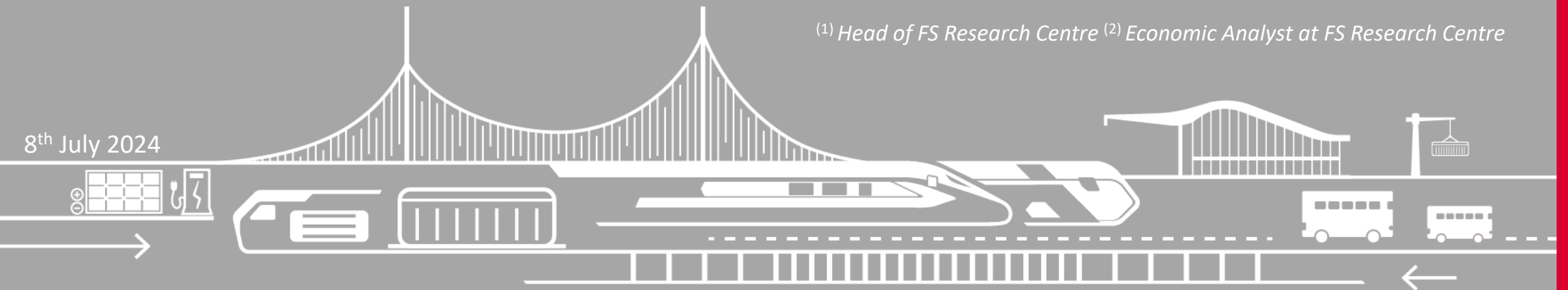


# Widening the appraisal of investments in transportation sector in Italy

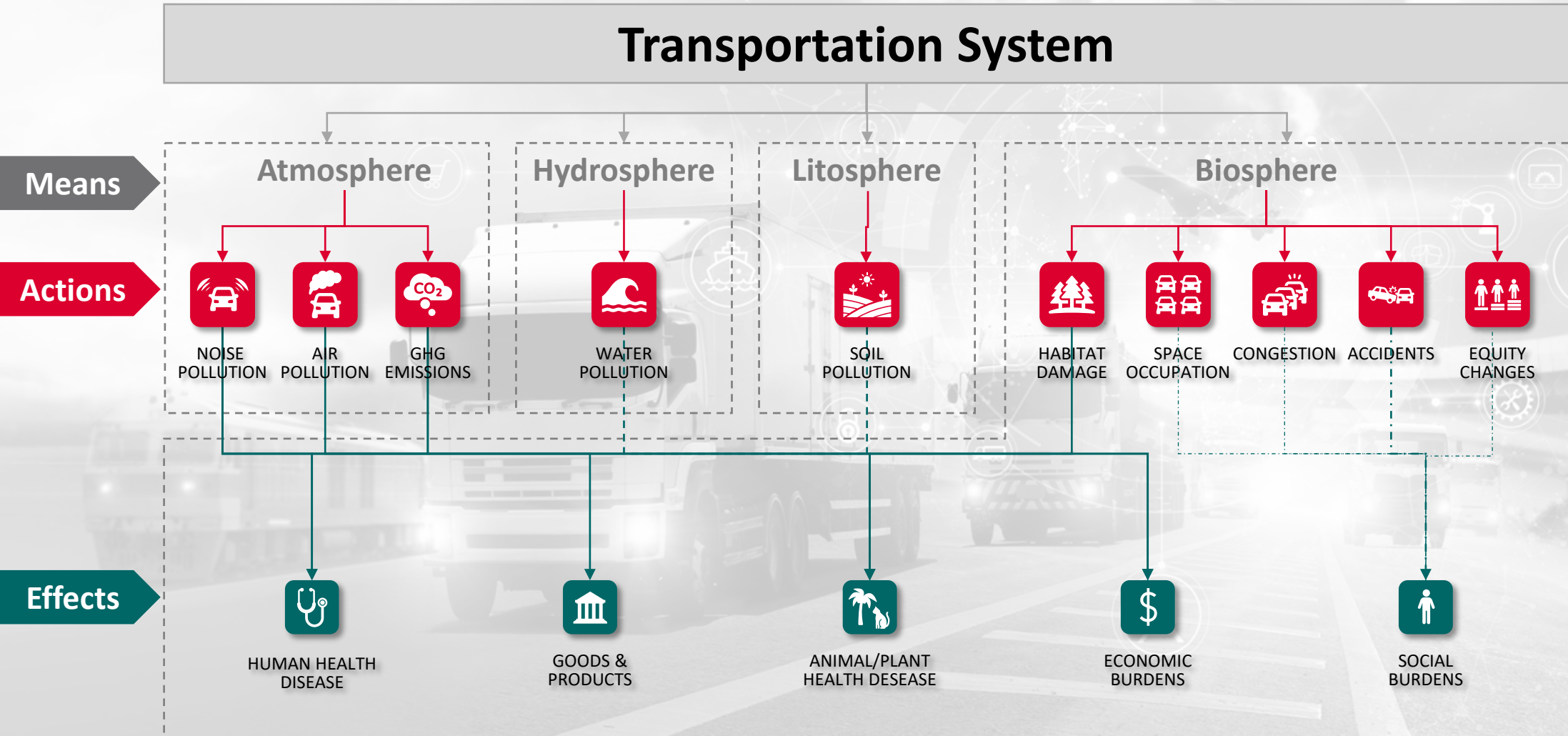
## Present status and future perspectives

Mario Tartaglia<sup>(1)</sup>, Ilaria Lopresti<sup>(2)</sup>

*(1) Head of FS Research Centre (2) Economic Analyst at FS Research Centre*

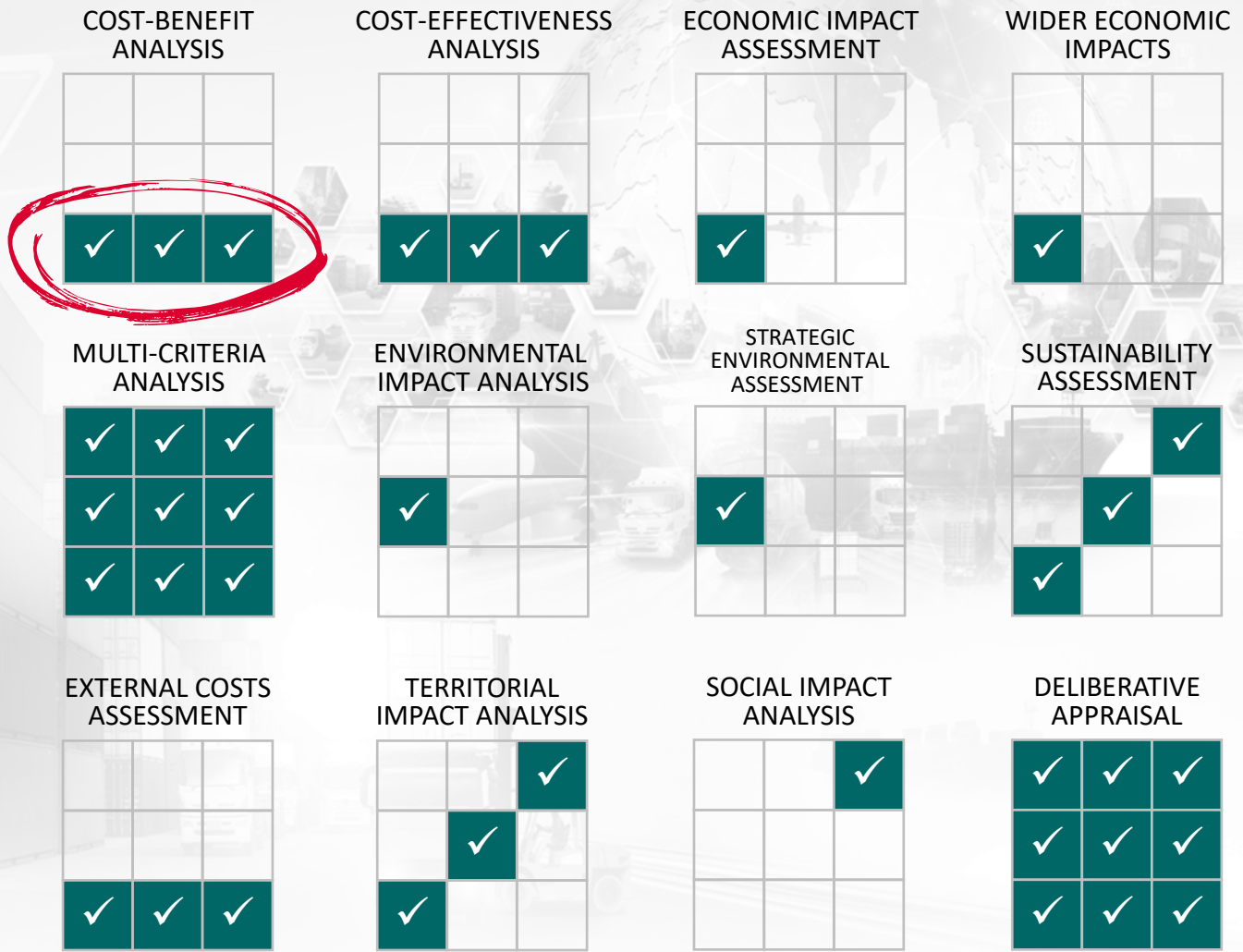
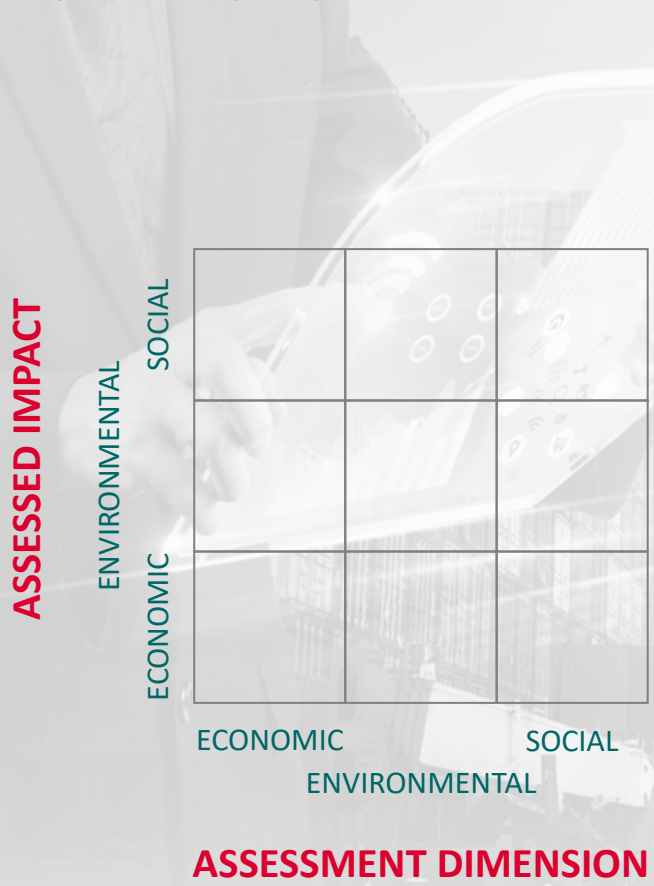


# Main impacts due to transportation

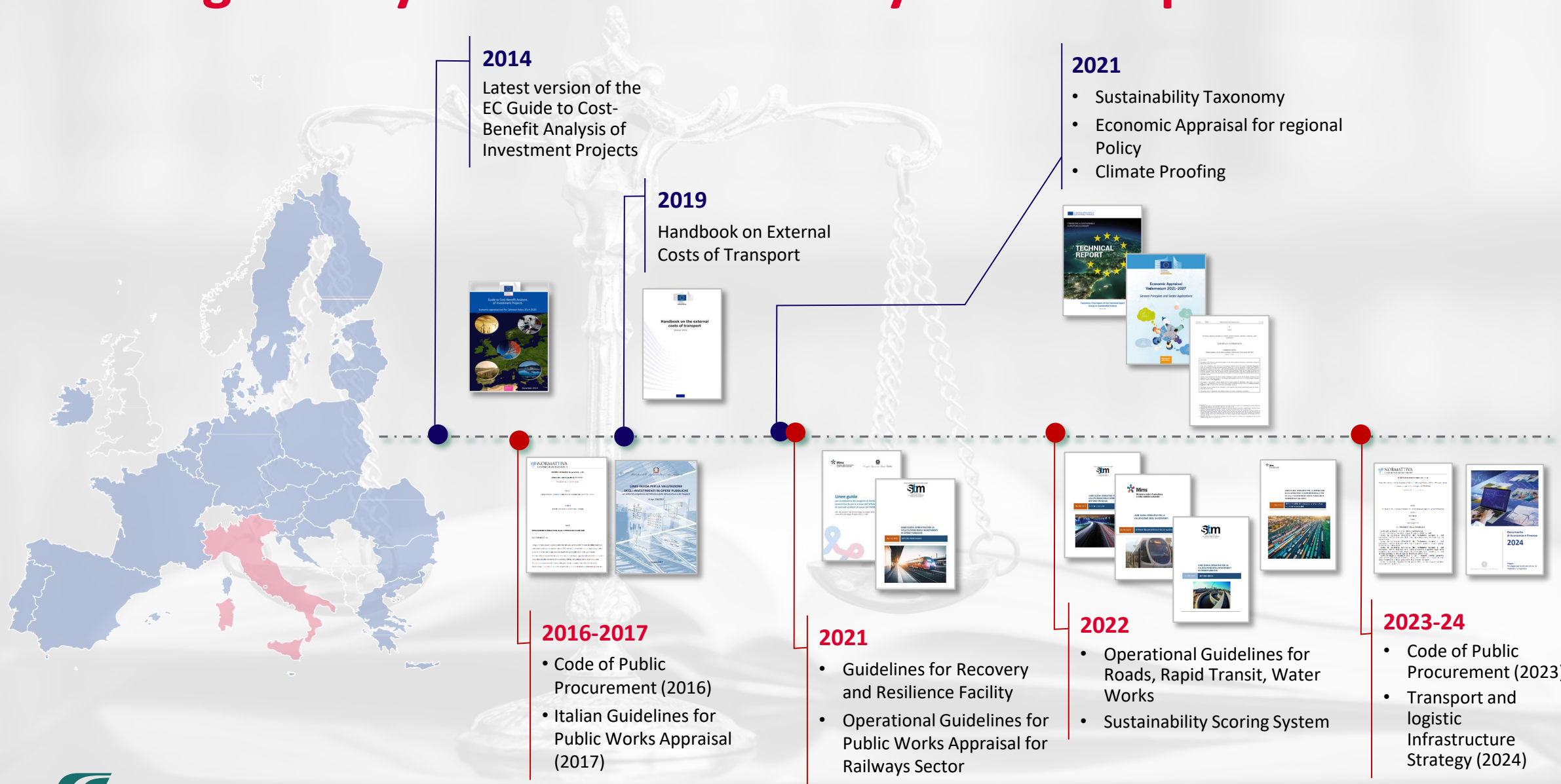


# Main assessment methods: dimensions and appraised impacts

## A simplified synopsis



# The regulatory framework in Italy and Europe



# The main limitations of CBA

## *Intrinsic limitations of the method*

- ✓ The exclusive use of **monetary terms** to assess cost and benefits
- ✓ The choice of **discount rate** involves an intergenerational evaluation of the impacts of the project and may also be decisive on the analysis' outcome



Monetization of priceless entities entails using robust techniques, but it is **ethically correct?**



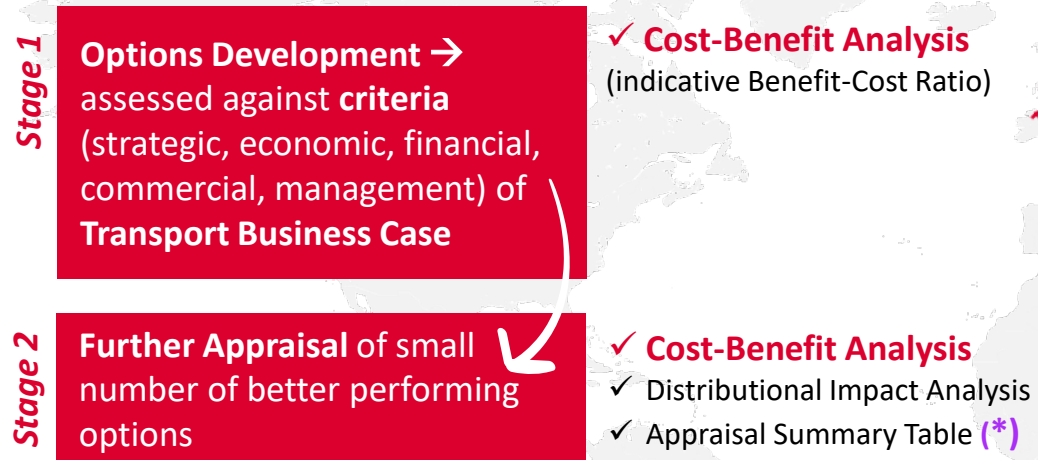
**Uniform discount rate** indicated by guidelines

## *Limitations to be addressed*

- ✓ It neglects the **distribution** of costs and benefits among groups
- ✓ It excludes other **wider impacts** which could be relevant for the decision process
- ✓ It includes other impact dimensions (e.g. environmental and social) **limited to their economic effects**, measuring them only by monetary terms and neglecting their impacts specific dimensions, e.g. their non-economic effects on environment and society

# The appraisal process in UK and Australia

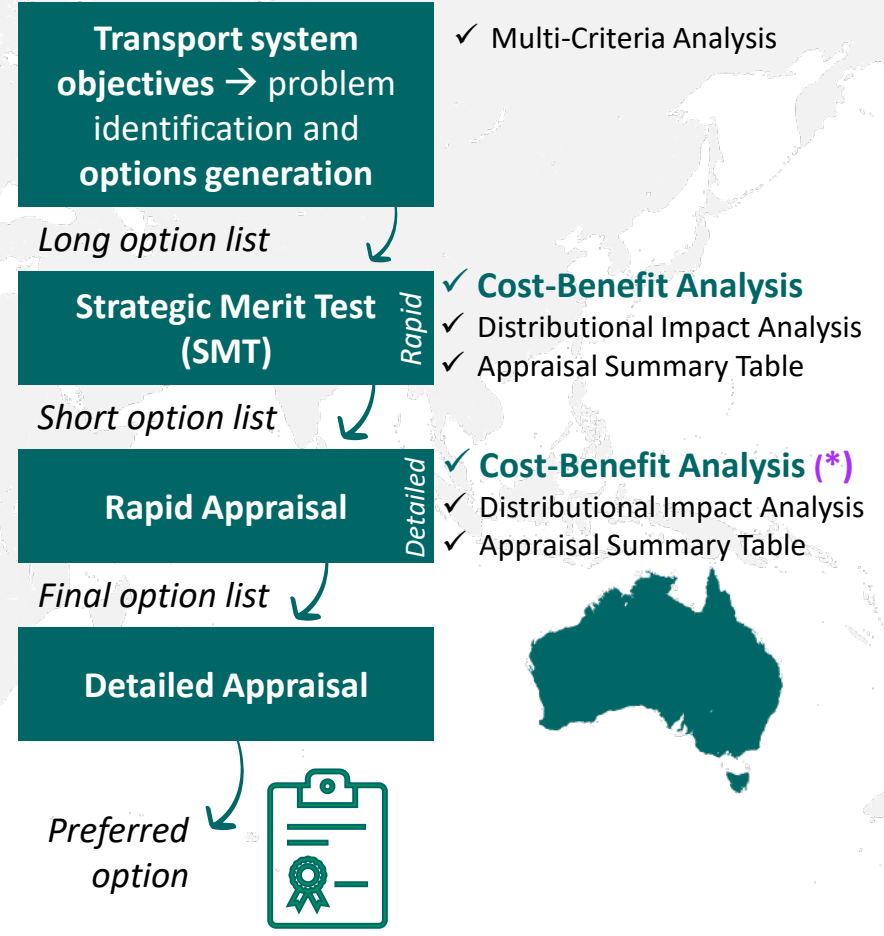
## UK's Transport Analysis Guidance (TAG)



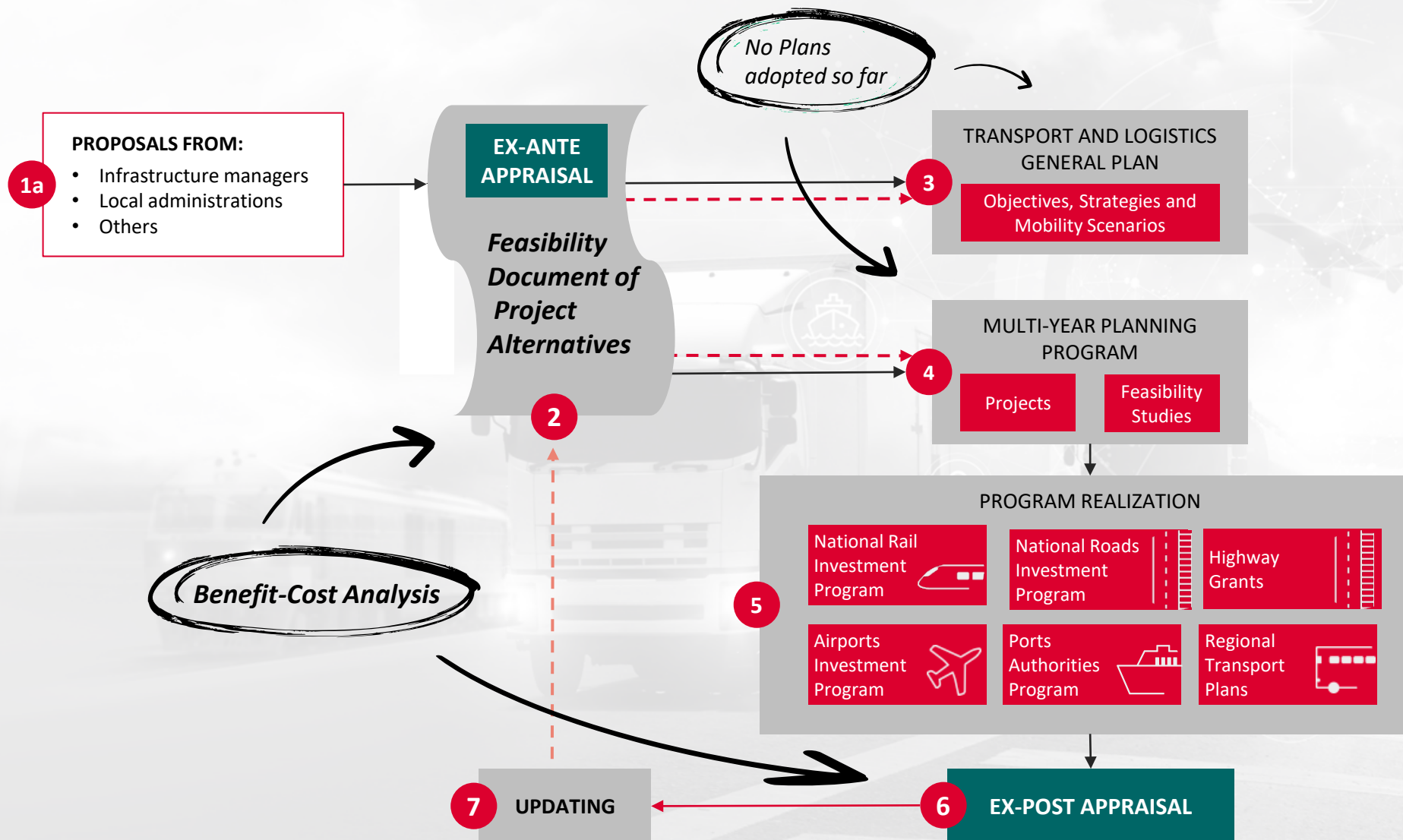
*It is delivered to decision-maker and it summarises qualitative, quantitative and monetary impacts of the dimensions analysed*

(\*) may integrate WEIs

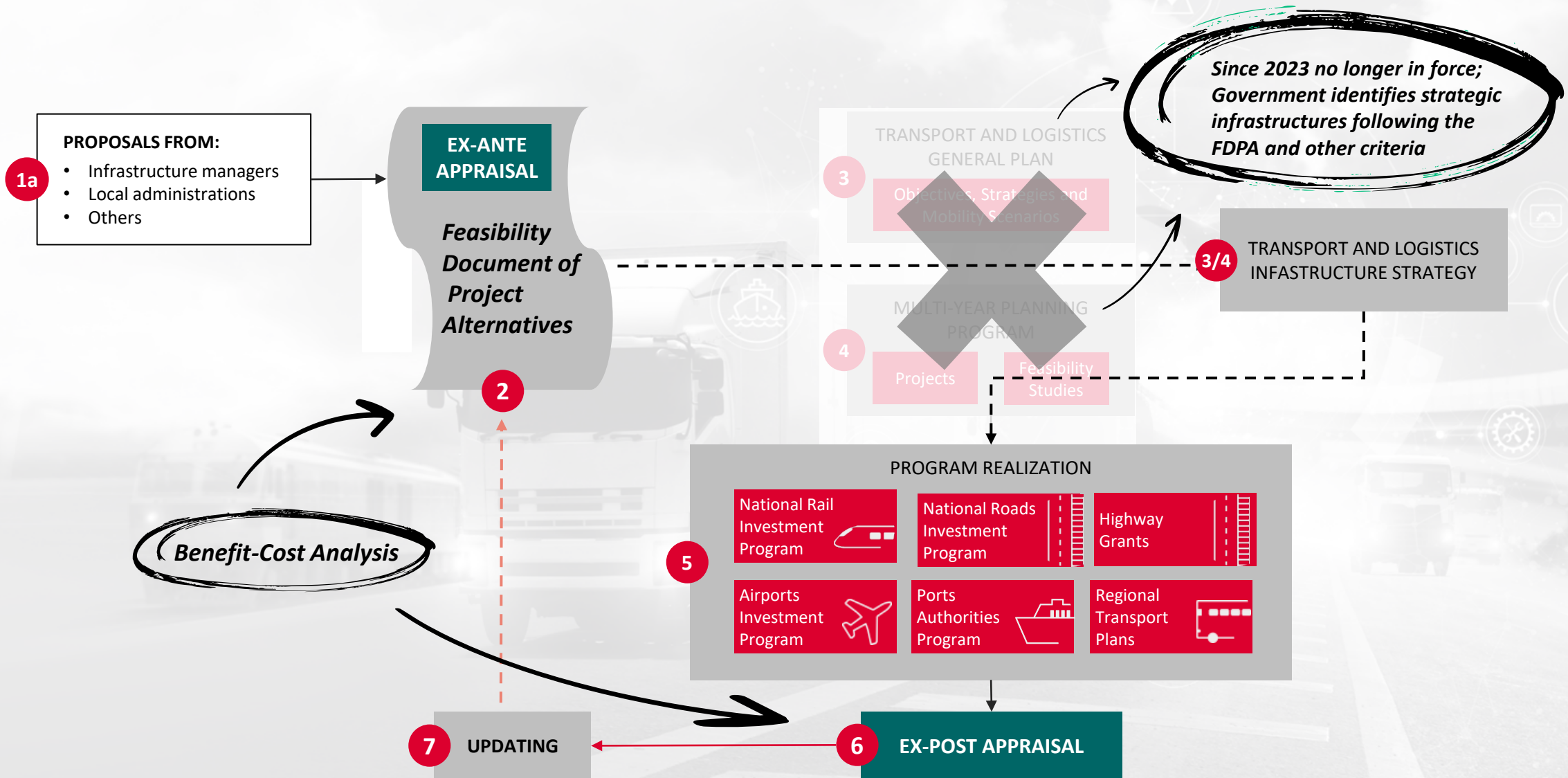
## Australian Transport Assessment and Planning (ATAP) Guidelines



# The transport planning process in Italy (2016-2023)



# The transport planning process in Italy (2023 on)





# The appraisal of railways infrastructure projects

## Requirement framework

Description of the **context needs** to be addressed and related **objectives** and performance and sustainability **indicators**

1

## Feasibility Document of Project Alternatives

Comparison of **project alternatives** through **ex-ante evaluation** according to spatial, mode and path characteristics

2



|                   |   |
|-------------------|---|
| MCA               | ? |
| CBA               | ! |
| WEI & Economic IA | ? |

## Public Debate



3

## Design Guidance Document

Performance requirements to achieve and **design strategy**

4

## Technical-Economic Feasibility Project

Design development of the solution that shows the **best Benefit-Cost Ratio**.



|                   |   |
|-------------------|---|
| Sustainability IA | ! |
| Environmental IA  | ! |

*EU Sustainability Taxonomy: DNSH*

5

## Executive Design

Drafting of the executive project and execution of works

○ Project phase  
 ○ Design phase  
 ? Optional  
 ! Mandatory

# Conclusions

## Worldwide:

- ❑ Regulatory framework is still centred in CBA
- ❑ The debate on how expanding the investment appraisal beyond CBA is still open with different facets

## In Italy:

- ❑ CBA is the central decision support tool to select the appropriate alternative; anyway, it is complemented by the evaluation of social and environmental objectives and other relevant economic effects
- ❑ Even if distributional effect assessment, social effects , and WEIs are mentioned in guidelines, there is a lack of a detailed methodology to follow
- ❑ The last Code of Public Procurement indicates criteria to designate strategic infrastructures of national interest, but the methodology to follow for the decision-making process is still under development

# Thanks for your attention!

Any questions?

