

Enabling Better Infrastructure



EBI submission to the NZIC's call for peer review on their Interim Assessment Framework to create an Infrastructure Priority List

June 2024

Introduction

The New Zealand Infrastructure Commission (NZIC) has developed an *Interim Assessment Framework* to create an *Infrastructure Priority List (IPL)*. The purpose of the *Interim Assessment Framework* is to drive consistency and transparency in assessing infrastructure proposals, where it sets out a structured process for applying for the IPL.

The assessment framework will be used in conjunction with the strategic objectives and best practice principles outlined in the *New Zealand Infrastructure Strategy*.

Toward developing the IPL, the NZIC commissioned a report in August 2023, *Assessing Infrastructure Investments: Developing a Framework for New Zealand's IPL*, outlining methodologies, examples, and recommendations on how to set up an assessment framework. Drawing on key insights outlined in the report, NZIC developed the *Interim Assessment Framework* in November 2023.

Supporting documentation to guide the development of the *Interim Assessment Framework* includes NZIC's internal assessment of gaps in the infrastructure investment system and lessons learned from piloting it in early 2024.

The Institution of Civil Engineers (ICE)-led Enabling Better Infrastructure (EBI) programme helps governments see beyond the uncertainties of the day to develop stable, sustainable, and investable infrastructure project pipelines that meet people's current and future needs.

Based on lessons learned from the piloting process, the NZIC has asked the EBI programme to peer review their *Interim Assessment Framework* focusing on the following questions:

- Will the framework work in practice?
- What is missing from the framework to achieve the required outcomes?
- What else is needed alongside the framework to make it effective (e.g. additional guidance and relationship building)?
- How can the 'deliverability' segment of the framework be refined and deepened?

To respond to NZIC's request, the EBI programme convened two 90-minute virtual workshops to gather insights from 21 independent international specialists with deep, wide-ranging experience in strategic planning. The EBI programme specialists were asked to review the *Interim Assessment Framework* and supporting materials and provide their peer review insights at the workshops.

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This submission reports on the key points the EBI programme specialists raised. These were broken down into considerations to further refine the *Interim Assessment Framework* (Section 1) and strengthen its strategic alignment (Section 2).

The EBI programme has agreed to provide further support to strengthen the strategic alignment of the final assessment framework.

1. Refining the assessment framework

The EBI programme specialists identified that the *Interim Assessment Framework* was sufficient for setting up an IPL, with the following areas identified for further refinement.

Questions on deliverability

Incorporating deliverability questions in the *Interim Assessment Framework* for developing an IPL was identified as an example of international good practice. Other leading global frameworks were noted in Australia¹, Hong Kong², and the UK³ where deliverability criteria were assessed upfront. While a review of the above approaches could contribute to small refinements to the *Interim Assessment Framework*, the following areas were flagged for further consideration.

When approaching deliverability at Stages 1 and 2 of the *Interim Assessment Framework*, it is worthwhile to consider uncertainty and how it affects project forecasts. Reference class forecasting can provide some perspective on where uncertainty lies in relation to past scenarios, but there is also scope to shift from a single forecast to a fan-shaped forecast, which can provide further detail on future outcomes.

Given the size of some infrastructure projects, it is often not possible to assess deliverability at one point in time, which can be a complex task. To overcome this, an iterative or staged approach to assessing project proposals presents an opportunity to test different components or stages of a project. Breaking down the delivery assessment into stages could support a better grasp of risk and dependencies, which can be factored into the assessment.

In addition to consenting and permitting, resource allocation poses key risks to programme procurement. Factoring in criteria to assess whether a sufficient resource budget is available and whether legal and contractual arrangements have been considered can mitigate downstream concerns of buildability, site acquisition, and resource budget concerns.

Mapping deliverability assessments against actual outcomes can help strengthen the deliverability questions over time and inform how future appraisals are made. Building review into the assessment process could also outline where proposals that did not score well can be refined or improved in future to improve project deliverability.

Assessing value for money

Value for money was raised as a practical concern that could be considered further, including reflection on cost-benefit analyses (CBA) and options testing.

Use of cost-benefit analyses

The use of cost-benefit analyses (CBA) to understand value for money has limitations. Namely, not all considerations are effectively incorporated into standard CBA appraisals, and supporting data used in CBAs can vary across sectors.

¹ Infrastructure Australia (2021) [National Study of Infrastructure Risk](#)

² Hong Kong Development Bureau (2022) [Buildability Evaluation System for Public Engineering Works Projects \(BES\(E\)\)](#)

³ HM Government (2022) [UK Construction Playbook](#)

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To address these limitations, building quantitative measures for assessing value for money can prove useful for helping to account for differences between new and old infrastructure. In addition, providing clear guidelines or centrally managed pipeline data to all sectors and agencies could also raise the standard of data and information. The Scottish Futures Trust’s Construction Pipeline Forecast Tool was named as a noteworthy example of the latter.⁴

A question was raised on whether support could be provided to all sectors and agencies submitting proposals. Another way of strengthening the use of CBA and supporting data could be to make the proposals publicly available. Not only would this boost transparency, but it would also help to support the quality of proposals received over time.

Options testing

Options testing is an alternative way to assess value for money. Incorporating options testing in project proposals can boost the cost-effectiveness and overall value of projects, as they outline how sectors and agencies have taken steps to solve the problem.

Incorporating a breakdown of options testing in project proposals could also help address differences in the demographic and spatial economic assumptions used when appraising them.

A caution was made that more well-resourced and capable entities within some sectors may ‘game’ the options testing and CBA process.

2. Strengthening strategic alignment

The EBI programme specialists encouraged the NZIC to consider how the *Interim Assessment Framework* helps New Zealand meet its infrastructure needs and boosts efficiency in infrastructure delivery. Both require engagement with other sectors and agencies.

Delivering on long-term infrastructure needs

Assessing infrastructure projects on a case-by-case basis is risky if no wider national infrastructure plan is in place. To ensure the *Interim Assessment Framework* help to deliver infrastructure needs now and in the future further work can be done to strengthen how it helps New Zealand deliver on its needs now and in the future.

Understanding needs more clearly can help identify which projects showed promise and required further work to deliver infrastructure over the long term.

Taking a programmatic approach to boost efficiency

Driving efficiency in infrastructure delivery is a key challenge faced by countries worldwide.⁵ A programmatic approach can help overcome this by considering how one or more infrastructure projects are delivered. A programmatic approach can be developed and strengthened at the needs assessment, project selection, and delivery planning stages of the infrastructure lifecycle.

A programmatic approach helps lower the cost of infrastructure, supporting the rollout of more than one project within or across sectors. It can also help identify correlations and dependencies between investments, especially where they are complementary, helping to better manage the delivery of multiple projects.

While the *Interim Assessment Framework* cannot address all the concerns listed above, it can be used to create an enabling environment for developing and delivering a programme of projects.

⁴ Scottish Futures Trust (2024) [Construction Pipeline Forecast Tool](#)

⁵ Institution of Civil Engineers (2024) [5 ways the UK can get better at delivering major infrastructure projects](#)

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Factoring in sustainable development outcomes

The UN Sustainable Development Goals (SDGs) are an international framework for supporting good practice in infrastructure planning and delivery. As a key tenet of the EBI programme (Principle 2), using sustainability goals such as the UN SDGs as a baseline for assessing infrastructure projects part of the *Interim Assessment Framework* was noted as an area that could be developed further.⁶

Including the UN SDGs in the *Interim Assessment Framework* would enhance the enduring strategic outcome of developing, assessing, reporting, and reviewing proposals with sustainability in mind. In Wales, the Well-being of Future Generations Act outlines seven connected goals to ensure the country plans and delivers infrastructure in an equitable way.⁷ In Saint Lucia, the National Integrated Planning Unit used the National Infrastructure Systems Model (NISMOD) to identify the country's infrastructure needs and how to deliver on them using the UN SDGs as a guide.⁸

Further reading

- EBI guidance: [Driving purpose, certainty, and pace in strategic infrastructure planning](#) (2024)
- Journal article: [Tried-and-tested guidance for helping governments deliver the infrastructure people need](#) (2024)
- ICE Presidential Roundtable summary: [What opportunities are there to use EBI guidance to strengthen how governments do strategic infrastructure planning?](#) (2024)

About the ICE

The Institution of Civil Engineers (ICE) is a 97,000-strong global membership organisation with over 200 years of history.

It is a centre of engineering excellence, qualifying engineers and helping them maintain lifelong competence, assuring society that the infrastructure they create is safe, dependable and well designed.

Its network of experts offers trusted, impartial advice to politicians and decision makers on how to build and adapt infrastructure to create a more sustainable world.

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⁶ Enabling Better Infrastructure (2024) [Driving purpose, certainty, and pace in strategic infrastructure planning](#)

⁷ Welsh Government (2024) [The well-being of Future Generations](#)

⁸ United Nations Environment Programme (2021) [Saint Lucia's National Infrastructure Assessment](#)