



# **Strengthening Public Investment Planning**

***STRENGTHENING GOVERNANCE OF PUBLIC  
INFRASTRUCTURE***

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Ed Hearne

Investment Projects and Programmes Office  
Department of Public Expenditure & Reform,  
Ireland

# Overview

- Project Ireland 2040
- Alignment of investment and spatial planning.
- Alignment at national, sectoral, regional and local levels.
- Costing of infrastructure projects.
- Governance reform and the “outside view”.

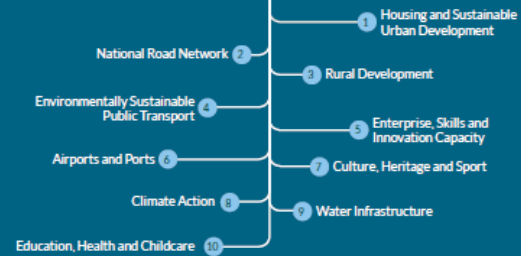
# Project Ireland 2040



## National Planning Framework and its National Strategic Outcomes and Priorities of the National Development Plan



### Strategic Investment Priorities



# Alignment of Investment & Spatial Planning



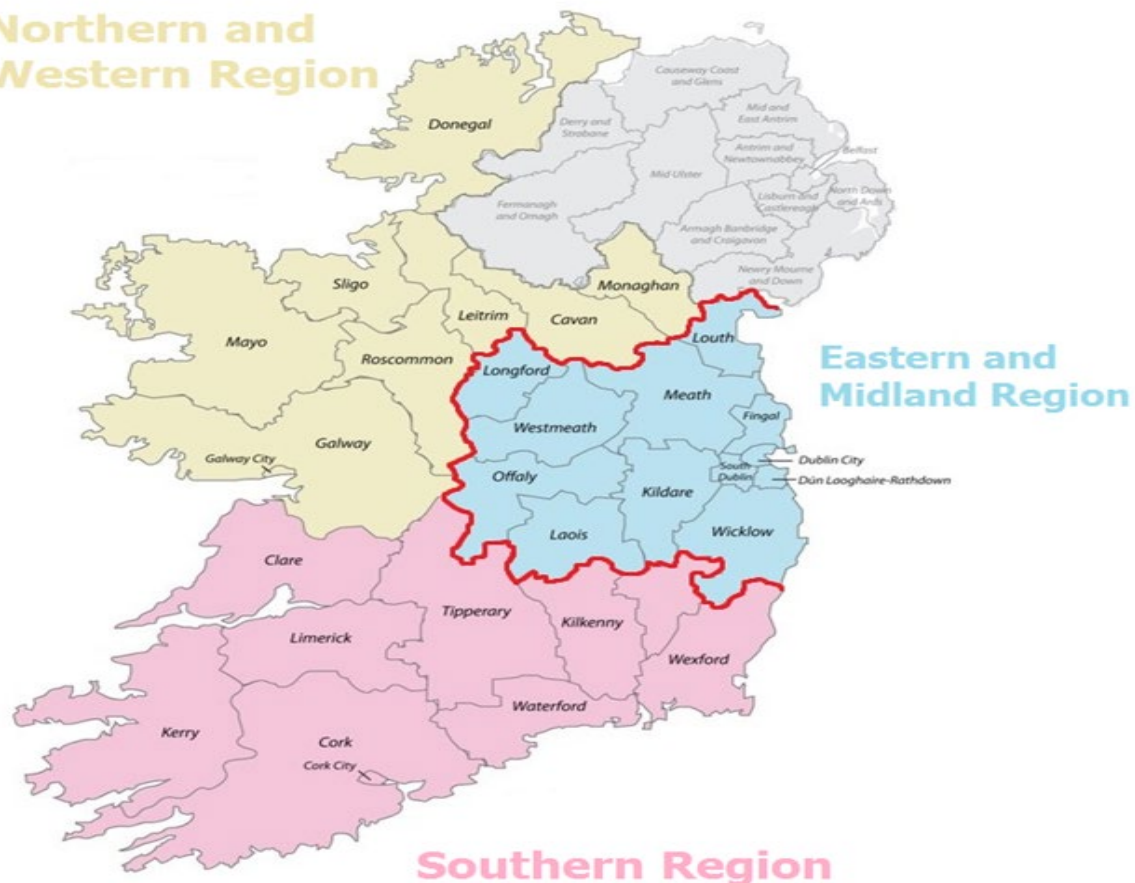
- **Ensuring alignment**

- ▶ Project Ireland 2040 Delivery Board of Heads of Departments meets regularly.
  - ◆ Monitoring Pipeline.
  - ◆ Sectoral Updates.
- ▶ Project Ireland 2040 Coordination Group meets regularly.
  - ◆ Harnessing the public investment community.
- ▶ Institutional Changes.
  - ◆ Investment Projects and Programmes Office (IPPO).
  - ◆ Office of the Planning Regulator (OPR).

# Alignment at National, Regional and Local Levels

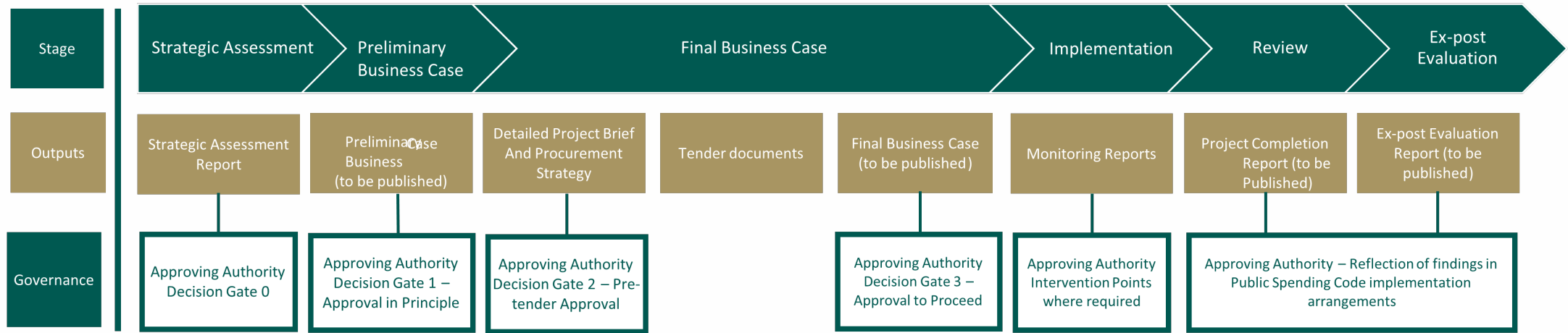
## Configuration of the Regional Assemblies in Ireland

### Northern and Western Region



- Coordination between national and sectoral strategies.
- National Planning Framework triggered development of three Regional Strategies, include five Metropolitan Plans.
- Triggers update of City and County Development Plans.
- Policy levers under review.

# The updated Project lifecycle



# Costing Infrastructure Projects

- Cost overrun on major projects is a global issue (see opposite).
- This is not a public sector phenomenon – private projects are as prone to under-performance.
- Factors such as ‘scope creep’, ‘planning delays’ are often cited.
- But these are symptoms, not causes.
- The root cause can often be derived from a various biases including optimism bias, and “strategic misrepresentation”
- Approaches such as Reference Class Forecasting and benchmarking can assist in bringing external perspectives and experience from previous projects.

Project	Cost over-run (%)
Suez Canal, Egypt	1,900
Scottish Parliament Building, Scotland	1,600
Sydney Opera House, Australia	1,400
Montreal Summer Olympics, Canada	1,300
Concorde Supersonic aeroplane, UK, France	1,100
Troy and Greenfield Railroad, USA	900
Excalibur Smart Projectile, USA, Sweden	650
Canadian Firearms Registry, Canada	590
Lake Placid Winter Olympics, USA	560
Medicare Transaction System, USA	560
National Health Service IT, UK	550
Bank of Norway Headquarters, Norway	440
Furka Base Tunnel, Switzerland	300
Verrazano Narrow Bridge, USA	280
Boston Big Dig, USA	220
Denver International Airport, USA	200
Panama Canal, Panama	200
Minneapolis Hiawatha light rail, USA	190
Humber Bridge, UK	180
Dublin Port Tunnel, Ireland	160
Montreal Metro Laval Extension, Canada	160
Copenhagen Metro, Denmark	150
Boston - New York - Washington railway, USA	130
Great Belt Rail Tunnel, Denmark	120
Brooklyn Bridge, USA	100
Shinkansen Joetsu high speed rail, Japan	100
Channel Tunnel, UK, France	80
Karlsruhe-Bretten light rail, Germany	80
London Jubilee Line Extension, UK	80
Bangkok Metro, Thailand	70
Mexico City Metro, Mexico	60
High-speed Rail Line South, Netherlands	60
Great Belt East Bridge, Denmark	50

Source: Flyvbjerg (2014)

# Planned reforms

- Some countries have introduced mechanisms to ensure external perspectives are brought to bear on project preparation and costing.
- Need for more structured scrutiny of major public investment projects focusing on:
  - ▶ robustness of planned delivery,
  - ▶ accuracy of cost forecasts, and
  - ▶ consideration of risk.
- Developing a new governance and assurance process for major projects with an estimated cost of over €100 million.
  - ▶ Independent external review of major projects at key stages.
  - ▶ Informed by international best practice.
  - ▶ Target operational date of mid 2020.