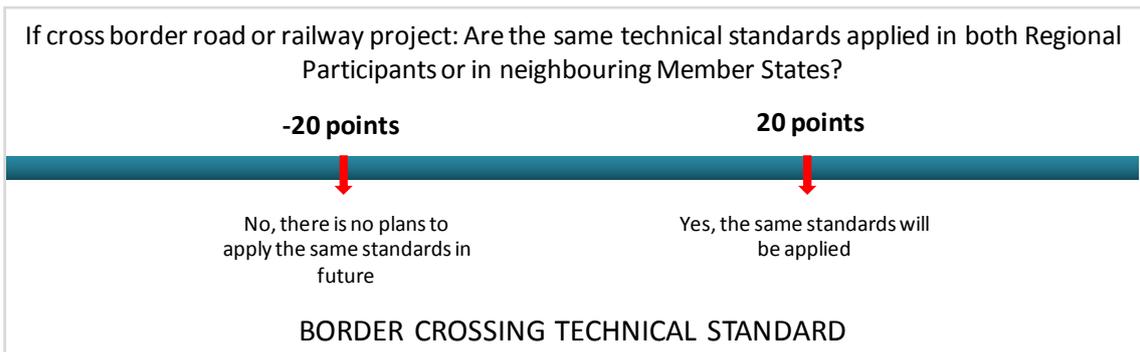
- **GOVERNMENT COMMITMENT** ^(existing): same criteria as before, but the scale has been reduced (NO DATA: -10).



- **BORDER CROSSING COORDINATION** ^(existing): same criteria as before, but the scale has been reduced (20/-20).

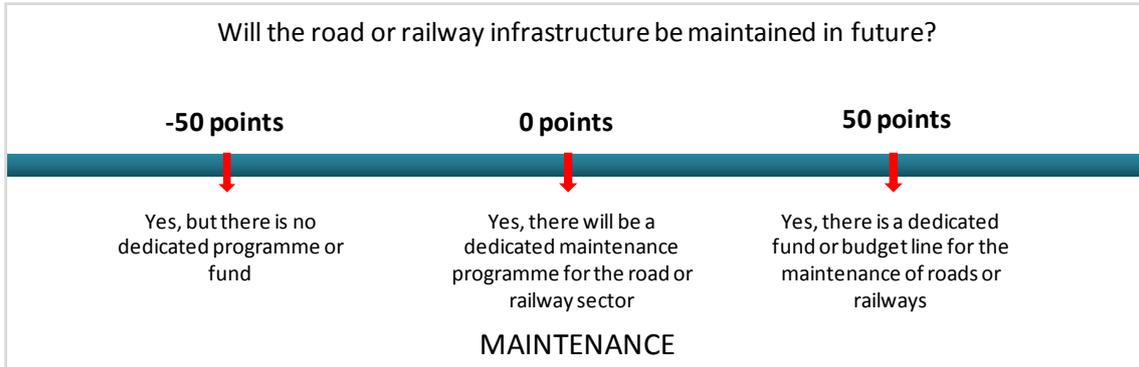


- **BORDER CROSSING TECHNICAL STANDARD** ^(existing): same criteria as before, but the scale has been reduced (20/-20).

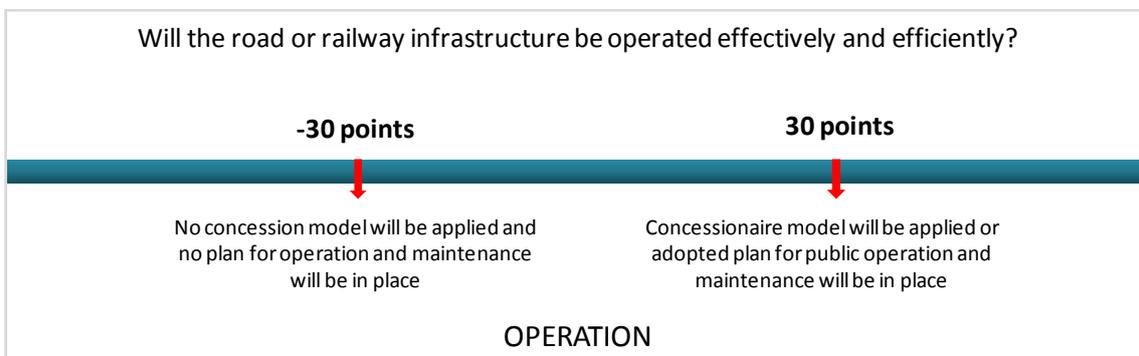


REGULATORY / TECHNICAL CRITERIA

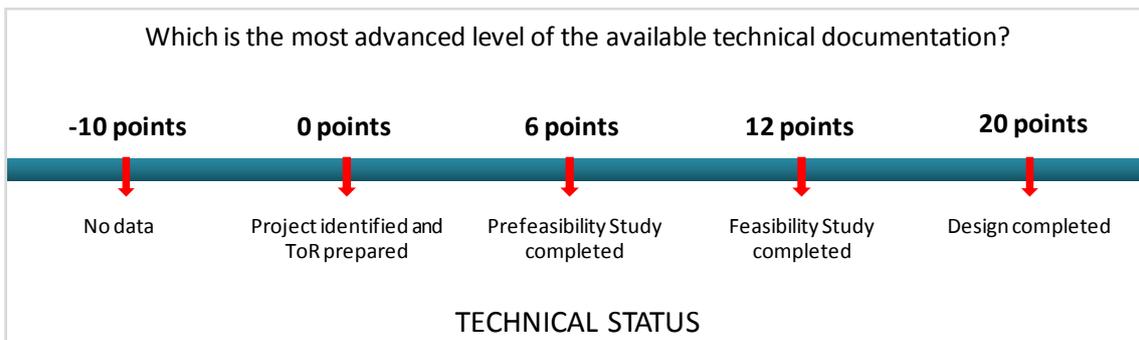
- MAINTENANCE ^(existing): same criteria as before, but the scale has been reduced.



- OPERATION ^(existing): same criteria as before, but the scale has been reduced.

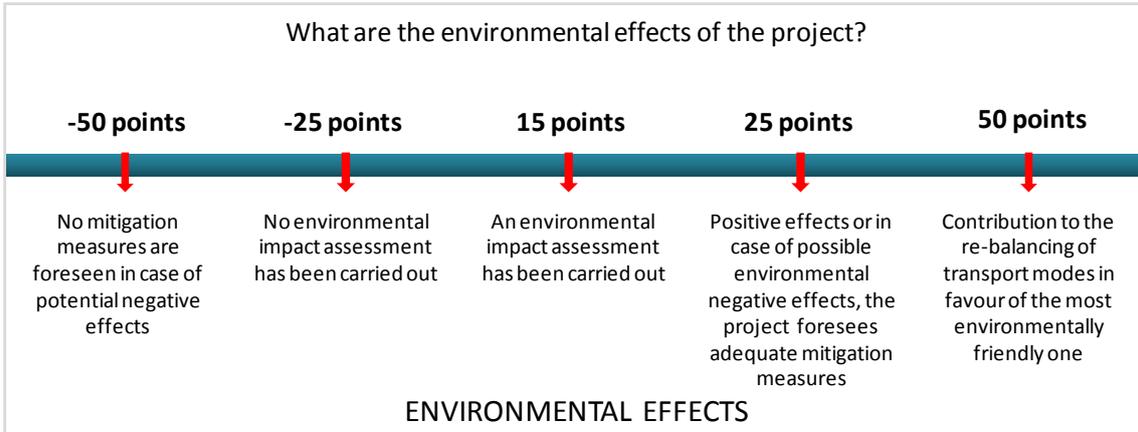


- TECHNICAL STATUS ^(new): with scoring ranges defined according to the progress of the studies conducted. It is made on the basis that the client does not want to initially discard those proposals that have no Feasibility Study; but those proposals with a more advanced technical documentation will be rewarded. (NO DATA: -10)

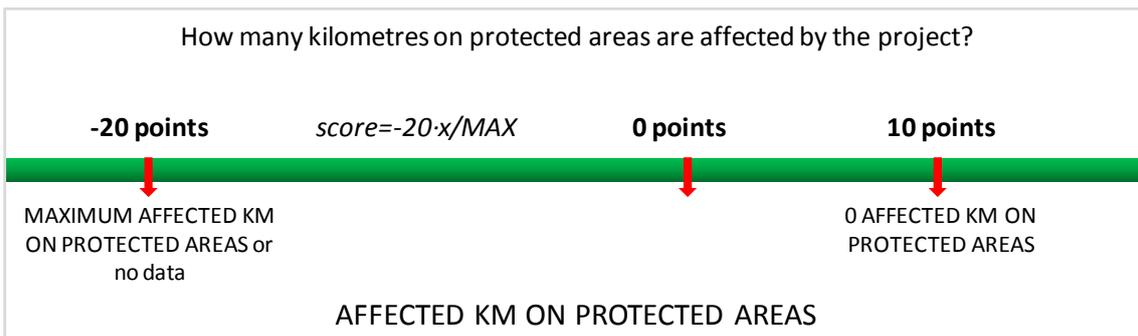


ENVIRONMENTAL AND SOCIAL CRITERIA

- ENVIRONMENTAL EFFECTS ^(existing): same criteria as before, but the scale is reduced



- AFFECTED KM ON PROTECTED AREAS ^(new): There is a reward of 10 points to those projects without affection to protected areas. The project with the highest affection is penalised with -20 points. Other projects affecting protected areas are penalised comparing their affected km on protected areas value with the maximum one. Therefore, projects with affection on protected areas will be scored between -20 and 0 points.



- CO₂ EMISSION REDUCTION ^(new): This new subcriterion has as objective to measure the contribution of the project to the reduction of CO₂ emissions. The maximum reduction – expressed in tonnes/ year – is rewarded with 10 points. (NO DATA: -10).

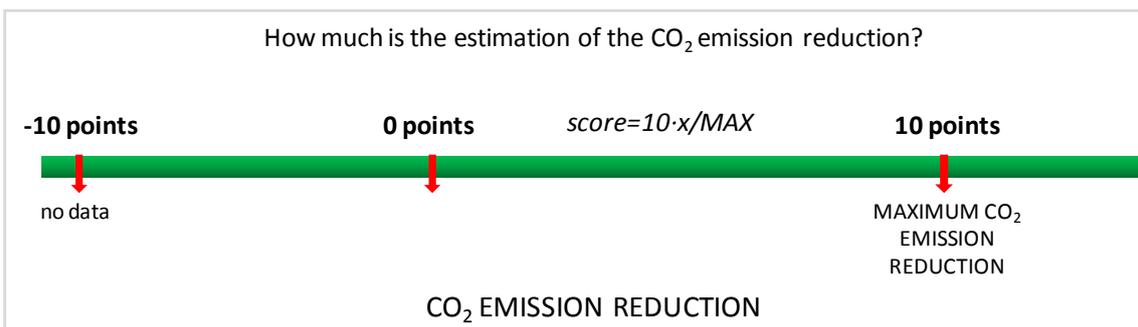


Table 10 contains the maximum possible score that a project could reach regarding the type of infrastructure:

Criteria/Subcriteria	Weight	Road projects		Rail projects		Lineal IWW projects	Airport, seaport and no lineal IWW projects
		Border crossing	No border crossing	Border crossing	No border crossing		
ECONOMIC AND FINANCIAL CRITERIA	40%	100	100	100	100	100	100
EIRR		50	50	50	50	50	50
TOTAL COST		20	20	20	20	20	20
% OF COMMITTED FUND		20	20	20	20	20	20
POTENTIAL FOR PPP		10	10	10	10	10	10
REGIONAL CRITERIA	35%	100	40	100	40	40	40
GOVERNMENT COMMITMENT		20	20	20	20	20	20
BORDER CROSSING COORDINATION		20	na	20	na	na	na
BORDER CROSSING TECHNICAL STANDARD		20	na	20	na	na	na
INTERNATIONAL TRAFFIC		20	20	20	20	20	20
FORECASTED BORDER CROSSING DELAY REDUCTION		20	na	20	na	na	na
REGULATORY/TECHNICAL CRITERIA	10%	100	100	100	100	20	20
MAINTENANCE		50	50	50	50	na	na
OPERATION		30	30	30	30	na	na
TECHNICAL STATUS		20	20	20	20	20	20
ENVIRONMENTAL AND SOCIAL CRITERIA	15%	100	100	100	100	100	80
ENVIRONMENTAL EFFECTS		50	50	50	50	50	50
AFFECTED KM ON PROTECTED AREAS		10	10	10	10	10	na
CO2 EMISSION REDUCTION		10	10	10	10	10	10
ANNUAL TRAFFIC DEMAND GROWTH		20	20	20	20	20	20
JOURNEY TIME REDUCTION		10	10	10	10	10	na
TOTAL		100,00	79,00	100,00	79,00	71,00	68,00

Table 10. Maximum possible score per kind of project for each subcriteria

Annex 1

New Questionnaire to rate the proposed Priority Projects

Questionnaire for Priority Projects rating methodology		
Organisation data		
Name of Company or Authority		
Correspondence Address		
Contact Person		
Phone number		
Fax number		
Email		
Description of the project		
Country Code		<i>Enter one of the following symbols: HRV - Croatia, ALB - Albania, MAC - FYRO Macedonia, BIH - Bosnia & Herzegovina, SER - Serbia, MON - Montenegro, KOS - Kosovo</i>
Corridor / Route / Node		<i>text</i>
Type of works		<i>text</i>
Lenght (if lineal)		<i>kms</i>
Feasibility or Pre-Feasibility Study and EIA Data (if exists)		
Feasibility Study Title		<i>text</i>
Feasibility Study prepared by		<i>text</i>
Feasibility Study supervised by		<i>text</i>
EIA Title		<i>text</i>
EIA prepared by		<i>text</i>
EIA supervised by		<i>text</i>
ECONOMIC AND FINANCIAL CRITERIA		
EIRR (Economic Internal Rate of Return)		%
Total Cost ⁽¹⁾		€
Committed fund ⁽²⁾		€
Potential for Public-Private Partnership (tick the appropriate box)		No preparation
		Clear intend / legislation in place ⁽³⁾
		Good proposals ⁽⁴⁾
		Strong interest ⁽⁵⁾
		Firm commitment ⁽⁶⁾
REGIONAL CRITERIA		
Government commitment to the proposed project (tick the appropriate box)		The project is not priority for the Government but it is for transport agencies ⁽⁷⁾
		Public consultations have been positively carried out – The relevant stakeholders are involved ⁽⁸⁾
		Project is included in a National Transport Plan/Strategy ⁽⁹⁾
		Project is included in operational documents endorsed by the Government ⁽¹⁰⁾
If project include border crossing, what type of coordination between Regional Participants or with neighbour ring Member States takes place? (tick the appropriate box)		No coordination on border crossing infrastructure and procedures ⁽¹¹⁾
		Commitment to improve border crossing infrastructure and procedures ⁽¹²⁾
If cross border road or railway project: Are the same technical standards applied in both Regional Participants or in neighbouring Member States? (tick the appropriate box)		No, there is no plans to apply the same standards in future ⁽¹³⁾
		Yes, the same standards will be applied ⁽¹⁴⁾

Questionnaire for Priority Projects rating methodology		
REGIONAL CRITERIA (cont)		
Proportion of international traffic		estimated % over the total traffic ⁽¹⁵⁾
If project includes border crossing, how much is the estimated reduction – percentage – on the delay time to cross the border?		estimated % of delay reduction at border crossing ⁽¹⁶⁾
REGULATORY / TECHNICAL CRITERIA		
Will the road or railway infrastructure be maintained in future? (tick the appropriate box)		Yes, but there is no dedicated programme or fund ⁽¹⁷⁾
		Yes, there will be a dedicated maintenance programme for the road or railway sector ⁽¹⁸⁾
		Yes, there is a dedicated fund or budget line for the maintenance of roads or railways ⁽¹⁹⁾
Will the road or railway infrastructure be operated effectively and efficiently? (tick the appropriate box)		No concession model will be applied and no plan for operation and maintenance will be in place
		Concessionaire model will be applied or adopted plan for public operation and maintenance will be in place ⁽²⁰⁾
Which is the most advanced level of the available technical documentation? (tick the appropriate box)		Project identified and ToR prepared ⁽²¹⁾
		Prefeasibility Study completed ⁽²²⁾
		Feasibility Study completed ⁽²³⁾
		Design completed ⁽²⁴⁾
ENVIRONMENTAL AND SOCIAL CRITERIA		
What are the environmental effects of the project?		No mitigation measures are foreseen in case of potential negative effects ⁽²⁵⁾
		No environmental impact assessment has been carried out ⁽²⁶⁾
		An environmental impact assessment has been carried out ⁽²⁷⁾
		Positive effects or in case of possible environmental negative effects, the project foresees adequate mitigation measures ⁽²⁸⁾
		Contribution to the re-balancing of transport modes in favour of the most environmentally friendly one ⁽²⁹⁾
How many kilometres on protected areas are affected by the project?		affected kms on protected areas ⁽³⁰⁾
How much is the estimation of the CO2 emission reduction?		tn/year ⁽³¹⁾
How much is the estimation – percentage – of the annual traffic demand growth?		estimated % of annual traffic demand growth ⁽³²⁾
In case of lineal infrastructures, how much is the estimation – percentage – of the journey time reduction?		estimated % of journey time reduction ⁽³³⁾

* the comments corresponding to the attached numbers can be found in the Annex 2: "Instructions for the New Questionnaire to rate proposed Priority Projects and proposed attached documents"

Annex 2

Instructions for the New Questionnaire to rate proposed Priority Projects and proposed attached documents

In order to clarify the requested information and to give some examples of the documentation to deliver, this Annex contains the clarifications regarding the numbers that can be found within the questionnaire.

The proposed Priority Project rating Questionnaire should be attached with the corresponding documents that support the provided data.

-
- 1** Total cost has to include the estimation investments to disburse to have the project completely operative. The estimated amount should be updated to the year when the project is presented.

Please state the title of the document, the name of the institution and the date of the endorsement where there is a description of the followed process to obtain the aforementioned amount.

-
- 2** Please indicate the exact committed funds already agreed as well as the source of these investments.

Please indicate any document, programme or paper where the committed funds are collected.

- 3** Please indicate the documents supporting this intention and/or the current law which governs the PPP in the Regional Participant.

- 4** Example of the proposals. Indicate the made progress in order to apply a PPP for the studied project.

- 5** Example of the proposal for the PPP. Indicate the already established contacts and the documentation supporting the strong interest.

- 6** Please indicated the kind of PPP is foreseen as well as the document supporting the firm commitment

In case that any reached agreement with any company has been reached, please attach this agreement.

- 7** Please state the title of the document, the name of the institution and the date of the endorsement.

- 8** Please state which public consultations have taken place, when and where.

What were the topics of the consultation?

Please state which stakeholders were involved. For example environment groups, road haulage association, etc. :

- 9** *Example of possible documents for sector endorsement:* National Transport Master Plan/ Strategy, sector strategy

Example of institutions: Ministry of Transport, Ministry of Works, railway agency, road

agency, airport company,...

Please state the title of the document, the name of the institution and the date of the endorsement

- 10** *Example of possible documents for government or similar endorsement:* Public investment plan/programme, National development plan, IPA operational programme, EU agreement, IFI agreement

Example of institutions: President, Council of Ministers, Government, Parliament, Ministry of Finance.

Please state the title of the document, the name of the institution and the date of the endorsement.

- 11** Please state whether any future international cooperation is planned.
- 12** Please state the form of cross-border coordination that has been agreed. For example: international agreements, international working groups, international round table meetings, etc.

Please state the name, the signatories, the content and the date of any official documents.

In case of working groups, round table meetings, etc.: Please state the date of meetings, the attending institutions, the outcome of the meetings and the agreed work programmes.

- 13** Explain why there are no plans to apply the same standards in the future.
- 14** Please state which technical standards will be applied. ..
For example: European Train Control System (ETCS), GSM-R, UNECE standards, EU standards, etc.

Please state the name, the signatories, the content and the date of the official documents.

- 15** Please state the source, including date, author and supervisor of the study supporting the data. For example: demand or traffic forecast, feasibility study, etc.
- 16** Please state the title of the "Study of Traffic" or equivalent where this data has been provided.
- 17** Please state the annual amount of funding available for the maintenance.
- 18** *Example of possible documents for maintenance funding:* State budget, sector budget endorsed by sector authority.

Please state the title of the document providing for the future dedicated fund or future budget line.

Please include the name of the endorsing institution and the date of the endorsement.

Please state the annual amount of funding reserved for the maintenance.

- 19** *Example of possible documents for maintenance funding:* State budget, sector budget endorsed by sector authority.

Please state the title of the document providing for the existing dedicated fund or existing budget line.

Please include the name of the endorsing institution and the date of the endorsement.

Please state the annual amount of funding reserved for the maintenance.

- 20** Please state the name, date and author of the document endorsing the concession or the public operation and maintenance.

Please name the company or government agency which will operate and maintain the infrastructure.

Please list the name, date and author of the endorsed public maintenance and operating plan.

- 21** Please indicate where the ToR can be found and who defined them.
- 22** Please indicate the title of the design project, the author, the supervisor and the date of the Prefeasibility Study.
- 23** Please indicate the title of the design project, the author, the supervisor and the date of the Feasibility Study.
- 24** Please indicate the title of the design project, the author, the supervisor and the date of the realisation of the project.
- 25** Please provide an explanation why no mitigation measures are foreseen
- 26** Please provide an explanation why no environmental assessment was carried out
- 27** Please state the name, the author, the supervisor and the date of the environmental assessment.
- 28** What are the positive effects of the project?

Please state the name, the author, the supervisor and the date of the environmental assessment.

In case of negative effects, what are the mitigation measures?

Please state the name, the author, the supervisor and the date of the environmental assessment.

- 29** What is the expected modal shift in percent towards environmentally friendly modes? Which shifts are taking place?

Please state the name, the author, the supervisor and the date of the environmental assessment.

- 30** Please indicate the name of the affected protected area and the title of the EIA (if exists) where this length was estimated.

- 31** Please indicate the title of the Study where the estimation of the CO₂ emission reduction was estimated.

In order to homogenise this data and compare different projects among them, the average of the estimation for the CO₂ emissions reductions along the lifespan of the project.

- 32** Please state the source, including date, author and supervisor of the study supporting the data. For example: demand or traffic forecast, feasibility study, etc.

The Consultant considers that the criterion to choose the base year to use as reference for this indicator should be established by SEETO based on its experience in the projects on the area and the type of infrastructure.

- 33** Please state the source, including date, author and supervisor of the study supporting the data. For example: demand or traffic forecast, feasibility study, etc.

Note: Those comments regarding the kept subcriteria from the current methodology are considered suitable to clarify the same subcriteria again. Therefore, the comments within the table above are the same that in the "Priority Project Questionnaire" of the current methodology.