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Financial aspects of SEA and EIA

2nd Subregional Workshop on the Practical Application of SEA
and Transboundary EIA

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Background

- Both SEA and EIA require finances
 - To keep the entire national system operational (salaries of the relevant governmental officials, costs needed for SEA/EIA databases, preparing methodologies, organizing consultations, etc.);
 - **To carry out individual SEA and EIA**
- Sources for individual SEAs and EIAs differ (public funds, private funds, international financial institutions and donors)
- There is no precise methodology on how to calculate the costs, it is case-specific....but certain principles can be applied

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Financing individual SEA and EIA

- SEA – public funds:
 - In principle, the costs are to be covered by the planning agency
 - SEA consultants are usually selected through public tenders
- EIA – both private and public funds:
 - Private developers (with or without tendering EIA consultants)
 - Public budget: e.g. EIA for large transport infrastructure or energy projects, where project developer is a governmental agency (highway directorate, state energy company, etc.)

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General figures

- Costs of SEA
 - May vary between 5 – 10% of the planning costs
 - It is often difficult to estimate the planning costs (involves salaries of governmental staff, etc.)
- Costs of EIA
 - Usually amount to less than 0.5 % of the total project costs
 - Costs exceeding 1% may occur for controversial project and/or located in sensitive environment
 - The project costs are usually estimated by the project developer (e.g. within the feasibility study)

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Main aspects to consider when estimating costs of SEA and EIA

- Complexity of the plan, programme or project
- Sensitivity of the environment/population in the likely affected area
- Length of the planning process/preparation of the project design
- Key environmental and health issues to be likely affected
- Studies, analyses, surveys to be carried out
- Consultations to be organized

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How estimate the costs

- Considering main aspects, estimate a number of working days needed for
 - Studies, analyses, surveys to be carried out
 - Preparation of the screening, scoping, SEA/EIA reports
 - Organizing consultations
 - Coordination and management of SEA and EIA process (communication with the client, coordination of the experts, etc.)
- Other costs: travel (surveys, local consultations), room rental (public meetings), lab analyses (e.g. soil and water quality), field measurement (actual noise levels, air quality), printing, translation etc.

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Tendering

- A conservative estimate can be used as a maximum bidding price
- Price should not be the only criterion, also experience of the team (company's references, CVs of experts) and methodology proposed should be considered
- If possible, tendering can be done in two phases:
 - Scoping
 - Preparation of SEA/EIA report: the specific studies and analyses to be performed and related budget can be better estimated after the scoping stage

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Further reading

- European Commission (1996): A study on costs and benefits in EIA/SEA.
<http://ec.europa.eu/environment/archives/eia/eia-studies-and-reports/eia-costs-benefit-en.htm>
- R. Therivel and F. Walsh (2005): The Strategic Environmental Assessment Directive in the UK: One Year On. Environmental Impact Assessment Review.
- European Commission (2007): Costs and benefits of the EIA Directive.
<https://ec.europa.eu/environment/eia/pdf/Costs%20and%20benefits%20of%20the%20EIA%20Directive.pdf>
- Netherlands Commission for Environmental Assessment (2014): Financing EIA.
https://api.commissiemer.nl/docs/mer/diversen/os_financingstudy-final-august2014.pdf

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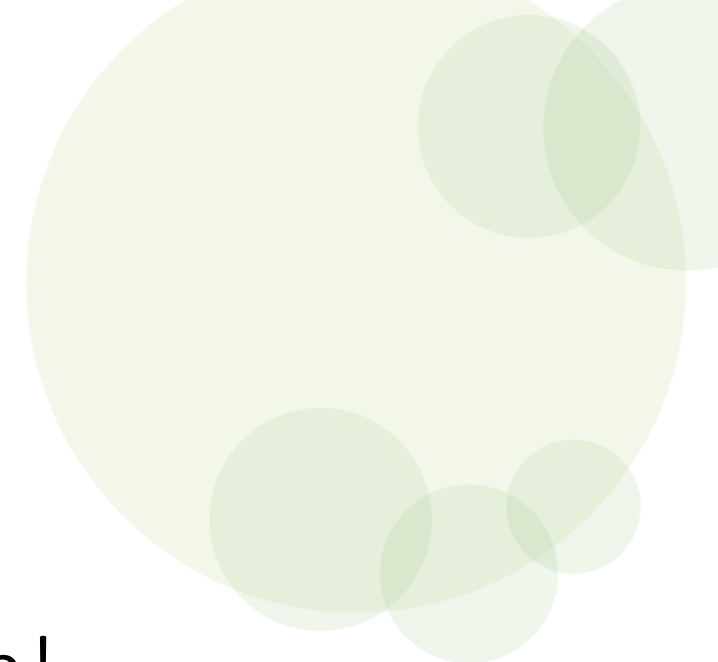
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Thank you for your attention!

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