

Norway

Assessment of distributional impact



TYPE OF TOOL
*Methodology/
Guidelines/
Requirements*



MAIN SECTOR
All sectors



INFRASTRUCTURE GOVERNANCE PILLARS
Evidence-informed decision making

In a nutshell



OBJECTIVE: Norway requires assessment of distribution impact of central government measures to support decision making.



Agency in charge
Ministry of Finance; Norwegian Government Agency for Financial Management



Year of implementation
2014



Levels of government
National



Current status
Fully operational

Overview

An infrastructure project can have varying effects across various population groups. Integrating an assessment of distributional impact of an infrastructure project into the project appraisal process can support the design and ensure transparency on how the project impacts various population groups. In Norway, studies of central government measures are required to describe expected effects for all those affected, including both positive and negative effects. In order to determine all relevant effects of the measures under examination, it is required that individuals or population groups that are expected to be affected by the measures are identified from the outset. Both intended and unintended effects are taken into consideration. It is recommended that important distributional effects be described in a separate analysis and assessment be made on whether there are measures that will compensate affected groups. In addition to general guidance notes to support decision making related to central government measures, Norway has developed sectoral guidance notes to provide more detailed guidance on which effects of the measures should be studied within the relevant sector, and on which method is best suited. Studies are also required to describe how permanent the effects are, i.e. the effects for the entire period during which the measure in question is expected to have any effect. It is recommended that the effects be quantified and valued in Norwegian kroner if information on this is readily available, and specified in annual quantities for the period during which these are expected to occur. It is also recommended to provide a description of how effects are expected to evolve over time, also when these are not quantified. Norway also requires an assessment of distributional impact in the framework for cost-benefit analysis to allow decision makers to take this into account in the assessment of different alternatives.

REFERENCES:

- Norwegian Government Agency for Financial Management (2018), Guidance Notes on the Instructions for Official Studies, https://dfo.no/sites/default/files/fagomr%C3%A5der/Utdragningsinstruksen/Guidance_Notes_on_the_Instructions_for_Official_Studies.pdf
- Ministry of Finance (2021), Circular R-109 - Principles and requirements for the preparation of socio-economic analyses, https://www.regjeringen.no/globalassets/upload/fin/vedlegg/okstyring/rundskriv/faste/r_109_2021.pdf