

6-1 Method for analyzing cost-effectiveness of new measures

ACTION WP6 team

SOM3-2020 meeting

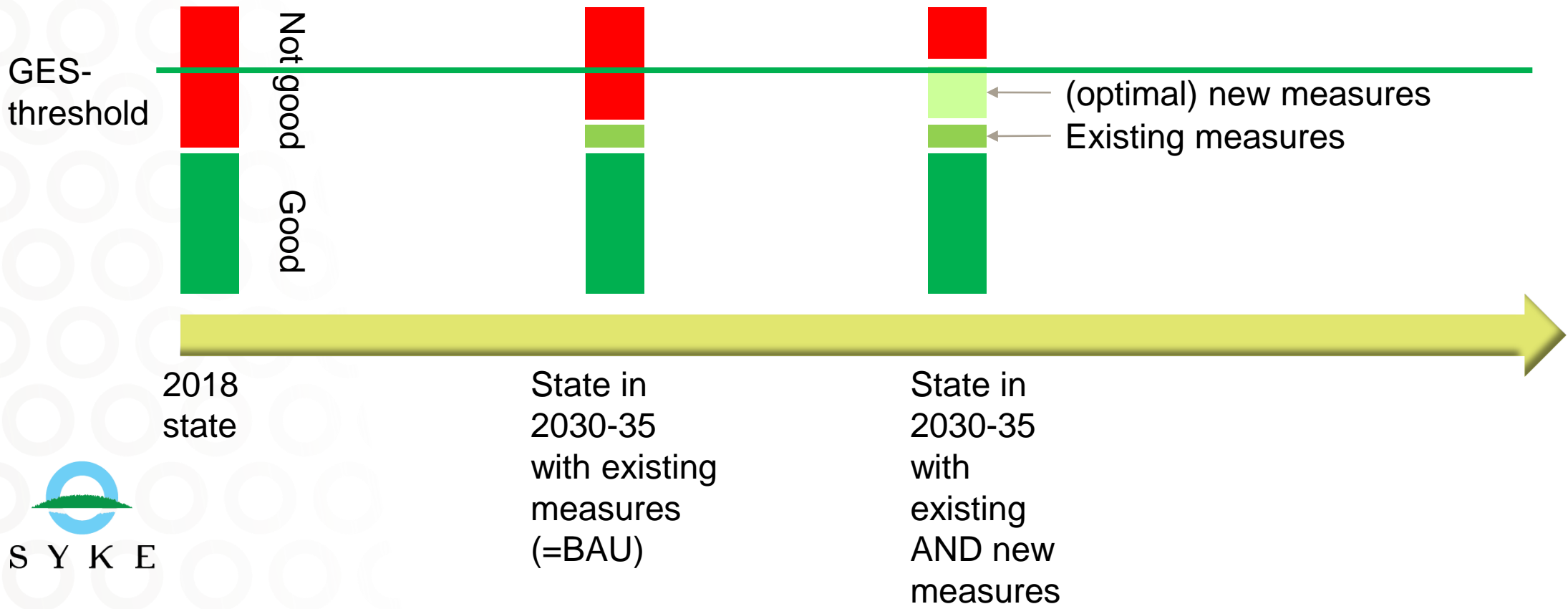


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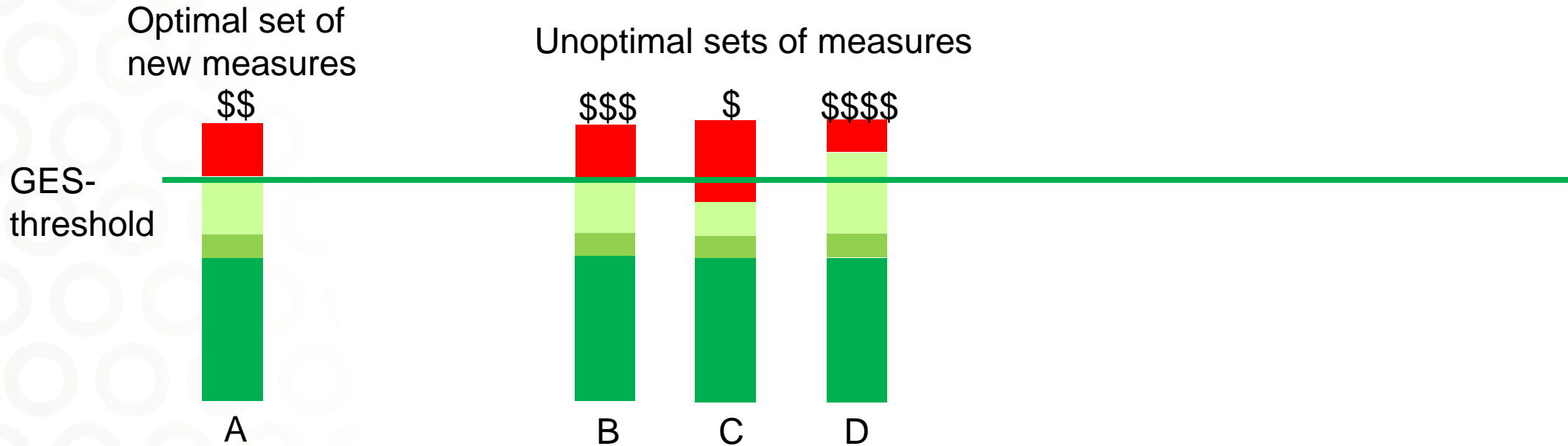
Background

- Initial plan was presented to SOM2 in September
 - In SOM2 it was emphasized that cost and effectiveness data should come from the Contracting Parties / synopses.
 - ACTION project has indicated that support for data collection can be given.
- EN ESA 8/2019 discussed the plan in November.
- ACTION project meeting in February further developed the plan on the:
 - collection of cost data,
 - method for cost-effectiveness,
 - ACTION time table for these tasks.

How cost-effectiveness analysis links with the SOM-model of existing measures



Cost-effectiveness analysis and optimal sets of measures: GES with the lowest cost



C and D can be optimal sets of measures if optimization is done under budget constraint:
What is the best environmental status we can achieve with budget \$ or \$\$\$\$?

Effectiveness of new measures

- the effectiveness of new measures is defined in a similar way as for the existing measures
- Information on effectiveness of potential new measures will be collected from the following sources:
 - (1) synopses of the new measures,
 - (2) peer-reviewed literature (ACTION WP6),
 - (3) grey literature such as project reports (ACTION WP6),
 - (4) ACTION project outcomes and
 - (5) expert-based data collected for the SOM model, when new measures can be linked to the measure types in the expert surveys



CONCRETE STEPS TO ESTIMATE COSTS OF PROPOSED NEW MEASURES

1. List the proposed **new measures** that will be included in the analysis.
2. Create **causal pathways** for implementation of the proposed new measures included in the analysis to understand who are affected by the measures and how (from expert workshops, synopses, descriptions of existing measures, reports...).
3. Identify the **types of costs** for proposed new measures based on causal pathways (from CEA reports, cost-guidance).
4. Considering the cost types for proposed new measures, review available cost estimates and existing data sources that can be used to **define the costs** of proposed new measures. [can be start at the same time as Step 1]
5. **Cost transfer**: how to use existing cost estimates and data for the cost types of proposed new measures. This step also includes a proposal to use categorical costs instead of monetary values. The proposal is that national cost estimates are categorized into common categories which reflect the national 'low costs' or 'high costs'. This categorization will reflect the obvious need to have intervals for the costs but also to ensure comparability among the Contracting Parties and help to deal with uncertainties with the cost estimates. The categories could be 'very low', 'low', 'moderate', 'high' and 'very high' and they would be more clearly defined to support their use.
6. Data validation and data gaps in existing cost data. Additional actions: expert opinion etc

Time table

- March-July: **collect effectiveness data** for the proposed measures to support the BSAP UP workshops in August/September.
- April – August: **collect cost data.**
- August-September: the BSAP UP workshops could also contribute to the effectiveness estimates and to understanding the causal pathways of measures.
- August-September: run cost-effectiveness model.
- September: submit results to WG meetings (taking place in October).
- Final results to support the December HOD meeting.