

Research Trends and Results

Long-term Planning and Budgeting for Transport Related Public Works Projects in the Industrialized Countries of Europe and America

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1. Introduction

The NILIM is conducting a survey focused on interrelationships between public works project planning systems, decision-making methods and project evaluations in the industrialized countries of Europe and America in order to improve Japanese public works project evaluation methods. We are now researching the policy systems, planning and individual projects, the individual project evaluation procedures, the relationships between budget systems and project evaluations, and the project progress management systems in the United Kingdom, the United States, France, and Germany. This report introduces the most recent state of long-term planning and budget systems for transport related public works projects in each country based on the results of the research.

2. United Kingdom

Since 2010, HM Treasury has enacted the National Infrastructure Plan as a long-term plan for transportation (roads, railways, ports/harbors, and airports), information and communication, flood control and so on. This plan has been enacted to present nationwide infrastructure investment and to explain its importance. Though it is a 5-6 year plan, it is renewed every year. In regards to this, concerning road projects, the Parliament has introduced the Infrastructure Bill, a bill concerning the construction of Strategic Highways to be operated by the Highway Agency between 2015 and 2021. The previously enacted Road Investment Strategy has been also incorporated in this Bill to measure the cost-benefit ratio (B/C) in individual route units.

3. United States

Map-21 is the latest long-term planning law related to land transportation (started as a two-year plan, it is being extended). MAP-21 stipulates the federal government's budget scale for each category, and the federal budget is divided between the states mainly according to criteria such as state size, but the federal government does not determine priority of individual projects. In the MAP-21, individual projects scheduled for the next 20 years in the long-range plan (LRP) in each state are confirmed based on 5-year cycles and the Transportation

Improvement Program (TIP) sets priorities and funding plans for prioritized projects scheduled for the next four years.

4. France

The Transportation Public Capital Improvement Plan, which stipulates major national projects concerning railways, ports, canals, urban public transport, roads and airports for between 20 and 30 years in the future, was enacted in 2010. This plan includes individual route names, estimated project cost, and project section length for each category—railways, ports, and roads—and prioritizes projects and provides annual budgets for each year in individual project units.

5. Germany

The Federal Transport Infrastructure Plan that is a long-term plan in 10 to 15 year units concerning railways, roads, and inland shipping has been enacted by the Federal Ministry of Transport, Building and Urban Affairs, and the latest is the 2003 plan and the 2015 plan is being enacted. The Federal Transport Infrastructure Plan stipulates locations, outlines, and project costs of major projects by field and order of priority. When the Federal Transport Infrastructure Plan was enacted, the projects were evaluated, and were prioritized in three ranks. The Demand Plan is enacted every 5 years based on the views of states by extracting projects from the Federal Transport Infrastructure Plan, forming the basis of the distribution of budgets to individual projects in five year units.

6. In Conclusion

Japan has the Act on Priority Plan for Social Infrastructure Development, but this is not a plan linked directly to budgeting. In the United Kingdom, the United States, France, and Germany on the other hand, procedures from the enactment of long-term plans to budgeting individual projects are interrelated, establishing such systems that ensure long-term stable project implementation.

In the future, we will continue to research project evaluations in industrialized countries of Europe and America in order to obtain further reference for improving the Japanese project evaluation system.