

United Kingdom

Multi-criteria analysis manual



TYPE OF TOOL:
*Methodology/
guidelines*



MAIN SECTOR:
All sectors



THEME:
Green



INFRASTRUCTURE GOVERNANCE PILLARS:
*Fiscal sustainability, affordability and
value for money*

In a nutshell:



OBJECTIVE: The United Kingdom's multi-criteria analysis manual provides guidance on the incorporation of multi-criteria analysis in decision-making processes.



Agency in charge
DLUHC



Levels of government
National



Year of implementation:
2009



Current status:
Fully operational

Overview:

Embedding evidence-based project selection and prioritisation processes in government decision-making ensure value for money, affordability of infrastructure projects for the public budget and users, and minimal sustainability risks. Rigorous project appraisal and selection processes ensure that due consideration is given to social and economic efficiency (taking into account economic, social, fiscal, environmental and climate-related costs and benefits) while also taking into account the full cycle of the asset. Supplementing cost-benefit analysis with other methodological tools to accommodate multiple objectives and uses – such as infrastructure sustainability – helps establish the overall societal return on investments.

The United Kingdom has developed general guidelines for Government officials and other practitioners on the incorporation of multi-criteria analysis (MCA) in decision-making processes. The manual explains techniques that do not necessarily rely on monetary valuations as a way to complement the use of monetary methodologies such as financial analysis, cost-effectiveness analysis, and cost-benefit analysis, which generally do not take into consideration the environmental impacts of infrastructure investments. The guidelines describe various techniques to perform MCA, encompassing a range of distinct approaches. MCA can bring a degree of structure, analysis and openness that lie beyond the practical reach of CBA, as it often involves combinations of some criteria that are valued in monetary terms, and criteria for which monetary valuations do not exist. MCA is then a good instrument to integrate and evaluate the environmental (i.e., water and air pollution, impacts on biodiversity and landscape, etc.) and climate impacts (i.e., GHG emissions) of projects, as it considers elements for which monetary values can be estimated, including indirect values (i.e., through hedonic pricing techniques and stated preferences), as well as elements for which monetary values are not applicable.

REFERENCES:

- Department for Levelling Up, Housing and Communities (2009), Multi-criteria analysis: a manual, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/7612/1132618.pdf