

Guide to socioeconomic evaluation of public investments in France

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Summary

- What's the socioeconomic evaluation of public investments in France ?
- What is the socioeconomic evaluation process in France ?
- The methodological supplements
- The sectoral guides

●●● Guide

Décembre 2017

Évaluation

●●● Guide

December 2017

Evaluation

Guide de l'évaluation socioéconomique des investissements publics

Sous l'autorité du comité d'experts des méthodes
d'évaluation socioéconomique des investissements publics,
présidé par Roger Guesnerie, professeur au Collège de France
et président honoraire de Paris School of Economics



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FRANCE STRATÉGIE
ÉVALUER. ANTICIPER. DÉBATTRE. PROPOSER.

French version

GUIDE TO SOCIOECONOMIC EVALUATION OF PUBLIC INVESTMENTS IN FRANCE

Drafted under the authority of the Committee of Experts
on Methods for Socioeconomic Evaluation of Public Investments,
chaired by Roger Guesnerie, professor at the Collège de France
and Honorary President of the Paris School of Economics



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English version



What is the socioeconomic evaluation of public investments in France ?

What is the socioeconomic evaluation of public investments in France ?

What is the socioeconomic evaluation of an investment project?

- Evaluate the social value (welfare gains) of an investment project for the community and compare them to its costs

Why evaluate socioeconomic impact of public investments?

- Inform the decision-maker on the choice of the investments that are most useful to the community
- Comply with the legal obligation imposed by the law of 31 December 2012 on the programming of public finances

What is the purpose of the socioeconomic evaluation?

- **Objectification** of the impact of an investment on the welfare of all economic agents, compared with the costs.
- **Opportunity** : are the benefits resulting from the project at least higher than its costs?
- **Optimization**: among several options (technical, financial, implementation methods, etc.), which ones create the most social value?

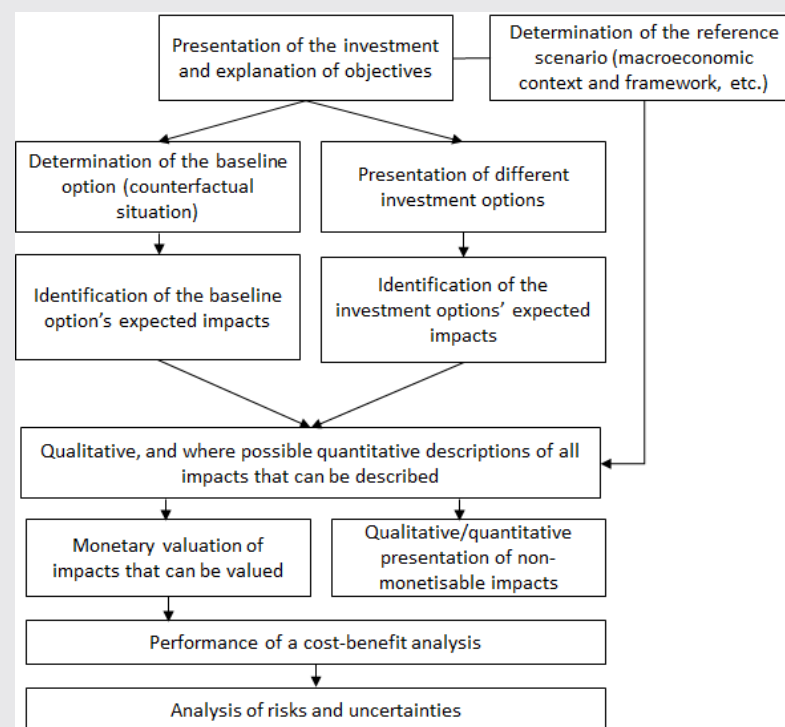
A common approach to all sectors to quantify the costs and benefits of a project for the community in order to assess whether it is collectively desirable.

What is the socioeconomic evaluation process in France ?

The socioeconomic evaluation process in France

- Describe the **context** of the investment and explain its **objectives**
- Present the **baseline option** (counterfactual situation)
- Define the **investment options**
- Identify **the stakeholders** affected by the investment
- Inventory **the impacts of investment options** on each stakeholder
- Quantify and, if possible, give a **monetary valuation of investment impacts**
- Conduct **cost-benefit analysis** (including for each stakeholder) and **financial analysis**
- Present qualitatively and, if possible, quantified **non-monetarized impacts**
- Perform an **ex-post evaluation** several years after the investment

The systematic stages of socioeconomic evaluation



The methodological supplements

The methodological supplements

Published methodological supplements

- Reference scenarios
- Official social value for non-market goods
- Market impacts, non-market direct impacts, externalities and their monetary values

Ongoing publications

- Decision rules with the criteria of socioeconomic NPV (net present value)
- Sensibility analysis
- Financial analysis
- Residual value and projection time horizon
- How to use the CO2 value

The sectoral guides

The sectoral guides

- The Government Instruction of 16 June 2014 presents the general framework for the evaluation of **infrastructure projects and transport services**
- Socioeconomic evaluation of real estate projects in **higher education and research**
- Socioeconomic evaluation of **social investment**: how to implement cost-benefit analyses for social, health and education policies
- **Very high-speed broadband projects**: socioeconomic evaluation method



The internet links

- <https://www.strategie.gouv.fr/comite-dexperts-methodes-devaluation-socioeconomique-projets-dinvestissements-publics>
- <https://www.strategie.gouv.fr/methodes-de-calcul-socioeconomique>
- <https://www.strategie.gouv.fr/colloques-levaluation-socioeconomique-investissements-publics>
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Thanks