



An Roinn Iompair
Department of Transport

Governance Framework for Major Projects in Ireland

Garret Doocey – Assistant Secretary General



1 Country Context

Welcome to Ireland



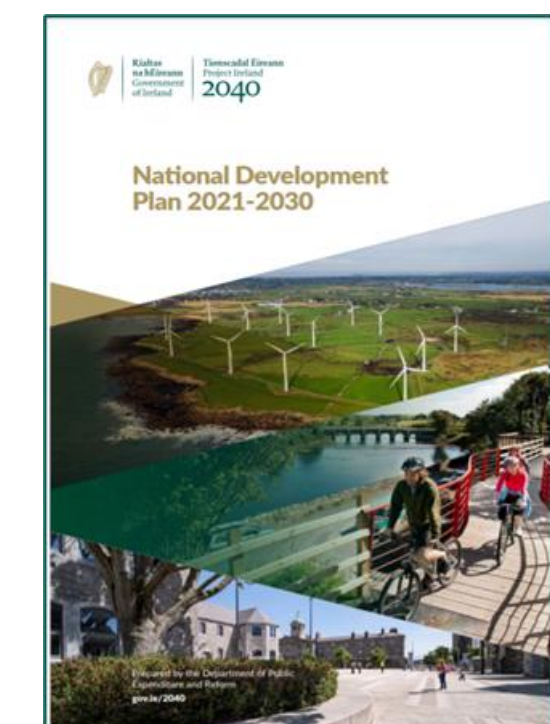
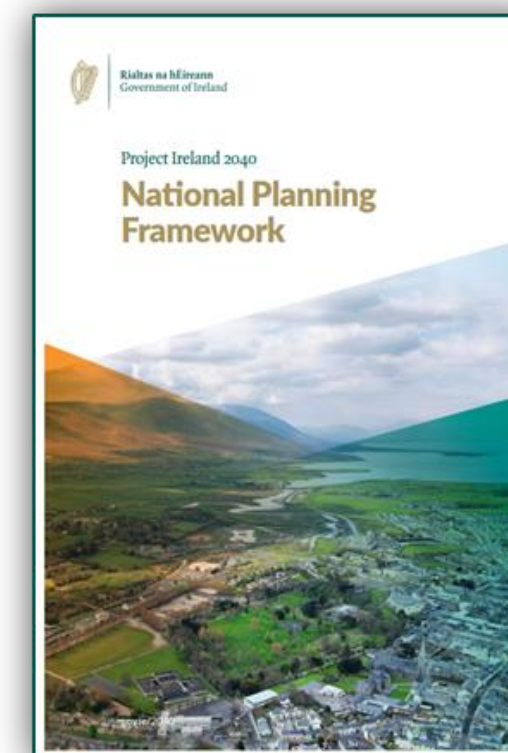
- Population: 5.1m ((Source: Census 2022)
- Density: 73 people per KM (Source: Central Statistics Office)
- Modified GNI*: €271bn
- GDP: €506bn (Sources: Central Statistics Office; reference year is 2022)
- Human Development Index: 7th (Source: UN Human Development Index)
- Trust in public authorities relatively high by EU standards (Source: OECD Trust Survey 2022)
- Civil Service has a generalist tradition – the ‘gifted all-rounder’ (Source: Collins et al (2007))



Project Ireland 2040



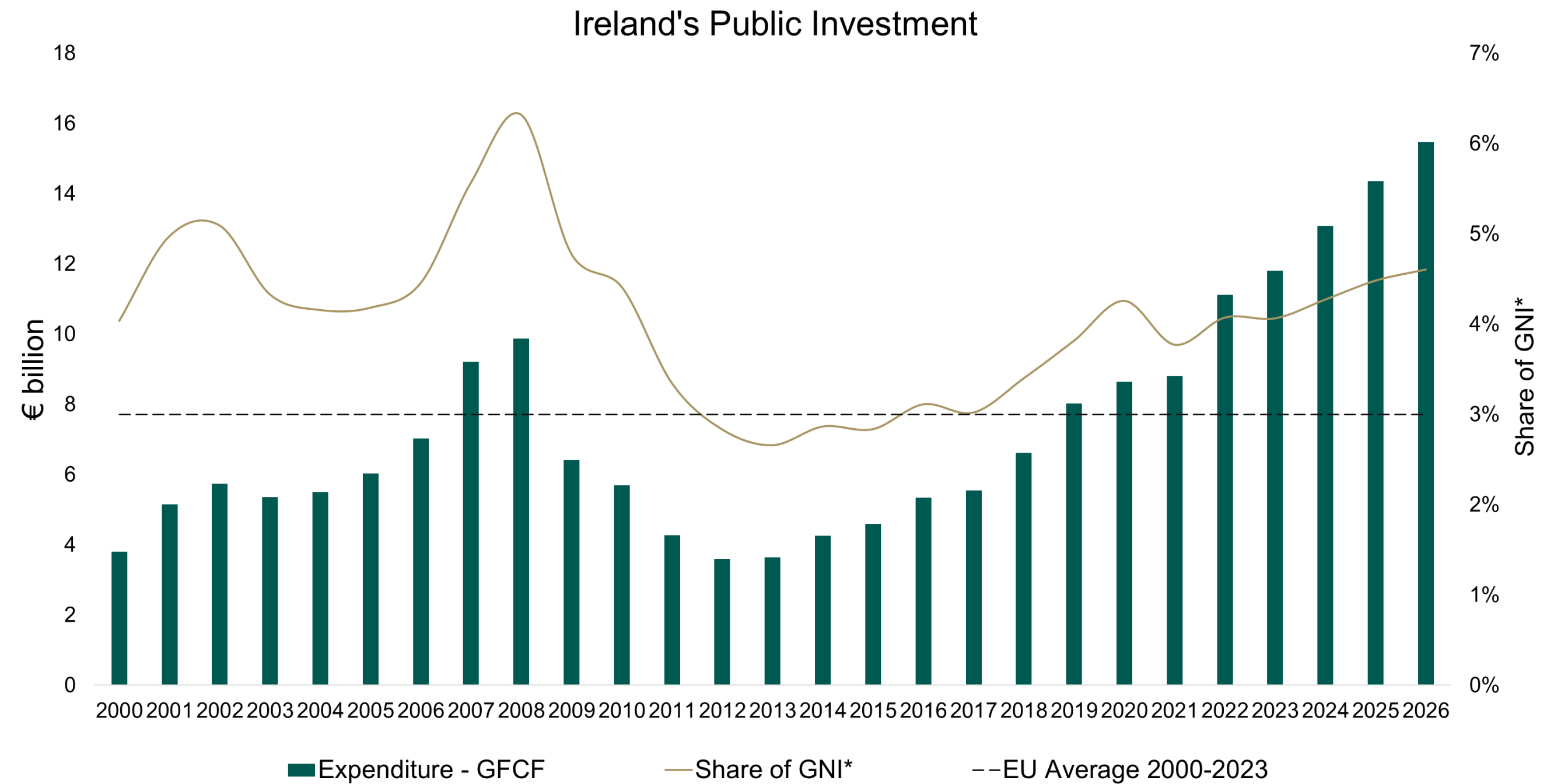
- Published in February 2018
- First time combining long-term spatial strategy (National Planning Framework) with investment strategy (National Development Plan)
- Move beyond approach of the past which saw investment spread too thinly and no alignment between spatial and investment strategies
- A framework approach based around 10 shared National Strategic Outcomes (NSOs)
- Influences capital investment plans across all Ministries and agencies through close alignment between NPF and NDP



Investment Trends and Context



- Stop/start nature of public investment in Ireland over the last three decades
- Significant increases since 2018 and planned to 2030
- Target level of investment is 5%GNI*
- Increasing share of megaprojects in the public capital program:
 - *Metro line for Dublin*
 - *Expansion of commuter rail in Dublin & Cork*
 - *Major bus investment programs in main cities*
 - *Water supply projects*
 - *New hospitals*



National Development Plan 2021 – Planned Expenditure

€ billion**	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
Exchequer	9.8	11.1	11.9	12.8	13.6	14.2	14.9	15.4	15.9	16.4	136
Non-Exchequer	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	29
Total Capital Expenditure	12.7	14	14.8	15.7	16.5	17.1	17.8	18.3	18.8	19.3	165
Exchequer as % of GNI*	4.5%	4.8%	4.9%	5.1%	5.1%	5.1%	5.1%	5.1%	5.0%	5.0%	5.0%

**Rounding effects



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Governance Model

Capital Appraisal in Ireland



- Strong tradition of project appraisal –
 - CBA requirements for industrial development projects since the 1970s.
 - Requirements for economic appraisal of capital projects since early 1980s. Introduced project lifecycle with approval points at various stages.
 - A range of developments throughout 2000s – mostly focused on financial and economic inputs to appraisals.
 - Public Spending Code 2013.

The Public Spending Code: Planning, Appraising and Managing Capital Investment Programmes

MARK CONNOLLY AND FRANK NEWMAN

NATIONAL INVESTMENT OFFICE
DEPARTMENT OF PUBLIC EXPENDITURE AND REFORM



Challenges in recent megaproject delivery



Dept under fire as cost of new national children's hospital hits €1.4bn
- *Extra.ie (2018)*

Fiasco over children's hospital must never be repeated
- *Irish Examiner (2024)*

Ministers defend 'mind-boggling' 2.2bn euro cost for Children's Hospital
- *Irish News (2024)*



The report finds the escalating costs of the new National Children's Hospital related largely to an underestimation of the cost of building it in the first place, as well as the cost of delays, higher building standards and the knock-on effect of VAT..... Our priority now must be to finish the job on time to meet the 2023 opening date, contain further cost increases and **learn from the mistakes made in advance of other major projects** like Metro and the

National Broadband Plan
- *An Taoiseach, April 2019*

Public Investment Management Assessment



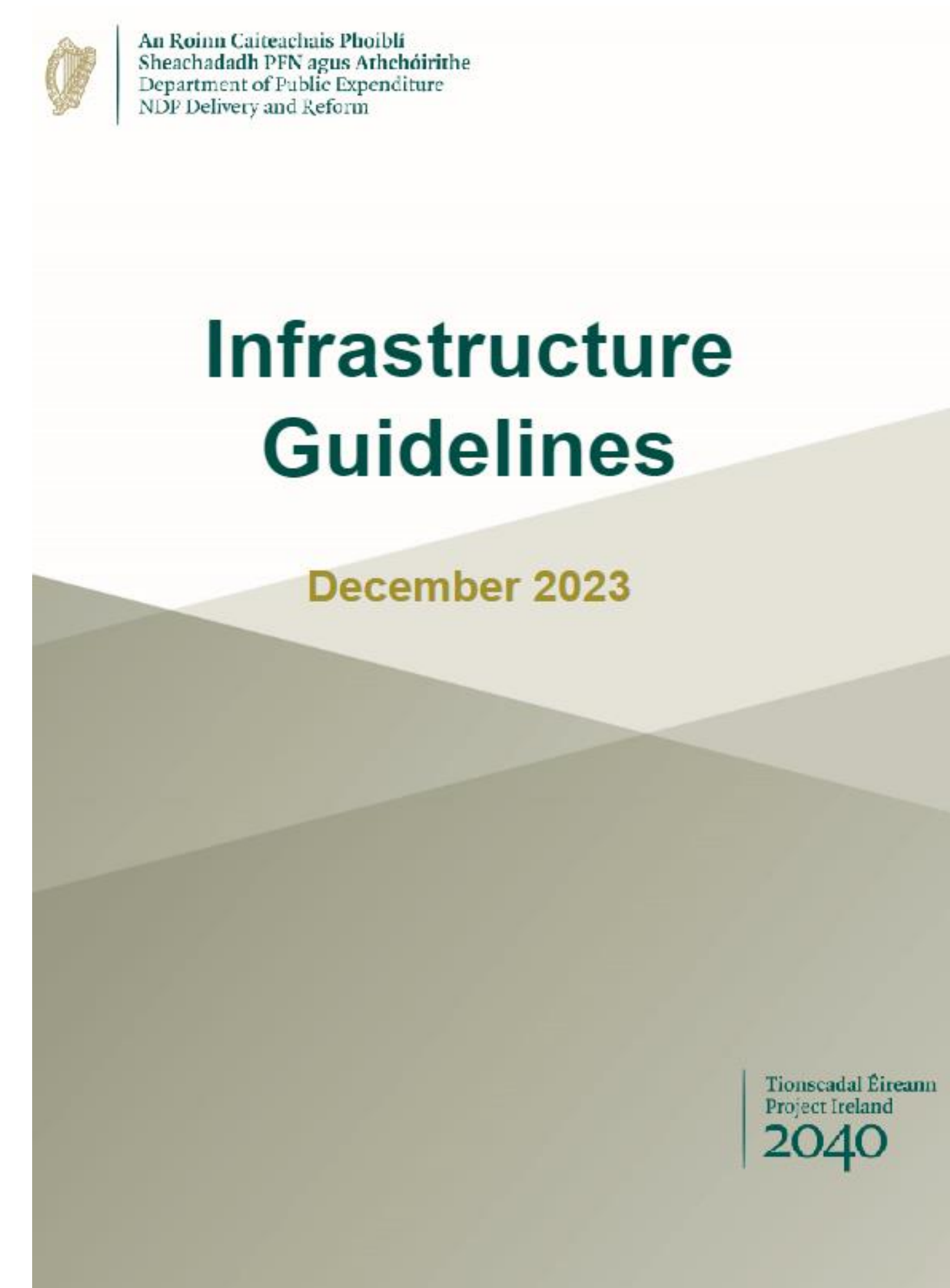
- IMF invited by Ministry of Public Expenditure to conduct a PIMA in 2017
- *‘Comparing the quality and quantity of infrastructure to the size of the capital stock shows shortcomings in the effectiveness of past investment spending’*
- *‘Overall, Ireland manages its public infrastructure relatively well, with strengths and weaknesses across each of the three phases of the public investment management cycle.’*
- Made a number of recommendations such as – improve linkages between planning & budgetary decision making; **monitoring of public investment projects; stronger appraisal and selection of projects**
- Public Spending Code was published in 2019 and updated as the Infrastructure Guidelines in 2023



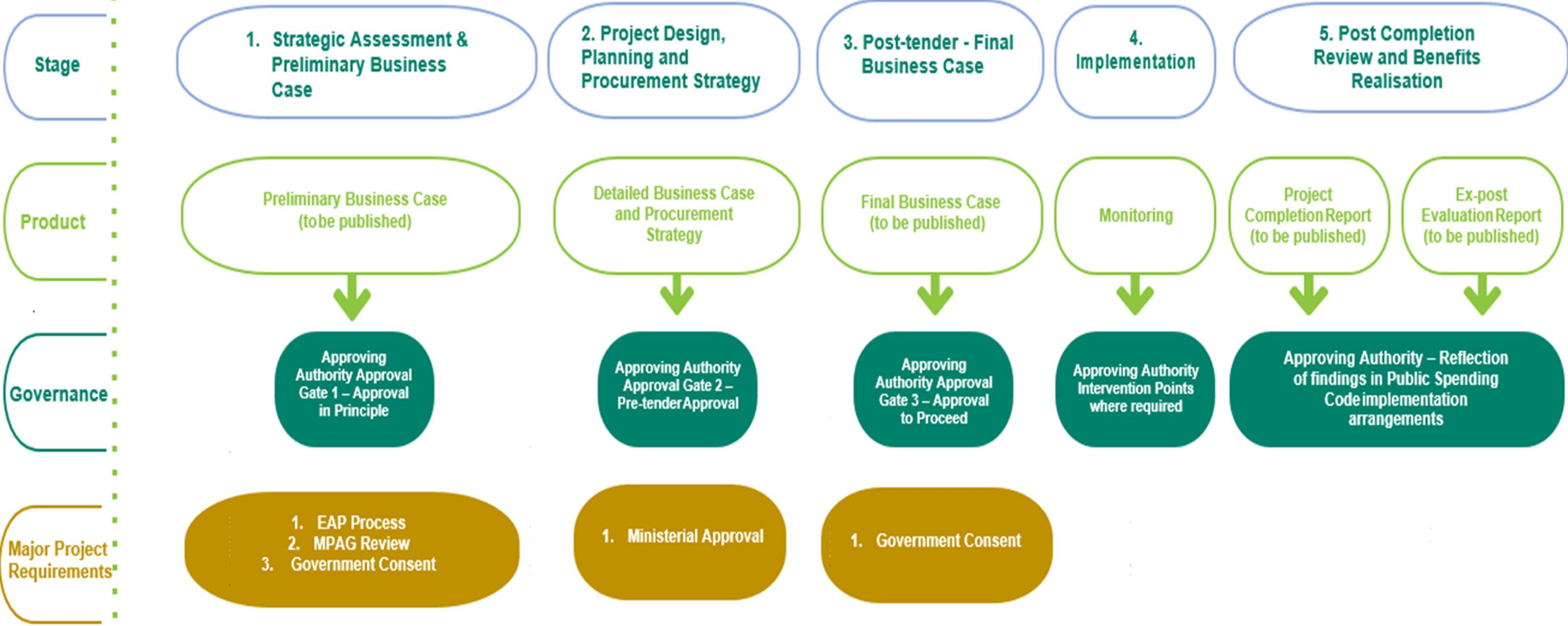
Infrastructure Guidelines



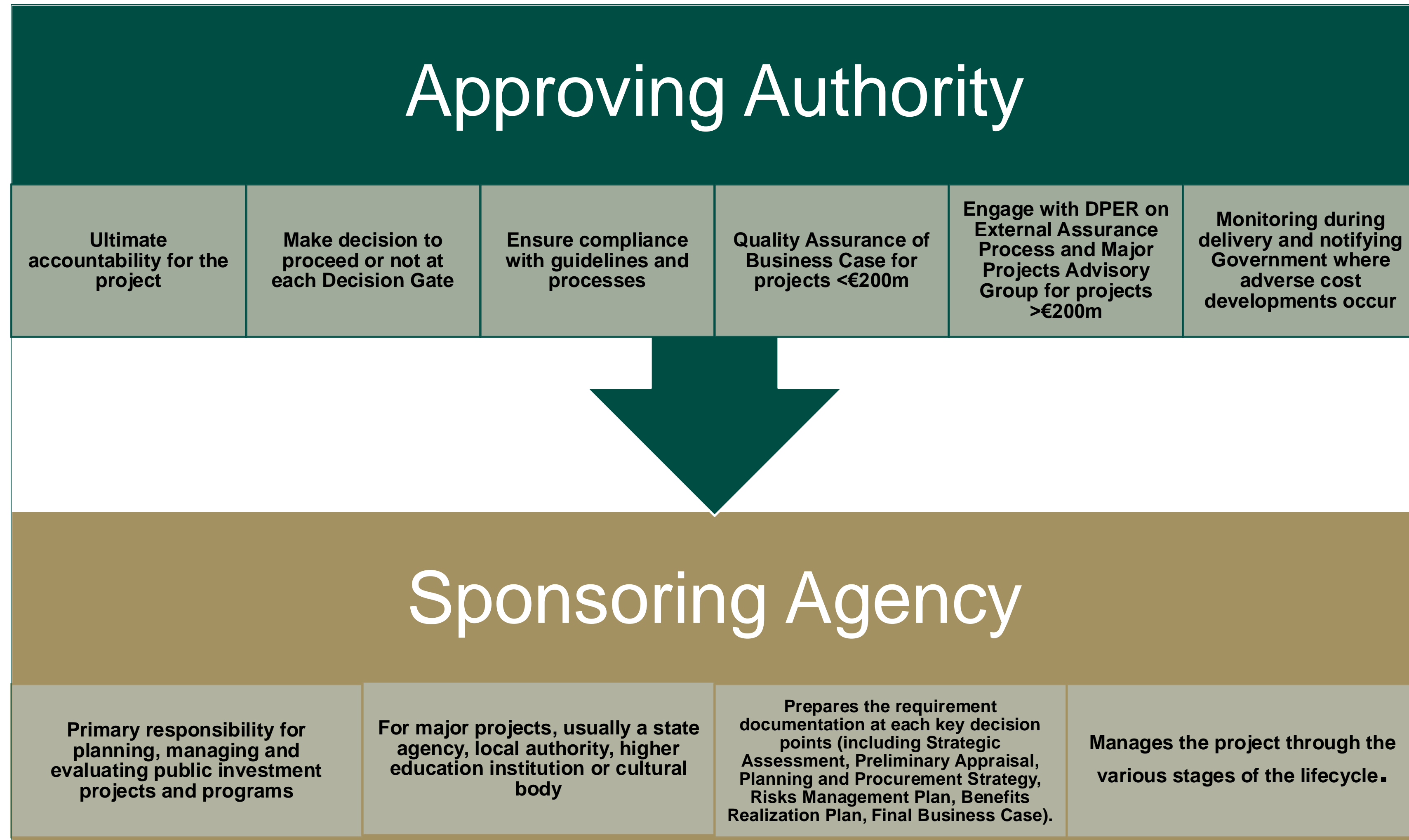
- The Infrastructure Guidelines supercede ‘The Public Spending Code: A Guide to Evaluating, Planning and Managing Public Investment’ published in Dec 2019
- The Infrastructure Guidelines, published in December 2023, provide a main summary document outlining the following:
 - *Scope of the guidelines*
 - *Roles & responsibilities*
 - *Project lifecycle*
 - *Major project requirements*
 - *Brief summary of the stages in the project lifecycle*
- Each stage of the project lifecycle has accompanying detailed guidance with specific details on the requirement and approval process at each stage of the project lifecycle



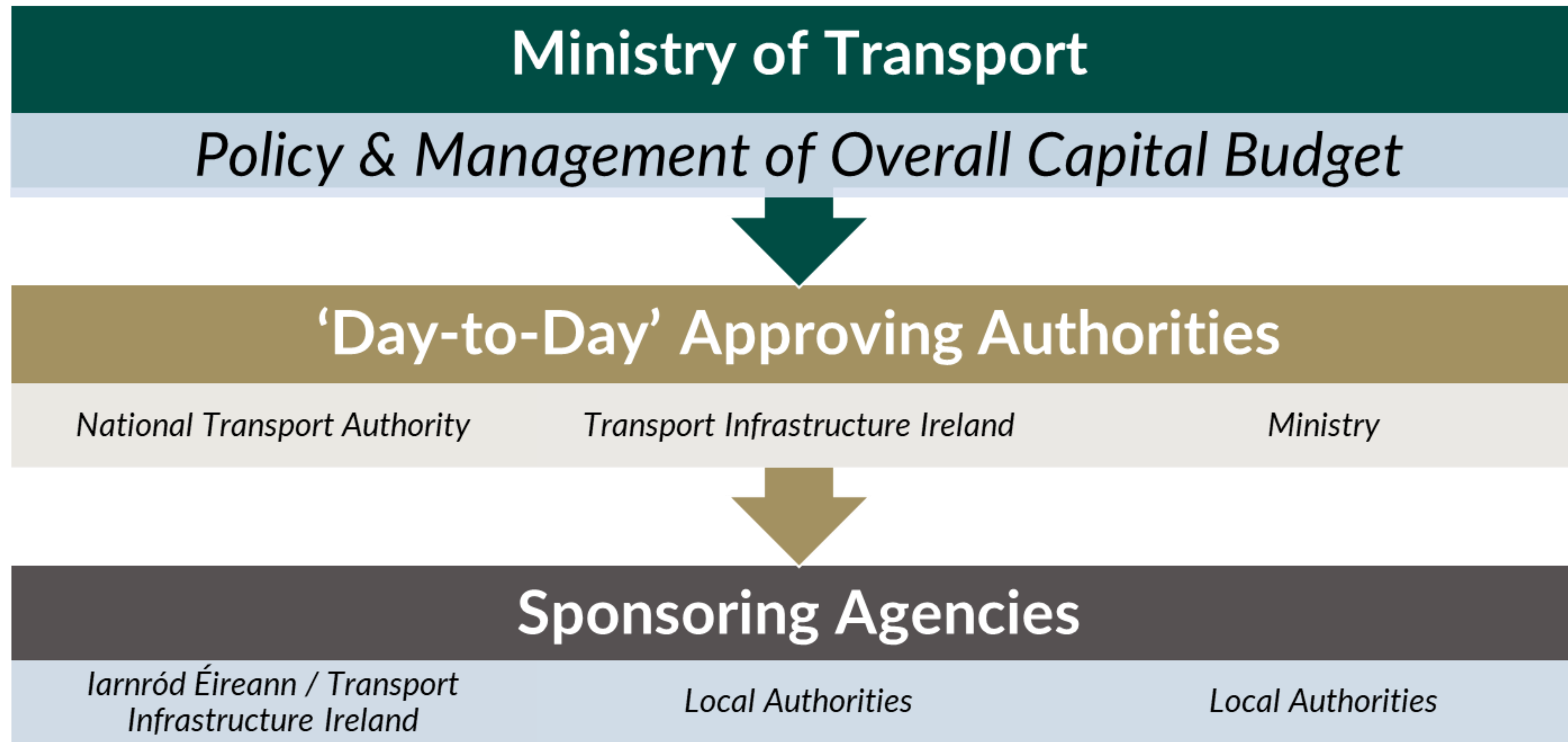
Project Lifecycle



Institutions and roles



Institutions & roles: Land Transport Example





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Major Projects: Quality Assurance

External Assurance Process



- Major projects (€200m+) are subject to the External Assurance Process at Approval Gate 1
- A framework of consultants is managed centrally by the Ministry of Public Expenditure
- Procurement is a matter for the relevant Line Ministry
- QA includes
 - *Testing assumptions in the business case*
 - *Validating cost and schedule estimates*
 - *Analyzing the treatment of risk*
 - *Considering other issues such as stakeholder management and benefits realization*
- The external assurance report is then referred to the Major Projects Advisory Group

Major Projects Advisory Group



- Established by Ministry of Public Expenditure in 2021
- Independent Chair among four external members
- Has a review role for all major projects at Approval Gate 1
- Reviews Preliminary Business Case, External Assurance Report and meets with the Sponsoring Agency and Approving Authority
- Produces a report on each major project which must be submitted to Government at AG1



4 Reflections

Three years on.....



- Political context
- Culture of civil service
- Transparency
- Sharing best practice

Project	Sector
BusConnects Dublin	Transport
MetroLink	Transport
Clonburris Abnormal Strategic Infrastructure	Housing
Cork and Galway Elective Care Centres	Health
Relocation of the National Maternity Hospital to St. Vincent's University Hospital Campus	Health
Water Supply Project (EMR)	Water
Enterprise Fleet Replacement Programme	Transport
Donegal TEN-T Priority Route Improvement Project	Transport
Luas Finglas	Transport