

D5. Recommendations on Governance and Missions of the SCPI

**Enhancing public investment management at
federal and regional (Brussels) level**

REFORM/SC2022/049



This project is carried out with funding by the European Union via the Technical Support Instrument and in cooperation with the Directorate General for Structural Reform Support of the European Commission



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The views expressed in this report are those of the consultants and do not necessarily reflect those of the European Union



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LIST OF ACRONYMS

AIReF	Autoridad Independiente de Responsabilidad Fiscal (Independent Authority for Fiscal Responsibility)
B-CR	Brussels-Capital Region
BOSA	Federal Public Service Policy and Support (<i>FOD Beleid en Ondersteuning</i>)
EC	European Commission
ECFIN	Directorate General Economic and Financial Affairs
EU	European Union
FPB	Federal Planning Bureau
FPS	Federal Public Service
HCF	High Council of Finance
IFI	Independent Fiscal Institution
IMF	International Monetary Fund
MS	EU Member State
OECD	Organisation for Economic Cooperation and Development
PIM	Public Investment Management
PM	Project Manager
PNEC	Plan National Énergie-Climat
PPP	Public-Private Partnership
RFF	Recover and Resilience Fund
RfS	Request for Services
SCPI	Study Committee for Public Investment :
CEIP	<ul style="list-style-type: none"> • CEIP: Comité d'étude sur les investissements publics (French)
SCOI	<ul style="list-style-type: none"> • SCOI: Studiecommissie voor overheidsinvesteringen (Dutch)
TSI	Technical Support Instrument
WB	World Bank

Executive Summary

This deliverable, funded by the European Union via the Technical Support Instrument in cooperation with the Directorate-General for Structural Reform Support of the European Commission, presents recommendations to enhance public investment management at the federal and regional levels in Belgium. The focus is on consolidating the missions and organizational structure of the Study Committee for Public Investment (SCPI) based on the first-year work program's outcomes and identifies future options to strengthen impact. The initiative to establish this Committee is of high overall policy relevance at European Union level including interest from other Member States and the establishment of a Public Investment Expert Group by DG ECFIN.

Deliverable Context and Purpose

The primary purpose of this deliverable is to offer actionable recommendations for improving the SCPI's missions, organizational framework including stakeholder engagement and outreach and identifies future options. These recommendations are grounded in the lessons learned from the establishment and implementation of the SCPI's first-year work program, which commenced in September 2023 and emerging needs.

Review of Year 1 Work Programme and Key Lessons

Establishment of the SCPI and Secretariat

The SCPI was officially established with the signing of the Royal Decree on February 16, 2023, and the first committee meeting on September 11, 2023. Key organizational support was provided by the Federal Planning Bureau, which offered office space and HR support, crucial for the Committee and Secretariat to focus on their core tasks.

SCPI Mandate and Vision

The SCPI's mandate involves specialist analysis to generate key insights, producing reports and opinions on public investments in Belgium to assist relevant ministers in policy development and functional stakeholders on implementation. The Committee has made a robust start, guided by a clear vision and effective working arrangements, as evidenced in their Year 1 Activity Report. All five (5) of the Committee's missions are now active.

Key Tasks and Progress

The SCPI is tasked with several key missions:

1. **Inventory of Public Investment:** Active, with a comprehensive report nearing completion.
2. **Public Investment Needs and Opportunities:** Active, with initial reports on climate transition underway.
3. **Obstacles in Implementation:** Not yet activated, focus currently on foundational frameworks.

4. **Methodological Tools and Procedures:** Active, with collaboration on best practices.
5. **Technical Dialogue:** Active, with national-level conferences and stakeholder engagement.

Workload and Resource Sufficiency

The workload has been high, with the Committee holding more meetings than initially planned, indicating a need for increased and sustained funding for the Secretariat. Additional staff were temporarily added, highlighting the insufficiency of current resources. The future work programme will require additional resources for translation services, communications, event management and outreach and to build an expanded digital presence.

Recommendations for Consideration

The recommendations focus on enhancing the SCPI's contributions to public investment in Belgium through improved governance, expanded digital presence, and stakeholder engagement. The supporting table provides further details on each recommendation.

1. **Governance and Role Focus:**
 - Consider focusing more on identifying longer-term public investment needs like a foresight function (Option 1), more involvement in medium-term public investment policy development and budget planning (Option 2) or focus on the public investment management lifecycle (Option 3).
 - Designate SCPI as the coordinating focal and reporting point for public investment in Belgium.
2. **Public Investment Data Hub and Information Portal:**
 - Establish a digital hub for public investment data to facilitate access and transparency including guidance notes, templates and tools.
3. **Identification of Investment Needs:**
 - Use studies to strengthen SCPI's overall mandate and impact.
4. **Assessment of Obstacles:**
 - Conduct a gap-analysis to identify and address common obstacles in public investment implementation.
5. **Methodological Tools and Procedures:**
 - Inventory and share tools and procedures on digital platforms.
6. **Technical Dialogue and Stakeholder Engagement:**
 - Explore options to formalize technical dialogue, potentially through a Public Investment Community of Practice or a Public Investment Coordination Board.
7. **Ministerial Engagement:**
 - Schedule annual meetings with relevant ministers to align strategic dialogue and integrate SCPI's work into public investment policy development.
8. **Funding and Staffing:**
 - Confirm continued funding and increase full-time staffing of the Secretariat to support expanded roles and responsibilities.

- Confirm additional resources for services including translation, communications and events and an expanded digital presence.

Conclusion

The SCPI has made significant progress in its first year, establishing itself as a valuable entity for public investment management in Belgium. However, there are clear opportunities to maximise the impact of the Committee's work such as focus on terms of resources, governance, and stakeholder engagement. Implementing these recommendations will enhance the SCPI's capacity to fulfil its mandate effectively and contribute to the development of robust public investment policies in Belgium.

Recommendations.

Committee 'Missions'	Recommendations for Consideration		
Overall governance, mandate and role	1. Consider the future focus of the Committee's work programme: <ul style="list-style-type: none"> • Comment: options include the following identified below with advantages and disadvantages: 		
	Options	Advantages	Disadvantages
	1) More 'upstream' on identifying future public investment needs similar to a foresight function (legal mission B and the UK model)	<ul style="list-style-type: none"> • Provide longer-term insights for inclusion in medium-term budget and public investment planning • Avoids any overlap of mandates with other existing organisations • Longer horizon would be similar to the longer-term aspects of Study Committee on Aging 	<ul style="list-style-type: none"> • Potentially new area of study requiring stakeholder approval with the required resources • Impact of the Committee may be harder to demonstrate in the short-term
	2) More on specific affordability and sustainability of public investment funding including development of Federal level medium-term public investment policy and budget priorities (legal mission C and the Spain model)	<ul style="list-style-type: none"> • Provide independent and objective view of public investment policy and budget at Federal level • Provide practical assistance Ministries of Economy, Finance and Budget in their roles to develop Federal level public investment budget 	<ul style="list-style-type: none"> • Line ministries may see this as an intrusion on their mandate to identify and propose public investment needs from their perspectives
3) More on public investment management lifecycle (legal missions C and D and the Ireland model) or,	<ul style="list-style-type: none"> • Clear areas of focus with potential to have practical, short-term impact 	<ul style="list-style-type: none"> • Committee's mandate is weak to enforce adherence to recommendations regarding good practice 	

Committee 'Missions'	Recommendations for Consideration		
			<ul style="list-style-type: none"> • Would need to be carefully integrated with the existing mandates of all entities at Federal and Federated level • Would add another entity to focus on shorter-term and more operational and procedural issues
	<p>4) No change - continue to focus on all identified missions.</p>	<ul style="list-style-type: none"> • Minimum disruption to current arrangements 	<ul style="list-style-type: none"> • Potentially misses opportunities to have greater strategic impact from the resources assigned to the Committee
	<p>2. In conjunction with Recommendation 1 and in consultation with stakeholders, designate SCPI as the coordinating focal point for Belgian entities on public investment including external coordination such as with the EC, IMF, OECD, WB and other national governments:</p> <ul style="list-style-type: none"> • Comment: this could complement current arrangements with involvement of representatives from the Federated Entities <p>3. In consultation with stakeholders, SCPI to serve as the central point of contact for consolidated national level reporting on public investment including external reporting and provision of data and information to the EC, IMF and OECD.</p> <ul style="list-style-type: none"> • Comment: this could complement current practice of Federated Entities providing their own reports with the addition of seeking alignment and harmonisation (e.g. data definitions) and overall report consolidation to provide a national view 		
<p>Draw up a thematic inventory of public investment and the programming underway in Belgium, as well as its position vis-à-vis other euro area countries;</p>	<p>4. Establish a public investment data hub to share data, guidance, methods and tools to public investment professionals across the Belgium public sector and, if agreed, be publicly available:</p> <ul style="list-style-type: none"> • Comment: this could include interactive data visualisations and option to download approved datasets for reuse (as in the Spain and UK examples) 		
<p>Identify public investment needs and opportunities, particularly in</p>	<p>5. Use the studies as a lever for the strengthening the overall mandate and impact of the Committee aligned with the decisions regarding Recommendations 1, 2, 3 and 4 above.</p>		

Committee 'Missions'	Recommendations for Consideration								
the context of the dual transition (ecological and digital);	<ul style="list-style-type: none"> • Comment: The identification of needs and opportunities is the first step towards the definition of investment priorities across sectors in consultation with stakeholders. 								
Identify and assess obstacles (regulatory, administrative, financial) in the implementation of public investments and possible solutions;	<p>6. In consultation with stakeholders, SCPI to explore common obstacles that hinder the efficient and effective implementation of public investments (this aligns most closely with Option 3 in Recommendation 1).</p> <ul style="list-style-type: none"> • Comment: this could be based on the methodology used by AARC for a gap-analysis of the Public Investment System of the Brussels-Capital Region <p>7. Work programme option:</p> <ul style="list-style-type: none"> • The Belgian entities have developed their own public investment frameworks. • A comparative study of their legal, institutional, financial, and methodological frameworks of public investment vis-a-vis international practice will uncover strengths and weaknesses. • The study will propose possible scenarios to overcome the weaknesses and share identified key strengths from good practices. 								
Recommend methodological tools and procedures regulating the selection and ex ante evaluation of public investment projects, including on the basis of best practices observed at the international level;	<p>8. Take inventory of methodological tools and procedures and share them on digital platforms to promote use (this also aligns most closely with Option 3 in Recommendation 1).</p> <ul style="list-style-type: none"> • Comment: guidance material produced by AARC for improving the selection and ex-ante evaluation of the Public Investment Projects of the Brussels-Capital Region could be used. 								
Encourage technical dialogue among the country's entities on public investment and organize the exchange of good practices among them. It will remain optional, given the purely federal nature of the newly established Committee.	<p>9. Explore options to strengthen the Committee's stakeholder engagement and technical dialogue mandate. This could align with any of Options 1, 2 or 3 in Recommendation 1 – stakeholders would appreciate a longer-term perspective as well as increased awareness of medium-term public investment prioritisation and planning.</p> <ul style="list-style-type: none"> • Comment: potential options on a spectrum of less to more formal include: <table border="1" data-bbox="600 1235 2098 1310"> <thead> <tr> <th data-bbox="600 1235 1099 1310">Options</th> <th data-bbox="1099 1235 1599 1310">Advantages</th> <th data-bbox="1599 1235 2098 1310">Disadvantages</th> </tr> </thead> <tbody> <tr> <td data-bbox="600 1310 1099 1377"> </td> <td data-bbox="1099 1310 1599 1377"> </td> <td data-bbox="1599 1310 2098 1377"> </td> </tr> </tbody> </table>			Options	Advantages	Disadvantages			
Options	Advantages	Disadvantages							

Committee 'Missions'	Recommendations for Consideration		
	1) Public Investment Community of Practice (less formal) including arrangements for data sharing and opportunities for shared frameworks and consistent approaches.	<ul style="list-style-type: none"> No formal impact on current established mandates Fast to establish Can adapt and evolve according to issues which arise 	<ul style="list-style-type: none"> Less formal arrangement for stakeholders to commit to engage and adopt arrangements
	2) Public Investment Coordination Board based on agreed memorandum of understanding (or similar) including key offices at Federal level and counterparts from the Federated Entities including arrangements for data sharing and opportunities for shared frameworks and consistent approaches.	<ul style="list-style-type: none"> Establishes stronger level of stakeholder commitment Provides a platform for further collaboration at policy, procedural and implementation levels 	<ul style="list-style-type: none"> Require higher level of approval and support to establish
	3) Update the SCPI to a High Council on Public Investment (more formal) including arrangements for data sharing and opportunities for shared frameworks and consistent approaches.	<ul style="list-style-type: none"> Strongest option to elevate the status of the current Committee 	<ul style="list-style-type: none"> Would require update to the Royal Decree including securing key stakeholder support
	<ul style="list-style-type: none"> Looking ahead, there is the possibility of the voluntary adoption of the 'comply or explain' principle in Spain's AiREF where public administrations comply or explain deviations from recommendations including the application of good practices. This could start with informal peer review of high priority public investments due to their complexity and/or value. 		

Committee 'Missions'	Recommendations for Consideration
<p>The Committee is empowered to issue, at the request of the Minister responsible for Finance, the Minister responsible for the Economy, the Minister responsible for the Budget in its attributions or initiative, a report or an opinion on public investment</p>	<p>10. Schedule an annual special meeting where the Ministers of Economy, Finance and Budget attend to engage directly in the work of the SCPI</p> <ul style="list-style-type: none"> • Comment: during Q2 seems timely where 1) the Committee's Annual Activity Report will be complete, 2) the Annual State of Public Investment Report will be complete and 3) budget preparations for the subsequent year will be starting • This would allow timely strategic dialogue to strengthen the inclusion of the Committee's work in public investment policy development, budget preparation and to receive inputs to consider in the Committee's subsequent work programme.
<p>Confirmation of future funding</p>	<p>11. Confirm continued funding for the SCPI to cover at least the initial full term of members (assumed to be until May 2028). This is important to provide assurance to the Secretariat of their employment prospects so they can focus on the work programme. Future funding needs should also consider resources to cover key services such as document and event translation, communications and event costs and technology solutions such as a website and public data portal.</p> <p>12. Increase full-time staffing of the Secretariat to five (5). The roles could be more public investment generalist assigned flexibly across work programme activities or more specialist to support longer-term areas of key focus such as:</p> <ol style="list-style-type: none"> 1) Head of the Secretariat 2) Lead, Digital Public Infrastructure (depending on the need for such focus given rapidly emerging AI based agenda (including potential of autonomous and intelligent organisational and service models) and impact on public service delivery including public infrastructure) 3) Lead, Climate/Environment Public Infrastructure 4) Lead, Public Infrastructure Data 5) Lead, Communications, Events and Knowledge.

1. Introduction to the deliverable

Introduction

This section presents an overview of the Deliverable based on the specifics of the Request for Services (RfS). The approach for the completion of Deliverable 5 is updated to align with the progress of the Year 1 work programme of the Study Committee for Public Investment (SCPI) including the Secretariat staff. The SCPI (Comité d'étude sur les investissements publics (CEIP) / Studiecommissie voor overheidsinvesteringen (SCOI)) mission is to *"draw up reports and opinions on the evolution, needs, implementation and impact of public investments in Belgium, to assist in the development of public investment policy"*. The initiative to establish this Committee is of high overall policy relevance at European Union level including interest from other Member States and the establishment of a Public Investment Expert Group by DG ECFIN.

Deliverable context and purpose

The purpose of this Deliverable is to:

"provide recommendations on further improving and consolidating the missions and organisational structure of the SCPI based on the experience of the first yearly work programme".

This includes lessons learnt during the establishment and implementation of the first year work programme. The report is completed as of May 2024 following commencement of the Committee's work programme in September 2023.

Table 1: Summary of Deliverable Tasks and Activities and Report Sections

Task and Activities (from Inception Report)	Report Section
Task 5.1: Agree an evaluation template / criteria with the key stakeholders which provides a review document which is consistent with the formal review process required at the end of 2024.	
<ul style="list-style-type: none"> Agree the key criteria for a review of the impact of the SCPI 	Section 1 below
Task 5.2: Under a review process based on the agreed criteria under task	
<ul style="list-style-type: none"> To analyse the first year's operations of the SCPI and draw lessons from that analysis the SCPI could built on, including an analysis of the design, and functioning of the organisational structure of the SCPI and possible legal 'hurdles' that influence the daily operations. 	Section 2
<ul style="list-style-type: none"> The analysis and lessons learnt will be shared and discussed with the SCPI and other interested stakeholders. 	Section 2
Task 5.3: To provide recommendations for improving the functioning of the SCPI	
<ul style="list-style-type: none"> Based on international experience, situational circumstances (institutional or legal) and absorption capacity of the SCPI, to draft recommendations on possible changes, which once implemented, should produce a better performance of the SCPI in future. The scope of the distribution of the report will be determined in consultation with the beneficiary 	Section 3: International Experience Section 4: Recommendations for Consideration

Review Criteria

The following criteria guided this review and are based on the requirements of the Terms of Reference and additional contributions from stakeholders:

- 1) Identify the extent to which the SCPI is making progress against its designated mandate and key tasks (legal missions)

- 2) Identify the extent to which the resources available are sufficient for SCPI to effectively pursue its mandate and key tasks
- 3) Based on the SCPI's progress to date and resources available, identify key lessons learned
- 4) Consider international experience based on country examples to identify potential insights relevant to the SCPI
- 5) Propose recommendations for consideration by stakeholders to support the SCPI in effectively implementing its designated mandate and key tasks.

Structure of the Deliverable

The Deliverables comprises the following Sections and Annexes:

- Executive Summary
- Section 1: Introduction
- Section 2: Review of Year 1 Work Programme and Key Lessons
- Section 3: Recommendations for Consideration
- Annex 1: International Comparison - Summary of Country Examples
- Annex 2: International Comparison - Ireland
- Annex 3: International Comparison – Netherlands
- Annex 4: International Comparison – Spain
- Annex 5: International Comparison – United Kingdom.

2. Review of Year 1 Work Programme and Key Lessons

Introduction

This section reviews the establishment of the SCPI and the progress made to date against the Year one (1) work programme. This includes progress made against each key task (legal mission), the related workload and the sufficiency of the organisational support and resources. Key lessons are then identified.

Establishment of the SCPI and Secretariat

Completion of the establishment of the overall SCPI arrangements took place during the period from the signing of the Royal Decree on 16 February 2023 until the first Committee meeting on 11 September 2023. Committee members were appointed by a further Royal Decree on 24 May 2023. The Secretariat of two (2) staff commenced their roles on 28 August and 11 September 2023 respectively following the successful recruitment process which commenced on 23 March 2023.

The appointment of Committee Members including designation of the Chairperson was intentionally completed first as an important governance practice to involve the Chairperson and the Committee in the key stages of the selection and appointment of the Secretariat staff. The successful candidates then had to complete their notice period from their current roles before joining the Secretariat.

An important arrangement confirmed during the finalisation of the Royal Decree was to designate the Federal Planning Bureau as the 'host organisation' for the SCPI. The arrangement included the provision of office space and HR, IT and translation support and removed the need for additional resources within the Secretariat to cover these aspects. This arrangement has been vital in supporting the Committee and Secretariat to focus fully on delivery of their work programme. It is also worth highlighting that the Chairperson of the Committee was heavily involved throughout this setup period which greatly assisted with the smooth progress and timely completion of establishment of the Committee and Secretariat.

Review of SCPI mandate and vision

SCPI organisational status. The Committee was established as a Study Committee of the High Council of Finance (HCF) under the Royal Decree. It is understood that the initial concept was to establish a High Council of Public Investment. While it may be premature to revisit this decision, it is appropriate to have this in mind as the SCPI's work progresses and the arrangements which best serve Belgium's wider needs for improved contributions to public investment policy, practice and impact.

Mandate and vision. The Committee's mandate defined in the Royal Decree is to:

'draw up reports and opinions on the evolution, needs, implementation and impact of public investments in Belgium, inter alia to assist the Minister who has the Economy in his attributions, the Minister who has Finance in his attributions and the Minister who has the Budget in his attributions, in the development of public investment policy.'

This model established in Belgium is unique amongst the country comparisons completed including Ireland, Netherlands, Spain and the United Kingdom and has been developed in consideration of Belgium's federated structure of Government. Member States are considered to all be quite different in their public investment institutional arrangements¹. The Royal Decree does not specify the frequency and timing of 'reports and opinion's. This is detailed in the Committee's Procedures² which include minimum of a quarterly meeting of

¹ Telephone meeting with Cristiana Belu Manescu, on 29 May, 2024 and AARC Team. Contact details European Commission, Directorate-General for Economic and Financial Affairs, cristiana.manescu@ec.europa.eu.

² Rules of Procedure for the Study Committee on Public Investments.

the Committee (Article 2) and the preparation and implementation of an annual work programme and timetable setting out the tasks and outputs of the Committee, and the resources allocated (Article 3).

The Committee and the Secretariat have made a very strong start guided by clear vision and ambition and highly effective working arrangements to generate valuable insights on public investment in Belgium. This is clearly evidenced in the Committee’s interim Year 1 Activity Report covering the period September 2023 – May 2024 (internal only).

To date, there have been no issues with the Committee’s mandate, mission and vision. That said, it has been a comparatively short period of time and it would be prudent to keep this under review in case issues arise which may require a clarification or even an update to the Royal Decree.

For example, the current mandate reflects an end-to-end view of public investment including future needs and delivery. Each are quite different involving different stakeholders and requiring different skills. The country examples chosen illustrate the difference between future needs (UK model), delivery (Ireland model) and extensively decentralised (Spain model).

Stakeholder engagement. The Committee is in the midst of launching their second publication (“reference framework” first publication completed at end of January 2024³) including their first event on 29 May 2024 which was a national level conference on public investment management good practices. This major event included wider participation from the European Commission (EC), the International Monetary Fund (IMF) and the Government of the Netherlands. This event provided an excellent opportunity to engage stakeholders on the importance and status of public investment, conduct outreach of the new Committee’s role, work to date and future plans and to gain more insights from stakeholders and the extent of their support (or otherwise) for the Committee’s public investment role.

Independence. An important principle in the SCPI’s mandate and working arrangements is independence and ability to provide ‘reports or opinions on its own initiative’. While it is also too early to judge conclusively on this aspect, the experience to date is that the SCPI is able to balance their independence and remain coordinated with the responsible Government Ministers including the Minister responsible for Finance, the Minister responsible for the Economy and the Minister responsible for the Budget. It will be important for the SCPI to take proactive action to reset these key relationships upon formation of the next Federal Government.

Review of SCPI progress

Key tasks and progress to date. The Royal Decree assigns the SCPI with five (5) clearly defined key tasks (legal missions). Additionally, the Committee may be requested to provide additional reports or opinions upon Ministerial request. Table 2 below summarizes the excellent progress made by the SCPI during its first year.

Table 2: Summary of Progress

Legal ‘Missions’	Year 1 progress to date
A. Draw up a thematic inventory of public investment and the programming underway in Belgium, as well as its position vis-à-vis other euro area countries;	<ul style="list-style-type: none"> • Status: active. • The new ‘State of Public Investment in Belgium Report’ is being finalised and substantively fulfils this task. • The intention is for this report to be updated and published annually including country comparisons as needed. • Key to completing the report is the compilation of the data such as clarity of definitions and sources then investment

³ Published in Dutch: <https://www.plan.be/publications/publication-2430-en-overheidsinvesteringsdefinitie-en-rol-referentiekader-van-de-studiecommissie-voor-overheidsinvesterings> and French: <https://www.plan.be/publications/publication-2430-en-les-investissementspublicsdefinition-et-rolcadre-de-reference-du-comite-d-etude-sur-les-investissements>.

Legal 'Missions'	Year 1 progress to date
	types (eg human, social, natural) and alignment with United Nations Sustainable Development Goals. <ul style="list-style-type: none"> The SCPI over time will assemble a comprehensive public investment dataset which will become increasingly useful source for a wider range of stakeholders.
B. Identify public investment needs and opportunities, particularly in the context of the dual transition (ecological and digital);	<ul style="list-style-type: none"> Status: active. Work has been initiated to complete initial reports by end of 2024 on 'public investment and climate transition in Belgium'. The central importance of this work is already evident as there is no consolidated view of the total public investment needs to support Belgium's contribution on the climate and environmental components of the 'twin transition' (digital and green). Equivalent work is to be scheduled in the SCPI's future work programme on the digital component of the 'twin transition'.
C. Identify and assess obstacles (regulatory, administrative, financial) in the implementation of public investments and possible solutions;	<ul style="list-style-type: none"> Status: active. The Committee is already working in this area as part of the 'State of Public Investment in Belgium Report' and the 'Good Public Investment Management Practices Report'.
D. Recommend methodological tools and procedures regulating the selection and ex ante evaluation of public investment projects, including on the basis of best practices observed at the international level;	<ul style="list-style-type: none"> Status: active. The new 'Good Public Investment Management Practices Report' is being finalised and makes an important start on fulfilling this task. Importantly, the SCPI was able to work collaboratively on this with counterparts from Federal Public Service Policy and Support (FOD Beleid en Ondersteuning) (BOSA) and Federal Internal Audit This collaboration also contributes to the next key task which is encouraging technical dialogue among key entities.
E. Encourage technical dialogue among the country's entities on public investment and organize the exchange of good practices among them. It will remain optional, given the purely federal nature of the newly established Committee.	<ul style="list-style-type: none"> Status: active. The new SCPI's plan to organise the national level conference on public investment management on 29 May is an important milestone for this task. Additionally, there have been positive numerous engagements with a wider range of stakeholders at Federal level, with the Federated Entities and also with the media. Importantly, during these engagements, stakeholders highlighted the lack of coordination between the various public investment management entities in Belgium and is a potential area where SCPI could positively contribute.
F. The Committee is empowered to issue, at the request of the Minister responsible for Finance, the Minister responsible for the Economy, the Minister responsible for the Budget in its attributions or initiative, a report or an opinion on public investment	<ul style="list-style-type: none"> Status: available. Since formation, the SCPI has been available to support the Ministers and have completed the first request. SCPI received a requested from the Government on May 24th, 2024 to analyse a "<i>vade mecum to guide federal public investments accounting</i>" and submitted a response and evaluation of their project on June 24th.

Legal 'Missions'	Year 1 progress to date
	<ul style="list-style-type: none"> A similar arrangement exists in the UK where the procedure is the Minister issues a published terms of reference⁴ as the basis for the subsequent opinion, report or study.

Relevance of the key tasks. As can be seen from the progress being made, the key tasks currently appear relevant and provide a solid basis to guide the Committee’s work and contribution to public investment policy. At this relatively early stage, reducing the key tasks would risk missing key areas where the Committee is able to make important contributions. Expanding the key tasks would clearly require additional resources as will be highlighted next. As with earlier aspects of this review, it is too early to judge definitively if changes should be made to the Committee’s scope.

Overview of SCPI workload

It is very clear from the progress made that there is a high workload on both the Committee Members and the Secretariat. For example, the Committee reports eleven (11) meetings held from September 2023 – April 2024 which, if extrapolated for the full year, is a total of 15-16 meetings. This is compared with the minimum of four (4) meetings per year – one (1) per quarter – in the Committee procedures.

Notably, the Chairperson has assumed an even higher workload in addition to that of the Committee members due to additional stakeholder engagement and regular coordination with the Secretariat. It should be borne in mind that Committee members are not remunerated for the time they contribute to their role.

This highlights the level of important work to be undertaken on public investment management to contribute to the related policy development and improvement in practice. There is similarly high workload for the Secretariat. Two (2) additional staff are made available for the period April – December 2024 on a fixed-term basis. It also highlights the need for increased and sustained funding for the Secretariat which may also relieve some of the current workload on Committee members.

SCPI organisational support arrangements

As highlighted earlier, the designation of the Federal Planning Bureau as the ‘host organisation’ greatly simplified the establishment of the committee and the swift commencement of the work programme.

Human Resources. The initial two members of the Secretariat were selected and appointed without any major issues. One member of Secretariat team left on 31 December 2023 on career progression to another important role. An earlier decision had been made to apply the practice of retaining an extended validity of a reserve list of potential candidates from the initial recruitment campaign in March-April 2023. This proved to be valuable as a suitable candidate was identified and was able to join the Secretariat within three (3) weeks of the other member leaving.

In the original development of the Secretariat job descriptions, there was a third role proposed for a ‘project manager/secretary’ but was not approved for funding and recruitment. As highlighted above, the need to have added two additional staff during 2024 confirms that the two staff is insufficient to support the Committee’s work.

The Committee has also highlighted in their Year 1 Activity Report that ‘free’ support was provided until May 2024 on document translation (Dutch, French and English) (from Federal Public Service (FPS)) and communication services (from FPB). The AARC team has also been available to support during this period

⁴ A current example is for connected and automated mobility: <https://www.gov.uk/government/publications/chancellor-commissions-new-study-on-connected-and-autonomous-vehicles-and-mobility/chancellor-commissions-new-study-on-connected-and-automated-vehicles-terms-of-reference>

including on technical issues (public investment literature review, synthesis of good practices and assistance on national accounts) and communication issues (conference format options). Enduring arrangements and/or resources should be made available for translation services for the Secretariat so that the small team can concentrate on the technical aspects of the work program.

Active Processes. The Secretariat adopts the day-to-day processes of the FPB for matters such as budget expenditure, HR and IT. The FPB staff in each of these matters also provide practical support to the Committee and the Secretariat including payroll, laptops and printing. The Committee procedures include key working processes between the Members and the Secretariat regarding the work programme and meeting administration. Additional processes developed and implemented during the first year include 1) event management (national conference held on 29 May, 2024) and 2) fulfilling requests from Ministers.

Potential Future Process. It is possible that the Secretariat in the future may require contributions and submissions from outside of government organisations. This is often part of a process of requests for 'call for public evidence' from businesses, citizens, civil society or think tanks to inform future areas of research and report. A clear process to support this would be important including measures to maximise stakeholder response to such requests.

Technology. The Committee is currently using the technology support of the FPB including provision of laptops, printer access and technical support.

Communications and outreach. The Committee has a minor presence on the HCF⁵ and FPB⁶ websites. Potential exists for a more visible digital presence to promote the importance of effective public investment in Belgium. A more visible digital presence for the Committee should also be used to both promote future planned events and serve as a record and knowledge source of past events.

Funding. The spend profile of the initial budget of €500,000 for the first two (2) years of operation until end of 2024 has been updated to meet the SCPI's needs. This included obtaining permission during Q4 2023 to ensure availability for use the budget during the financial year covering 2024. Budget will be required for the Committee's planned additional activities for later in 2024 such as an event in Q4 to support the launch of the reports on public investment and climate transition. As identified above, additional funding or arrangements are necessary to provide the Secretariat with specialist translation services.

Key Lessons

The key lessons from the SCPI's Year 1 work programme are identified below.

1. **The establishment process was efficient and effective.** The establishment of the Committee and Secretariat was efficient due in large part to the active contribution of the Chairperson, the support provided by the FPB and initial technical assistance provided by the AARC team. This contributed to a fast start being made on the Year 1 Work Programme.
2. **Improving coordination of public investment in Belgium is clearly needed.** It is clear that the Committee's role is highly valuable to improve coordination of public investment in Belgium (at Federal level and with Brussels Capital Region, Flanders Region and Wallonia Region) without necessarily having specific authorities over funding, allocative decision-making, project approval, implementation or post-project evaluation.
3. **Necessary initial focus on 'scoping and sensemaking' the public investment context in Belgium.** The initial focus of the work programme is effectively 'scoping and sensemaking' the public investment context

⁵ Accessible at: <https://highcounciloffinance.be/en/high-council-finance/study-group-public-investments#tab-mission>.

⁶ Accessible at: <https://www.plan.be/aboutus/overview.php?lang=en&TM=78>.

in Belgium which is entirely logical and necessary. The Committee has made a very strong start with all five (5) missions active with solid deliverables being produced during 2024.

4. **Resources may be insufficient to fully deliver the scale and complexity of the Committee's mandate.** While the Committee has made an impressive start, this has led to a seemingly (too?) high workload on Committee members and staff. Committee meetings required in practice are 4 times higher than the minimum required in the Committee's Procedures and two (2) additional staff have been added to support successful completion of the work programme. It is noted that the additional staff were made available to the Secretariat in preference to contracting external services. The additional staff were selected from the reserve list established during the initial recruitment procedure which demonstrated the value of such an approach. In addition to budget for staff, additional budget is needed for translation, communications and events management and digital presence such as website and data hub/portal.
5. **Expand the outreach activities to enhance the impact of the Committee's work.** There is strong potential to expand the outreach of the Committee's work including stakeholder engagement and communications from multiple channels including digital, events and printed press. This could include the establishment of a very useful digital hub⁷ for online access to public investment data, guidance, methods and tools being produced by the Committee.
6. **As the Committee completes initial 'scoping and sensemaking', consideration should be given to future focus.** While it is too early to judge, the end-to-end scope of the Committee's mandate is not reflected in the international comparison in the country case studies in Ireland, Netherlands, Spain and United Kingdom. Specifically, options exist for the Committee to focus more on the delivery of the public investment management lifecycle (as in the Irish model in Annex 2) or more 'upstream' on public investment needs (as in the UK model at Annex 5). While improvements in both will be of substantial benefit to public investment in Belgium, they require different resources and skills.

⁷ See UK example at: <https://nic.org.uk/data/all-data/> and https://nic.org.uk/data/all-data/?_data_type=data-visualisations

3. Recommendations for consideration

This section identifies key recommendations for consideration to strengthen the SCPI's important contributions to public investment in Belgium. The recommendations are focused on a combination of the situational context of the SCPI, ambition and vision to fulfil the mandate and 'legal missions' and necessary organisational support and resources.

Table 3: Recommendations for Consideration

Committee 'Missions'	Recommendations for Consideration		
Overall governance, mandate and role	13. Consider the future focus of the Committee's work programme: <ul style="list-style-type: none"> • Comment: options include the following identified below with advantages and disadvantages: 		
	Options	Advantages	Disadvantages
	5) More 'upstream' on identifying future public investment needs similar to a foresight function (legal mission B and the UK model)	<ul style="list-style-type: none"> • Provide longer-term insights for inclusion in medium-term budget and public investment planning • Avoids any overlap of mandates with other existing organisations • Longer horizon would be similar to the longer-term aspects of Study Committee on Aging 	<ul style="list-style-type: none"> • Potentially new area of study requiring stakeholder approval with the required resources • Impact of the Committee may be harder to demonstrate in the short-term
	6) More on specific affordability and sustainability of public investment funding including development of Federal level medium-term public investment policy and budget priorities (legal mission C and the Spain model)	<ul style="list-style-type: none"> • Provide independent and objective view of public investment policy and budget at Federal level • Provide practical assistance Ministries of Economy, Finance and Budget in their roles to develop Federal level public investment budget 	<ul style="list-style-type: none"> • Line ministries may see this as an intrusion on their mandate to identify and propose public investment needs from their perspectives
7) More on public investment management lifecycle (legal missions C and D and the Ireland model) or,	<ul style="list-style-type: none"> • Clear areas of focus with potential to have practical, short-term impact 	<ul style="list-style-type: none"> • Committee's mandate is weak to enforce adherence to recommendations regarding good practice 	

Committee 'Missions'	Recommendations for Consideration		
			<ul style="list-style-type: none"> • Would need to be carefully integrated with the existing mandates of all entities at Federal and Federated level • Would add another entity to focus on shorter-term and more operational and procedural issues
	<p>8) No change - continue to focus on all identified missions.</p>	<ul style="list-style-type: none"> • Minimum disruption to current arrangements 	<ul style="list-style-type: none"> • Potentially misses opportunities to have greater strategic impact from the resources assigned to the Committee
	<p>14. In conjunction with Recommendation 1 and in consultation with stakeholders, designate SCPI as the coordinating focal point for Belgian entities on public investment including external coordination such as with the EC, IMF, OECD, WB and other national governments:</p> <ul style="list-style-type: none"> • Comment: this could complement current arrangements with involvement of representatives from the Federated Entities <p>15. In consultation with stakeholders, SCPI to serve as the central point of contact for consolidated national level reporting on public investment including external reporting and provision of data and information to the EC, IMF and OECD.</p> <ul style="list-style-type: none"> • Comment: this could complement current practice of Federated Entities providing their own reports with the addition of seeking alignment and harmonisation (e.g. data definitions) and overall report consolidation to provide a national view 		
<p>Draw up a thematic inventory of public investment and the programming underway in Belgium, as well as its position vis-à-vis other euro area countries;</p>	<p>16. Establish a public investment data hub to share data, guidance, methods and tools to public investment professionals across the Belgium public sector and, if agreed, be publicly available:</p> <ul style="list-style-type: none"> • Comment: this could include interactive data visualisations and option to download approved datasets for reuse (as in the Spain and UK examples) 		
<p>Identify public investment needs and opportunities, particularly in</p>	<p>17. Use the studies as a lever for the strengthening the overall mandate and impact of the Committee aligned with the decisions regarding Recommendations 1, 2, 3 and 4 above.</p>		

Committee 'Missions'	Recommendations for Consideration								
the context of the dual transition (ecological and digital);	<ul style="list-style-type: none"> • Comment: The identification of needs and opportunities is the first step towards the definition of investment priorities across sectors in consultation with stakeholders. 								
Identify and assess obstacles (regulatory, administrative, financial) in the implementation of public investments and possible solutions;	<p>18. In consultation with stakeholders, SCPI to explore common obstacles that hinder the efficient and effective implementation of public investments (this aligns most closely with Option 3 in Recommendation 1).</p> <ul style="list-style-type: none"> • Comment: this could be based on the methodology used by AARC for a gap-analysis of the Public Investment System of the Brussels-Capital Region <p>19. Work programme option:</p> <ul style="list-style-type: none"> • The Belgian entities have developed their own public investment frameworks. • A comparative study of their legal, institutional, financial, and methodological frameworks of public investment vis-a-vis international practice will uncover strengths and weaknesses. • The study will propose possible scenarios to overcome the weaknesses and share identified key strengths from good practices. 								
Recommend methodological tools and procedures regulating the selection and ex ante evaluation of public investment projects, including on the basis of best practices observed at the international level;	<p>20. Take inventory of methodological tools and procedures and share them on digital platforms to promote use (this also aligns most closely with Option 3 in Recommendation 1).</p> <ul style="list-style-type: none"> • Comment: guidance material produced by AARC for improving the selection and ex-ante evaluation of the Public Investment Projects of the Brussels-Capital Region could be used. 								
<p>Encourage technical dialogue among the country's entities on public investment and organize the exchange of good practices among them.</p> <p>It will remain optional, given the purely federal nature of the newly established Committee.</p>	<p>21. Explore options to strengthen the Committee's stakeholder engagement and technical dialogue mandate. This could align with any of Options 1, 2 or 3 in Recommendation 1 – stakeholders would appreciate a longer-term perspective as well as increased awareness of medium-term public investment prioritisation and planning.</p> <ul style="list-style-type: none"> • Comment: potential options on a spectrum of less to more formal include: <table border="1" data-bbox="598 1235 2098 1310"> <thead> <tr> <th data-bbox="598 1235 1097 1310">Options</th> <th data-bbox="1097 1235 1597 1310">Advantages</th> <th data-bbox="1597 1235 2098 1310">Disadvantages</th> </tr> </thead> <tbody> <tr> <td data-bbox="598 1310 1097 1377"> </td> <td data-bbox="1097 1310 1597 1377"> </td> <td data-bbox="1597 1310 2098 1377"> </td> </tr> </tbody> </table>			Options	Advantages	Disadvantages			
Options	Advantages	Disadvantages							

Committee 'Missions'	Recommendations for Consideration		
	<p>4) Public Investment Community of Practice (less formal) including arrangements for data sharing and opportunities for shared frameworks and consistent approaches.</p>	<ul style="list-style-type: none"> • No formal impact on current established mandates • Fast to establish • Can adapt and evolve according to issues which arise 	<ul style="list-style-type: none"> • Less formal arrangement for stakeholders to commit to engage and adopt arrangements
	<p>5) Public Investment Coordination Board based on agreed memorandum of understanding (or similar) including key offices at Federal level and counterparts from the Federated Entities including arrangements for data sharing and opportunities for shared frameworks and consistent approaches.</p>	<ul style="list-style-type: none"> • Establishes stronger level of stakeholder commitment • Provides a platform for further collaboration at policy, procedural and implementation levels 	<ul style="list-style-type: none"> • Require higher level of approval and support to establish
	<p>6) Update the SCPI to a High Council on Public Investment (more formal) including arrangements for data sharing and opportunities for shared frameworks and consistent approaches.</p>	<ul style="list-style-type: none"> • Strongest option to elevate the status of the current Committee 	<ul style="list-style-type: none"> • Would require update to the Royal Decree including securing key stakeholder support
	<ul style="list-style-type: none"> • Looking ahead, there is the possibility of the voluntary adoption of the 'comply or explain' principle in Spain's AiREF where public administrations comply or explain deviations from recommendations including the application of good practices. This could start with informal peer review of high priority public investments due to their complexity and/or value. 		

Committee 'Missions'	Recommendations for Consideration
<p>The Committee is empowered to issue, at the request of the Minister responsible for Finance, the Minister responsible for the Economy, the Minister responsible for the Budget in its attributions or initiative, a report or an opinion on public investment</p>	<p>22. Schedule an annual special meeting where the Ministers of Economy, Finance and Budget attend to engage directly in the work of the SCPI</p> <ul style="list-style-type: none"> • Comment: during Q2 seems timely where 1) the Committee's Annual Activity Report will be complete, 2) the Annual State of Public Investment Report will be complete and 3) budget preparations for the subsequent year will be starting • This would allow timely strategic dialogue to strengthen the inclusion of the Committee's work in public investment policy development, budget preparation and to receive inputs to consider in the Committee's subsequent work programme.
<p>Confirmation of future funding</p>	<p>23. Confirm continued funding for the SCPI to cover at least the initial full term of members (assumed to be until May 2028). This is important to provide assurance to the Secretariat of their employment prospects so they can focus on the work programme. Future funding needs should also consider resources to cover key services such as document and event translation, communications and event costs and technology solutions such as a website and public data portal.</p> <p>24. Increase full-time staffing of the Secretariat to five (5). The roles could be more public investment generalist assigned flexibly across work programme activities or more specialist to support longer-term areas of key focus such as:</p> <ol style="list-style-type: none"> 6) Head of the Secretariat 7) Lead, Digital Public Infrastructure (depending on the need for such focus given rapidly emerging AI based agenda (including potential of autonomous and intelligent organisational and service models) and impact on public service delivery including public infrastructure) 8) Lead, Climate/Environment Public Infrastructure 9) Lead, Public Infrastructure Data 10) Lead, Communications, Events and Knowledge.

ANNEX 1: COMPARISON OF INTERNATIONAL EXPERIENCE

Summary of Country Comparison. The table below provides a summary comparison of the selected countries within the European context.

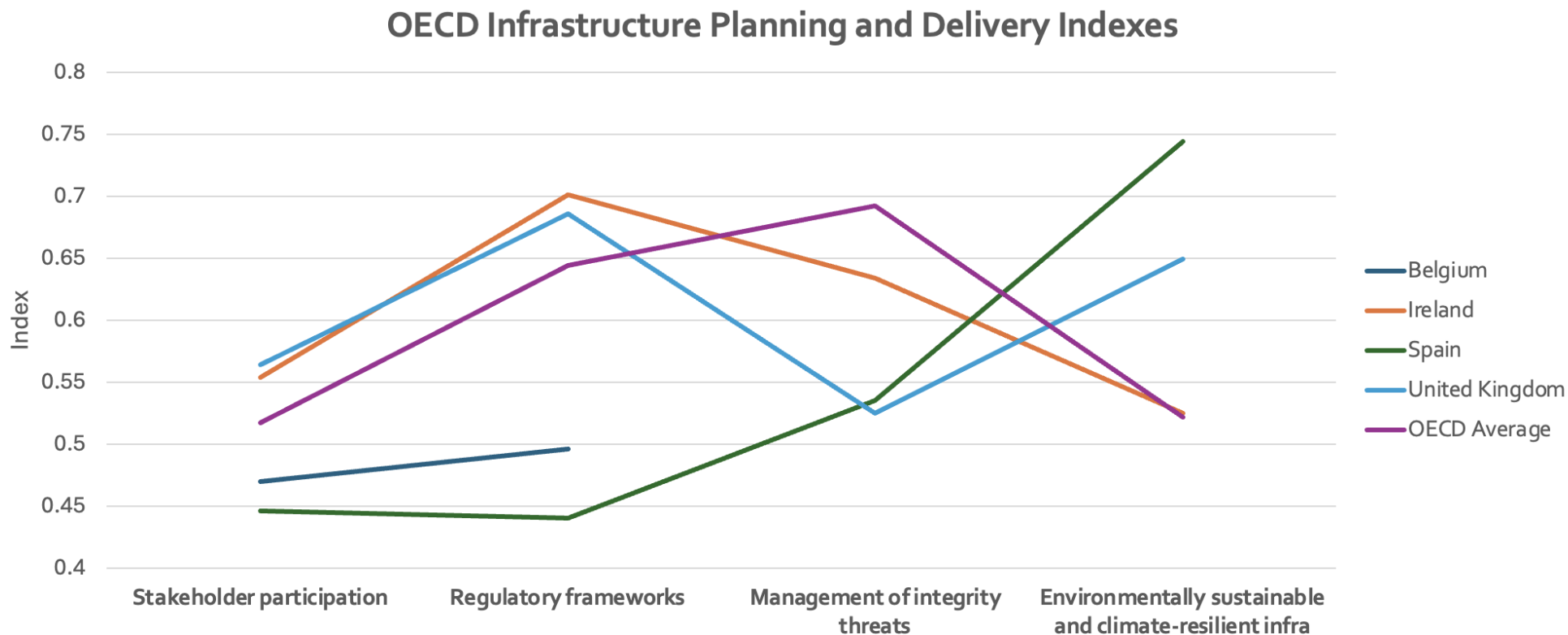
Factor	Belgium	Ireland	Netherlands	Spain	UK
Website	HCF website FPB website	Climate Division Project Ireland 2040	See Annex 3	AIREF website See Annex 4	National Infrastructure Commission
Year Established	2023 Defined in Royal Decree	[to follow]	Various	2014	2017 Defined in official charter and framework
Governance	Study Committee of the High Council of Finance, part of the Ministry of Finance	National Investment Office (NIO) if the lead office on National Development Plan (2021-2030) and Project Ireland (2040) – part of Climate Division in Department of Public Expenditure, National Development Plan Delivery and Reform (D/PENDPDR)	No equivalent arrangement to Belgium’s SCPI	Independent Authority for Fiscal Responsibility (similar to Belgium’s FPB)	Established as an Executive Agency of His Majesty’s Treasury (UK. Ministry of Finance) – permanent body
Mandate	Draw up reports and opinions on the evolution, needs, implementation and impact of public investments in Belgium, to assist in the development of public investment policy.	NIO oversees and reports on public infrastructure investment under the National Development Plan, 2021 – 20305 and Project Ireland 2040	See Annex 3	Monitor effective compliance with the principle of financial sustainability across all government organisations	Provide impartial, expert advice on major long-term infrastructure challenges
Key Tasks	<ul style="list-style-type: none"> Maintain inventory of public investments Identify public investment needs and opportunities, particularly in the context of the dual transition (ecological and digital) 	<ul style="list-style-type: none"> Maintain national frameworks such as the Infrastructure Guidelines within which Departments operate to ensure appropriate accounting for and value for money in public capital expenditure 	High-level PIM Policy Stages include 1) Policy proposal stage, 2) policy decision stage and 3) policy evaluation.	<ul style="list-style-type: none"> Contributing role to national fiscal framework Fiscal supervision Spending reviews Specific requests Sharing of data and tools 	<ul style="list-style-type: none"> Complete a National Infrastructure Assessment once in every Parliament, setting out the Commission’s assessment of long term infrastructure needs, with recommendations to government

Deliverable 5 - Enhancing Public Investment Management at federal and regional (Brussels) level

Factor	Belgium	Ireland	Netherlands	Spain	UK
	<ul style="list-style-type: none"> Identify and assess obstacles (regulatory, administrative, financial) in the implementation of public investments Recommend methodological tools and procedures Encourage technical dialogue among the country's entities on public investment 	<ul style="list-style-type: none"> Maintain capital appraisal guidelines Promote Infrastructure Guidelines compliance by providing guidance to departments Support the Major Project Advisory Group. 			<ul style="list-style-type: none"> Specific studies on pressing infrastructure challenges as set by government Complete an Annual Monitoring Report, taking stock of the government's progress towards previously accepted recommendations.
Resources: Budget	€0.5M	[to follow]	Not applicable	€11M	€6.9M incl €1M for commissioned research
Resources: Staff	Currently 4 FTE: 2 FTE (permanent) + 2 FTE fixed-term to end 2024	[to follow]	Not applicable	66 staff	50 FTEs
Other Comments	Support provided by Federal Planning Bureau designated as 'host organisation'			AIReF adopts the principle of 'comply or explain' as the main tool to carry out its mandate. This principle establishes that the administrations are obligated to follow the recommendations of the AIReF, or explain the reasons otherwise. These are published online in an <u>Observatory</u> .	The UK Government issues the NIC with a ' <u>remit letter</u> ' which describes the fiscal space in which the NIC must consider its recommendations. This is to ensure the recommendations are affordable and is not intended to restrict the Commission's impartiality.

Country comparison by OECD Infrastructure Data.

The chart below illustrates a high-level comparison of available data held by the OECD related to infrastructure planning and delivery⁸. Note that no data is currently available for the Netherlands and the Belgium data is complete for the first two indicators only (stakeholder participation and regulatory frameworks). Further details including the definitions of the indicators can be found on the OECD Data Explorer website.



Source: OECD Infrastructure planning and delivery indexes - Government at a glance indicators, 2023 edition.

⁸ Details at: <https://data-explorer.oecd.org/> and [Infrastructure planning and delivery indexes - Government at a glance indicators, 2023 edition.](#)

ANNEX 2: INTERNATIONAL EXPERIENCE - IRELAND

Introduction

Ireland's Department of Public Expenditure, National Development Plan Delivery and Reform (D/PENDPDR) includes the National Investment Office (NIO). This is public investment focus in Ireland though operates differently from the SCPI in Belgium.

This model – as identified earlier in the report – focuses more on the successful planning, approval and delivery of public investments. It contrasts from the UK arrangements in Annex 4.

The SCPI mandate covers all end-to-end hence the usefulness of highlighting this experience to support the SCPI decide how to shape and evolve the longer-term focus of the SCPI.

Governance

There are four strands in the governance and oversight of public investment in Ireland comprising the National Investment Office (NIO), External Assurance Process, the Major Projects Advisory Group and the Government. There is a very strong reliance on guidelines which are explained further below both under the mandate of each office or strand and in the key tasks where the guidelines are explained further.

D/PENDPDR has lead responsibility as regards the implementation of the Guidelines. But this does not let other Public Bodies off the hook. It is the responsibility of government departments and their Accounting Officers to ensure that, where required, they draw up their own sector specific procedures for evaluating, planning, and managing public investment, which align with the Infrastructure Guidelines.

Mandate

National Investment Office. The National Investment Office (NIO), under D/PENDPDR, oversees and reports on public infrastructure investment under the National Development Plan, 2021 – 2030 and Project Ireland 2040.

The NIO is also responsible for maintaining the national frameworks within which Departments operate to ensure appropriate accounting for and value for money in public capital expenditure such as the Infrastructure Guidelines.

Key responsibilities for the NIO include updating capital appraisal guidelines, promoting Infrastructure Guidelines compliance by providing guidance to departments and supporting the Major Project Advisory Group in their consideration of major projects.

Government. Proposals with an estimated capital cost more than €200 million are considered Major Projects and are subject to the following:

- **External Assurance Process** at the Strategic Assessment and Preliminary Business Case (AG1) stage of the project lifecycle.
- Review by the **Major Projects Advisory Group** at the Preliminary Business Case (AG1) stage of the project lifecycle.

Consideration by Government at the Preliminary Business Case (AG1) and Final Business Case (AG3) stage of the project lifecycle. Government consent is sought through a Memorandum for Decision. The day-to-day Approving Authority functions in those instances remain the responsibility of the relevant public body which is funding the proposal.

External Assurance Process. The External Assurance Process (EAP) for major capital projects (over €200 million) provides a standardised method to support both business and project and programme assurance. In this way, the EAP improves the quality of investment proposals being brought forward and will provide expert insight to Sponsoring Agencies and Approving Authorities. Funding departments engaging in the EAP are helped on this strand by a Government Circular published in 2021. The process requires Independent Expert Reviews focussed on issues such as cost, risk and ability to deliver at key decision gates in the project lifecycle.

Major Projects Advisory Group. The purpose of the Major Projects Advisory Group (MPAG) is to support the application of the Infrastructure Guidelines and consider major public investment proposals in advance of Government consideration at the Preliminary Business Case stage.

The MPAG provides support in assimilating the outputs from the external reviews, and aiding government departments and agencies in improving the quality of project proposals. Project proposals and external reviews are scrutinised by MPAG as a prerequisite to seeking Government consent in principle to proceed with the proposal.

The process which MPAG follow requires the sponsoring agencies to submit appraisal documents to MPAG for review. MPAG then hold a pre-meeting to identify issues and provide initial feedback to the sponsoring agency. The sponsoring agencies are then to provide a response to the key issues raised by MPAG.

At this point, the MPAG will meet with key stakeholders to discuss the proposal, and the external review provided. MPAG will then provide a review note on the areas of concern, positive aspects of the proposal and recommendations.

This review note is then sent to the relevant stakeholders prior to the Approving Authority seeking government consent for approval of the proposal at Approval Gate 1 (see Figure 1). An information note on MPAG is in the Resources below.

Key Tasks

Overview. The Irish Government has continued to refine the official guidelines for the management of Public Investment. The latest guidelines are entitled '**Infrastructure Guidelines**' and they replace the previous guidance under the '**Public Spending Code**'. The new guidelines were launched in December 2023, with two supplementary papers being issued in March 2024.

Introduction to the Guidelines. The guidelines set out the value for money requirements for the evaluation, planning and management of public investment projects, including purchase or acquisitions of assets or shareholdings, in Ireland. Additionally, in a Circular issued on 21 December 2023, D/PENDPDR directed that it would be a matter for each Accounting Officer –

“...to ensure that processes in place in his/her department/Body and associated agencies are appropriate to:

- *Ensure compliance with the Infrastructure Guidelines,*
- *Manage Capital Budgets overall, and*
- *Manage budgets at individual project level.”*

The Guidelines' Foreword points out that the new arrangements have:

“...sharpened the focus on risk and cost management, reduced the compliance burden on low-risk projects, bringing Ireland into line with leading international approaches to major project delivery... The introduction of the External Assurance Process and the establishment of the Major Projects Advisory Group further improved the governance and oversight

arrangements for major projects... we have refreshed the requirements for capital projects in the Infrastructure Guidelines, reducing the number of approval stages and streamlining the requirements for major projects, while retaining the international best practice governance and oversight arrangements already in place. This will ensure that vital infrastructure projects will be delivered on time and delivered in a manner that ensures value for money”.

Layout of the Guidelines. The Infrastructure Guidelines has eighteen individual chapters, which are presented in PDF format. For facility, these chapters are listed individually in Tables 4 and 5 below. Table 4 shows that eight chapters are new publications (six from December 2023 and two from March 2024), followed by seven chapters that have been republished from earlier versions of the Public Spending Code. Table 5 shows the final three chapters which can be accessed from a separate website in a section called ‘Value for Money Framework’.

Table 4: Ireland’s Infrastructure Guidelines (Capital)

Pdf	Guidelines	Dimension	Date
1	Investment	Overview of Guidelines	Dec 2023
2	Investment	Guide to Strategic assessment & Preliminary Business Case	Dec 2023
3	Investment	Guide to the Project Design, Planning & Procurement	Dec 2023
4	Investment	Guide to the Final Business Case	Dec 2023
5	Investment	Guide to the Implementation Case	Dec 2023
6	Investment	Guide to the Post Completion Review & Benefits Realisation	Dec 2023
7	Technical	Central Technical References & Economic Appraisal Values	March 2024
8	Technical	Measuring & Valuing Changes in Greenhouse Gas Emissions	March 2024
9	PPPs	Guidelines for use of Public Private Partnerships	Dec 2019
10	Compliance	Quality Assurance Process	Sept 2019
11	Economic Appraisal	Overview of Appraisal Methods and Techniques	July 2012
12	Economic Appraisal	Carrying out a Cost Benefit Analysis	July 2012
13	Financial Appraisal	Financial Appraisal Guidelines	Nov 2021
14	Financial Appraisal	Financial Appraisal Guidelines; proposals of less than €1mn	Nov 2021
15	Financial Appraisal	Financial Appraisal Guidelines; proposals of more than €1mn	Nov 2021

Table 5: Ireland’s Expenditure Guidelines (Current)

Pdf	Guidelines	Date
16	Guidelines for Evaluating, Planning and Managing Current Expenditure	July 2012
17	Value for Money Review and Focused Policy Assessment Guidelines	Jan. 2018
18	Regulatory Impact Analysis Guidelines	June 2009

Key Features of Guidelines. The key features of the guidelines focus on:

- Administration of Public Investment, and
- Lifecycle of Public Investment.

The guidelines also in the oversight of Public Investment which is already covered above the Governance and Mandate headings.

Administration of Public Investment. There are administrative categories that appraise and deliver public investment in Ireland, the Guide makes a distinction between three administrative roles: The Accounting Officer, the Sponsoring Agency, and the Approving Authority. They are looked at, in turn.

Accounting Officers of Government Departments have a wide range of responsibilities⁹. For this paper, the focus is on their responsibilities in relation to the Infrastructure Guidelines. Accounting Officers have ultimate responsibility for public investment coming within their remit. They are the ones who must decide whether the processes in place in their department/office/body and associated agencies are appropriate to:

- Ensure compliance with the Infrastructural Guidelines
- Manage capital budgets overall; and
- Manage budgets at an individual project level.

Approving Authorities are the Departments funding the programme / project. Each Accounting Officer and Approving Authority have responsibility for:

- Ensuring that, where required, departments and agencies draw up their own sector specific procedures for evaluating, planning and managing public investment.
- Deciding whether to grant Approval in Principle at Approval Gate 1 (see figure below)
- In the case of investment proposals estimated to cost over €200 million engaging in the External Assurance Process and forwarding the Preliminary Business Case to D/PENDPDR for review by the Major Projects Advisory Group in advance of a decision being taken.
- Assessing the Detailed Business Case and Procurement Strategy
- Assessing the Final Business Case
- Monitoring the project as it is implemented and reviewing whether or not the project should progress should major developments occur that threaten the viability of the project
- Reviewing the Ex-Post Evaluation Report incorporating lessons learned into processes and guidance, and, where appropriate, submitting it to the DPENDPDR for review and dissemination, and
- Notifying the Government should adverse developments occur, including unforeseen cost increases or changes to the proposal scope, which call into question the desirability or viability of the investment proposal.

Sponsoring Agencies have primary responsibility for evaluating, planning and managing public investment projects within the parameters of the Infrastructure Guidelines. They may be a government department, local authority, state agency, higher education institute, cultural institution, or other state body. Their key responsibilities are:

- Preparing the Strategic Assessment and Preliminary Business Case
- Preparing a Detailed Business Plan
- Procuring the project in line with national procurement guidance and, where applicable, the Capital Works Management Framework (CWMF) and updating the Final Business Case as necessary

⁹ The Accounting Officer is a senior official (normally the Secretary General) in each Department or Office who is specially and personally charged with signing the Appropriation Account and who is accountable for the propriety of the Department's expenditure, the accuracy of the account and for prudent and economical administration.

- Monitoring and managing the Implementation Stage of the project in line with approval given including regular reporting to the Approving Authority and robust management of the contract
- Planning and conducting a review of the investment proposal, incorporating lessons learned into processes and guidance, and submitting a Project Completion Report to the Approving Authority as the project concludes; and
- Planning and conducting an ex-post evaluation of the capital investment proposal incorporating lessons learned into processes and guidance and submitting an Ex-Post Evaluation Report to the Approving Authority.

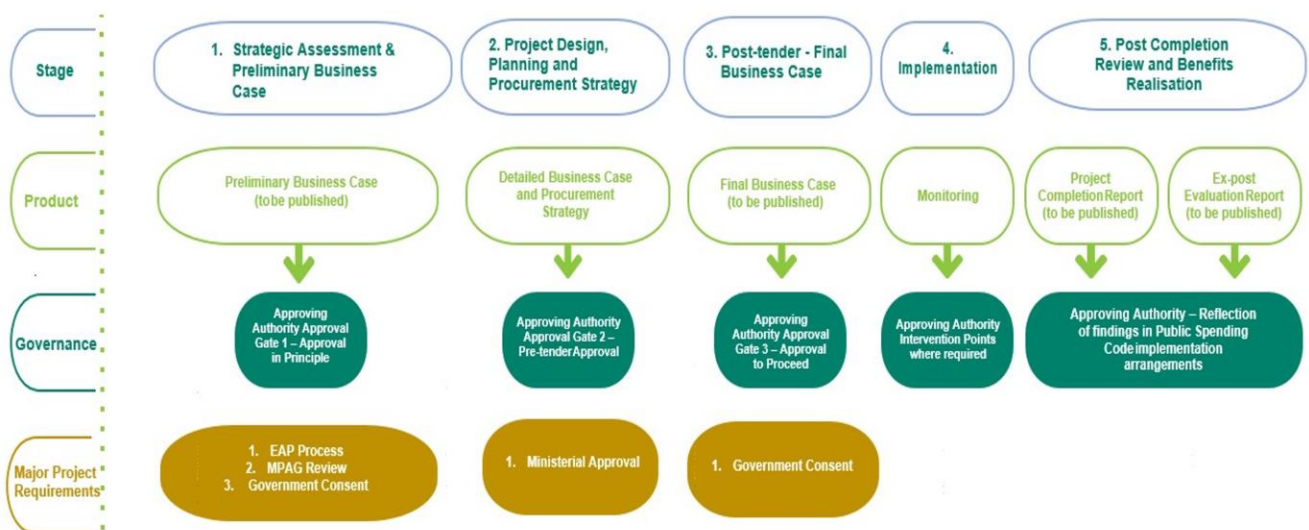
Lifecycle of Public Investment: The Project Lifecycle sets out the series of steps and activities that are necessary to take proposals from concept to completion and evaluation. Projects vary in size and complexity, but all projects can be mapped under the project lifecycle structure. There are three approval stages prior to implementation. They are:

- Strategic Assessment & Preliminary Business Case
- Pre-tender – Project Design, Planning and Procurement Strategy
- Post Tender – Final Business Case

For projects with an estimated capital cost of less than €20m, there are just two approval stages in the project lifecycle prior to implementation; they are Preliminary Business Case and Post Tender – Final Business Case.

The final two stages are the actual implementation stage and ex-post evaluation.

Figure 1: Ireland's Updated Public Investment Project Lifecycle



Additional comments. There may be overlap between the distinct stages. Fulfilling the requirements in the project lifecycle can require different inputs from distinct stages in the lifecycle depending on the individual project. Where a programmatic approach, involving multiple smaller projects, is undertaken, the Infrastructure Guidelines recommends that the programmatic structure for the constituent projects be clearly outlined and discussed to identify whether specific sequencing for projects may be required, to determine the stages to be followed.

It should be noted that the latest Infrastructure Guidelines have one less Approval Stage in the process than the previous Public Spending Code; a reduction from six stages to five stages. In

addition, the number of Decision Gates (DGs) have been reduced to three in the latest Infrastructure Guidelines, from four previously. The National Transport Authority (NTA) has produced a useful summary of the new Guidelines which includes a diagram showing the change in the number of Approval Stages and Decision Gates⁴. Figure 2 is reproduced overleaf from the NTA publication.

Figure 2: Summary of Ireland's New Guidelines, Project Stages and Approval Decisions

Infrastructure Guidelines			Public Spending Code			
Stage	Deliverable	Approval Gate	Stage	Deliverable	Decision Gate	
1	Strategic Assessment ⁱⁱⁱ	Strategic Assessment ^{iv}	1	Strategic Assessment	Strategic Assessment	DG0
	Preliminary Business Case	Preliminary Business Case ^v	2	Preliminary Business Case	Preliminary Business Case	DG1
2	Pre-tender: Project design, planning and procurement strategy	Detailed Business Case ^{vi} Project Execution Plan Procurement Strategy	3	Final Business Case	Detailed project brief and procurement strategy	DG2
3	Post-tender Final Business Case	Final Business Case			AG3	Tender documents
4	Implementation	Management Reports			Final Business Case	DG3
5	Post Completion Review and Benefits Realisation	Project Completion Report	4	Implementation	Monitoring Reports	
		Ex-Post Evaluation Report			Project Completion Report	
			5	Review	Ex-Post Evaluation Report	
			6	Ex-post evaluation		

Resources

Data not available.

Comments

There has been a major effort to update the Guidelines in Ireland to support the delivery of the National Development Plan and Project Ireland 2040.

References

National Development Plan: <https://www.gov.ie/en/publication/774e2-national-development-plan-2021-2030/>

Project Ireland 2040: <https://www.gov.ie/en/campaigns/09022006-project-ireland-2040/>

MPAG Information Note: <https://www.gov.ie/en/publication/f0694-major-projects-advisory-group/>

Infrastructure Guidelines: <https://www.gov.ie/en/collection/e8040-infrastructure-guidelines/>

Value for Money Framework (Government Accounting):
<https://www.gov.ie/en/campaigns/db9e8-government-accounting/>

Summary Comparison of New Infrastructure Guidelines: <https://www.nationaltransport.ie/wp-content/uploads/2024/01/Infrastructure-Guidelines-Summary-Bulletin-2024-01-29.pdf>

Update of the Public Spending Code - Guidelines for the External Assurance Process for Major Public Investment Projects: <https://www.gov.ie/en/circular/9108b-252021-update-of-the-public-spending-code-guidelines-for-the-external-assurance-process-for-major-public-investment-projects/>

OECD: <https://www.oecd.org/publication/government-at-a-glance/2023/country-notes/ireland-cbfad650/#chapter-d1e22>

ANNEX 3: INTERNATIONAL EXPERIENCE - NETHERLANDS

Introduction

This Annex includes an overview how Public Investment Management is shaped in the Netherlands. It comprises the main actors (institutions), their roles in different stages of policymaking and overall how the main public investment policy areas are treated. While there is currently no arrangement equivalent to Belgium's SCPI there are some similarities such as the recent use of a Study Committee on Demographic Developments.

Governance

No single party has ever had a clear majority in the Netherlands Parliament and therefore the political parties form coalitions.

Ministries specify and implement policies. A large part of public investment is made by the ministry of infrastructure and water management (ministerie van infrastructuur en milieu).

The **National Budget Inspectorate** (Inspectie Rijksfinanciën) checks the efficiency and effectiveness of budget proposals, and of specific policies.

CPB Netherlands Bureau for Economic Policy Analysis (Centraal Plan Bureau) is an independent organisation which analyses the effects of proposed government policies, including party programs and coalition agreements.

The **Study Group on Fiscal Space** (Studiegroep Begrotingsruimte) is a Committee which advises on the size of the budget in the upcoming cabinet period.

The **Council of State** (Raad van State) advises the government and parliament on new legislation, including yearly government budgets.

The **Netherlands Court of Audit** (Algemene Rekenkamer) reports to parliament whether dutch central government spending was economical, efficient and effective.

Ad-hoc committees advise on future policies. A recent example is the State Committee on Demographic Developments 2050 (staatscommissie demografische ontwikkelingen 2050), which advised on long-term population growth and migration.

Key Tasks

The stages in policymaking include 1) policy proposal stage, 2) policy decisions stage, 3) policy evaluation stage.

Policy proposal stage - in the run-up to elections:

- The Study Group on Fiscal Space advises on total expenditures, given (EU) budget rules and a wish to have sustainable government budgets.
- CPB publishes the expected effects of many potential policy measures, by policy area (e.G. For transport policy: kansrijk mobiliteitsbeleid).
- Political parties write party programs for a four-year cabinet period.
- CPB makes medium-term economic predictions and analyses the effects of party programs (only for parties who want this).

Policy decisions stage - after the elections:

- The coalition partners write a draft coalition agreement, including budgets for public investment.
- CPB analyses the effects of policy measures in the draft agreement.
- The coalition partners finalize the coalition agreement and form a cabinet of ministers.

During a 4-year (or shorter) Cabinet period:

- CPB predicts short term economic developments.
- Ministries make yearly budget proposals, based on these predictions. This includes proposals for contributions into and expenditures from investment funds. A mandatory appraisal is carried out of each new policy proposal, called policy compass (Beleidskompas).
- The National Budget Inspectorate checks whether these proposals are effective and efficient.
- The Council of State advises on the budget proposals

Policy Evaluation Stage:

- After policies have been implemented, the Netherlands Court of Audit assesses for selected policies whether they are effective and efficient.
- Ministries are obliged to perform an ex-post evaluation of policies in each area every 5 to 7 years ('periodieke rapportage', previously called 'beleidsdoorlichting')

Other Activities:

- Every year, the National Budget Inspectorate publishes several reports in which specific policy areas are analysed (e.G. Climate policy, spatial planning).
- Every 5-10 years, CPB publishes long-term scenarios for the Netherlands economy.
- These are used in almost all research into long-term policies of the central government, including research into the effects, costs and benefits of transport investments.

Main public investment areas

Large (i.e. expensive) transport infrastructure is decided upon and implemented by central government. Each year, the budget of the Ministry of Infrastructure and Water Management is accompanied by a long-term planning of deciding on and building these projects.

This planning is called MIRT (meerjarenprogramma infrastructuur, ruimte en transport). In MIRT project proposals pass through stages: exploration, plan elaboration and construction.

All projects are subjected to social cost-benefit analysis, but this research seems to have a strong influence only for very large projects. To finance MIRT projects, there is a separate fund (mobiliteitsfonds).

For water management, central government decides on safety norms with respect to flooding. These norms are based in part on social cost-benefit analysis. Regional water authorities are responsible for implementing these policies, e.G. by raising dikes.

The water authorities are partly financed by water taxes, which they raise themselves. Also, there is a central government 'delta fund' (deltafonds).

In innovation policy, the central government stimulates private investments through (tax) subsidies. There is a general tax credit for research & development activities called WBSO (wet bevordering speur- en ontwikkelingswerk), and a host of specific subsidies for e.g. Financing innovation and environmental innovation.

Also, a national growth fund has been created which subsidises selected large-scale investments aimed at long-term growth of the economy. Cpb advises on growth fund investments.

In housing policy, public investment by the central government is not substantial. Housing investments are mainly decided upon by municipalities (through spatial planning and land purchases) and paid for by housing associations (woningbouwcorporaties) and private investors.

The central government does provide subsidies for low-income households and regulates the rents of low-segment housing. Recently, the central government has tried to take a bigger role, e.G. By regulating rents not only in the low segment, but also in the middle segment of the housing market.

Resources

Not applicable as no comparable organisation.

Comments

No additional comments

References

<https://www.staatscommissie2050.nl/>

<https://www.cpb.nl/kiezen-of-delen>

<https://en.rli.nl/>

OECD: <https://www.oecd.org/publication/government-at-a-glance/2023/country-notes/the-netherlands-7da78331#chapter-d1e22>

ANNEX 4: INTERNATIONAL EXPERIENCE - SPAIN

Introduction

Spain is included due to the decentralized similarities with Belgium. Spain comprises 19 x 'autonomous communities' (regions)¹⁰ and is one of the most decentralized countries in the OECD. Relevant to the Belgium context, the Spanish arrangements include the Independent Authority for Fiscal Responsibility (AIReF) and the Council on Fiscal and Financial Policy.

Governance

Independent Authority for Fiscal Responsibility. The Spanish Government established an Independent Authority for Fiscal Responsibility¹¹ (AIReF) in 2014 with the mission to *"guarantee effective compliance with the principle of financial sustainability by the National Government as a means for ensuring economic growth and the wellbeing of Spanish society in the medium and long-term"*.

AIReF is Spain's Independent Fiscal Institution (IFI) and comparable to the Federal Planning Bureau¹² in the Belgium context. Overall, the Authority monitors the budget cycle and public debt as a contribution to Spain's overall fiscal stability through the publication of reports, opinions and specialist studies. The Authority fulfils its role through its five teams:

1. President's Office (Cabinet),
2. Budget Analysis Division (Autonomous Communities and Local Entities and State level and Social Security),
3. Economic Analysis Division (Macroeconomic Forecasts and Public Debt),
4. Legal Affairs Division and
5. Public Expenditure Evaluation Division¹³.

Council on Fiscal and Financial Policy. The Council includes representatives of the national government and the 'autonomous communities' with responsibility for effective and efficient coordination public expenditures and revenue through formal agreements. Such agreements include the financing and revenue, allocations and public debt.

For information, the national government retains control over the generation of revenue through the collection of taxes and redistribution then takes place with the 'autonomous communities' receiving their allocation based on agreed calculations. The 'autonomous communities' have significant control over spending.

Key Tasks

Fiscal supervision. AIReF is formally the 'fiscal supervisor'¹⁴ and completes a rigorous routine of analysis and reports specifically focused on the budgetary stability and financial sustainability of all public administrations. They complete this by continuously evaluating the corresponding budget

¹⁰ Details at: <https://www.airef.es/en/evaluations-2/autonomous-regions/>.

¹¹ In Spanish, Autoridad Independiente de Responsabilidad Fiscal (AIReF): <https://www.airef.es/en/>.

¹² Further details in OECD Review of the Belgian Federal Planning Bureau: An Assessment of Institutional, Operational and Analytical Capacity (October 2023). Accessed at: https://www.oecd-ilibrary.org/governance/oecd-review-of-the-belgian-federal-planning-bureau_60830e19-en.

¹³ The establishment of a Public Expenditure Division is identified in the 2024 Action Plan though the Division is not listed in the Authority's team structure (<https://www.airef.es/en/the-team>). Staff are assigned to the Public Expenditure Division in the Authority's detailed staff listing (https://www.airef.es/wp-content/uploads/2018/10/RPT_Funcionarios.xls).

¹⁴ Details at: <https://www.airef.es/en/supervision/>.

cycle, public indebtedness and economic forecasts which they then public in mandatory reports. The supporting datasets and tools are identified below.

Annual Action Plan. AIREF's action plan (work program) is published annually and is derived from the current 2020 – 2026 Strategic Plan¹⁵. The 2024 action plan¹⁶ includes a comprehensive work program comprising:

- **Reports** on the budget cycle aimed at 'guaranteeing' the sustainability of public finances,
- **Opinions** vary each year with 2024 including Minimum Income Scheme, reform of the economic governance of the European Union, materialisation of fiscal risks and long-term [fiscal] sustainability of the General Government,
- **Specialist studies** for 2024 include evaluation of mutual insurance for civil servants, financial instruments to support productive sectors (in particular those relating to digitalisation and innovation) and evaluation studies commissioned by Autonomous Regions (see specific requests below)
- **Other tasks** include in-depth Fiscal Oversight, Compliance with the national and European fiscal framework, early warning of risks, in-depth analysis of long-term sustainability, contribution to Spain's sustainable fiscal strategy, public policy evaluations and foster a culture of evaluation within the budget process.
- **Institutional changes** include pursuing the necessary policy changes to enable evaluation to be a permanent function of AIREF, development of an evaluation monitoring system and a range of supporting actions to strengthen the key organisational principles of independence, transparency and accountability.

Spending reviews. The Authority conducts numerous reviews each year. A review of Transport Infrastructures (completed in July 2020) includes several findings of specific interest to the SCPI context and relevant to insights from other country experiences. This review recognised the potentially impactful role of international good practices if implemented in the Spanish context¹⁷.

This is very similar to both SCPI's initial work and the key insights from current improvements in Ireland. The combination of key insights from the Transport Infrastructure Spending Review and the identification of good practices are identified below throughout the public investment lifecycle:

- **Timely review and approval of key strategic documents:**
 - **Finding:** Significant delays in the approval of key infrastructure management documents have been identified only the airport sector has the planned document in force, while the other means of transport have recorded significant delays in drawing up their plans.
 - **Good practice:** Draw up sector transport plans and link them to the national plan: *it is proposed that sector planning instruments be approved as quickly as possible and to do so ensuring methodologies that focus on proposals based on evidence, transparency and public participation.*
- **Budgetary link for planning strategic infrastructure investments:**

¹⁵ Details at: <https://www.airef.es/en/about-us-2/annual-report-and-strategic-plan/>.

¹⁶ Details at: https://www.airef.es/wp-content/uploads/2024/03/PLAN-ACTUACIONES/AIREF_Action-Plan-2024_web.pdf.

¹⁷ The review identified "there is an extensive list of good practices that Spain could apply, by adapting them to its specific situation, in order to reduce the planner's optimism, identify transport needs, better estimate the costs of the projects, specify ex ante and ex post evaluation methods for infrastructure investments and improve transparency, participation and accountability".

- **Finding:** There is no link between the plans, the budget process and the economic situation. Neither is the project selection process linked to the annual availability of funds. The plans have become a list of projects that are implausible due to their size and deadlines that are impossible to fulfil.
- This makes it easy for each regional government to build up a discourse of grievance based on the list of projects that have not been undertaken or which have been delayed, which leads to excess allocation.
- **Good practice:** Develop budgetary coordination and planning mechanisms for the short and medium term. It is proposed that the budgetary planning mechanisms of infrastructure plans and projects be strengthened, with greater involvement from the Ministry of Finance.
- **Project approval and optimism in planning:**
 - **Finding:** There is no methodology that builds the link between diagnosis, data, evidence and the plan's decisions. Investment decisions were therefore made on the basis of data that are far from realistic.
 - The results of the feasibility studies, however strong they may be, do not determine the final decisions taken by the government. Most of the time, the most important decisions are made before starting feasibility studies. The aim becomes to carry out one or another project.
 - A clear trend has been identified to underestimate the costs and timescales of the plans and projects, to minimise their risks and to overestimate their benefits, especially the demand for travel. The costs of the projects to be performed have been underestimated at the different stages of the project planning process.
 - **Good practice:** It is also proposed that an objective path be established for investment in transport infrastructure in the medium term which is based on the minimum necessary expenditure for proper maintenance of the current infrastructure.
- **Framework for evaluating and prioritising projects:**
 - **Finding:** No real ex ante evaluation is carried out of the investments to be made and similarly neither are past investments evaluated ex post.
 - **Good practice:** Create an independent administrative authority for project evaluation: *'it is proposed that an independent body be set up to evaluate infrastructure projects. This body should have sufficient technical and economic capacity for effective oversight and to offer the necessary evidence for the decision-making process, including at a regional and local level.'*
- **Transparency in data:**
 - **Finding:** One of the major shortcomings identified in the evaluation is the limited availability of public data with sufficient level of detail on the infrastructures, transport services and specific projects.
 - **Good practice:** Implement an open data policy. It is proposed that all available data or information be made public unless there is a powerful reason not to do so. Publication of all the accumulated information, beginning with the most recent information, should be a core objective of the implementing stakeholders.

Specific requests. An interesting feature of AIReF’s role is that they can be commissioned to undertake work on behalf of the ‘Autonomous Regions’¹⁸. Examples include economy, education and health related studies specific to the needs of the requesting ‘Autonomous Regions’. It is possible that an equivalent arrangement could be of future interested in Belgium.

New fiscal framework. The Authority is envisaged to play a prominent role in Spain’s implementation of new European fiscal framework¹⁹. Specifically, AIReF’s role is expected to included assessing the consistency, coherence and efficacy of Spain’s national fiscal framework. This is a real and live new task as Spain will submit a structural-fiscal plan to the EU authorities in September 2024 to reduce debt with all Government authorities having to prepare their 2025 budgets to be consistent with that plan.

Data and tools. AIReF maintains and publishes an extensive collection of datasets and tools as listed in the table below.

Economic Data	Interactive Tools
<ul style="list-style-type: none"> AIReF Forecasts 	<ul style="list-style-type: none"> Pension Simulator and other variables
<ul style="list-style-type: none"> Real-time GDP MIPred 	<ul style="list-style-type: none"> Demographics and Interactive Population Pyramid
<ul style="list-style-type: none"> Quarterly Regional GDP METCAP 	<ul style="list-style-type: none"> Recommendations Observatory
<ul style="list-style-type: none"> Economic Situation Monitor 	<ul style="list-style-type: none"> Observatory of Findings and Proposals for Evaluation
<ul style="list-style-type: none"> Stability Target Monitoring 	<ul style="list-style-type: none"> Autonomous Regions Observatory
<ul style="list-style-type: none"> Public Debt Monitor 	<ul style="list-style-type: none"> Local Authorities Observatory
	<ul style="list-style-type: none"> RTRP Observatory
	<ul style="list-style-type: none"> Focalization of VAT Changes Simulator
	<ul style="list-style-type: none"> Municipal Waste Management

Resources

AIReF’s annual budget is in the region of €11 Million which funds 66 staff allocated to each team as shown below.

President’s Office (Cabinet)	Budget Analysis Division	Economic Analysis Division	Legal Affairs Division	Public Expenditure Evaluation Division	Total
8 staff	29 staff	10 staff	9 staff	10 staff	66 staff

¹⁸ Details at: <https://www.airef.es/en/evaluations-2/autonomous-regions>.

¹⁹ Details at: <https://www.airef.es/en/news/airef-organises-a-seminar-with-the-autonomous-regions-on-the-new-fiscal-framework/>.

Comments

No additional comments.

References

AIRef: <https://www.airef.es/en/>.

[Plan for the Digitalisation of Spain's Public Administration: 2021-2025 - Digital Government and Digital Public Services Strategy.](#)

OECD: <https://www.oecd.org/publication/government-at-a-glance/2023/country-notes/spain-a91a38d3/>.

ANNEX 5: INTERNATIONAL EXPERIENCE - UNITED KINGDOM

Introduction

The National Infrastructure Commission (NIC) in the UK is the closest equivalent to Belgium's SCPI. By comparison, the NIC is more focused 'upstream' on future infrastructure and public investment needs. It is not involved in the classic PIM lifecycle. Consequently, the NIC focuses on the flagship National Infrastructure Assessment report completed every five (5) years as a major multi-year commitment.

Governance

The NIC is a permanent organisation an Executive Agency of Her Majesty's Treasury (UK Ministry of Finance). The organisation is governed by a Charter (similar to SCPI's Royal Decree) and a Framework Document (similar to SCPI's Committee Procedures with additional details on financial management).

The Commission is equivalent to SCPI's Committee. It comprises ten members including a designated Chair. Members serve for a five (5) year term up to a maximum of ten (10) years. The Secretariat is led by a Chief Executive with a Senior Management Team and a total staff of 50.

The Commissioners are expected to contribute a time commitment of two (2) days per week for which they are paid €23,000 annually. The Chair of the Commission is expected to contribute three (3) days per week and is paid €99,000 annually. The remuneration details are publicly available.

Mandate

The NIC's mandate is to provide government with impartial, expert advice on major long term infrastructure challenges.

Comment: it is worth noting that this does not include involvement in the Public Investment Management lifecycle

Key Tasks

Key tasks. The NIC focuses on the following key tasks:

- 1) a National Infrastructure Assessment (NIA) once in every Parliament (up to 5 year maximum term), setting out the Commission's assessment of long-term infrastructure needs, with recommendations to government
- 2) specific studies on pressing infrastructure challenges as set by government (see Table X below for the Digital and Data and Energy and Net Zero studies completed since the formation of the NIC)
- 3) an Annual Monitoring Report, taking stock of the government's progress towards previously accepted recommendations.

The NIC's flagship report is the NIA which was completed initially in 2018 and again in 2023 focused on assessing the UK's infrastructure needs to 2055 and beyond.

Specific objectives. These are further refined into the following objectives to:

- support sustainable economic growth across all regions of the UK
- improve competitiveness;
- improve quality of life; and

- support climate resilience and the transition to net zero carbon emissions by 2050.

National Infrastructure Assessment and Themes. The NIC focuses:

- 1) Design & Funding
- 2) Digital & Data
- 3) Energy & Net Zero
- 4) Environment
- 5) Place
- 6) Regulation & Resilience
- 7) Transport
- 8) Water & Floods.

Sample of Twin Transition Studies and Reports. Table 8 below includes the studies and reports completed since the establishment of the NIC which relate to the Twin Transition. Resilience and Water related outputs have also been included.

Table 6: Sample of Twin Transition Studies and Reports Completed Since Establishment of NIC

Digital & Data Studies and Reports	Energy & Net Zero Studies and Reports
1. Connected and automated mobility (2024 – ongoing): A study exploring the policy and infrastructure changes required to maximise benefits of new mobility technology.	1. Electricity distribution network (2024 – ongoing): A study exploring how to ensure local distribution of electricity keeps pace with increasing demand.
2. Cost effective delivery of infrastructure projects (to be published Summer 2024): Comparing UK's approach to cost control of major infrastructure projects with its international peers.	2. Cost effective delivery of infrastructure projects (to be published Summer 2024): Comparing UK's approach to cost control of major infrastructure projects with its international peers.
3. Infrastructure planning system (2023): Study looked at how to speed up the consenting process for major new projects.	3. Infrastructure planning system (2023): Study looked at how to speed up the consenting process for major new projects.
4. Infrastructure, Towns and Regeneration (2021): A study exploring how to maximise the benefits of infrastructure policy and investment for towns in England.	4. Energy sector modelling (2023): Reports and accompanying data sets modelling the future shape of a decarbonised energy sector in the UK.
5. Baseline Report Annex A: Digital (2021): Analysis of the UK's digital infrastructure which informs the Second National Infrastructure Assessment: Baseline Report.	5. Baseline Report Annex B: Energy (2021): Analysis of the UK's energy generating infrastructure which informs the Second National Infrastructure Assessment: Baseline Report.
6. Resilience (2020): A study on the resilience of the UK's economic infrastructure.	6. Adverse weather scenarios for future electricity systems: long duration events (2021): New datasets from project with Met Office and the Climate Change Committee on resilience of future electricity systems to adverse weather.
7. Data for the public good (2017): A study examining how new technologies such as AI	7. Research into renewable electricity systems (2021): Research for the Commission by

and machine learning can improve infrastructure productivity.	Baringa to support the paper on the operability of highly renewable electricity systems.
8. Connected Future (2016): A report on the interventions required to position the UK as a world leader in 5G deployment.	8. Agent based modelling of a heat market (2021): Pilot project by Frontier Economics to illustrate how modelling the behaviour of individual 'actors' can support policy making
Environment Studies and Reports	9. Greenhouse gas removal technologies (2021): A study examining how emerging greenhouse gas removal technologies can support the UK's climate ambitions.
1. Natural capital and environmental net gain (2021): A discussion paper examining how infrastructure development can contribute to protecting the country's natural environment.	10. Operability of highly renewable electricity systems (2021): Analysis of the solutions available to address the challenge of maintaining security of supply.
Water and Floods Studies and Reports	11. Cost analysis of future heat options (2020): Research by Element Energy analyses different models and scenarios for future heat generation.
1. Surface water flooding (2022): A study on effective approaches to the management of surface water flooding in England.	12. Electricity system modelling (2020): Aurora Energy Research data modelling of the UK electricity system.
	13. Renewables, recovery, and reaching net zero (2020): A report on the benefits of accelerating deployment of renewable electricity generation.
	14. Resilience (2020): A study on the resilience of the UK's economic infrastructure.
	15. Net zero: Commission recommendations and the net zero target (2020): Analysis of Commission recommendations in light of net zero greenhouse gas emissions target.
	16. Net zero: Opportunities for the power sector (2020): The electricity system and the 2050 net zero target
	17. Financing models for nuclear power (2019): Estimating comparable costs of a nuclear regulated asset base versus a contract for difference financing model.
	18. Regulation (2019): Exploring how the UK's regulatory system must adapt to meet the demands of the future and secure the strategic investment needed.
	19. Smart Power (2016): A report examining how the UK can balance supply and demand within the electricity market.

National and regional government coordination. There are further similarities between the UK and the Belgium context regarding what functions are retained by the national government and what are assigned to the devolved regional governments. The arrangements are described here and illustrated and in Table 9 below including the intersection of responsibilities between the UK government and the corresponding devolved administrations.

The Commission's remit extends to economic infrastructure within the UK government's competence. Across much of the Commission's remit there is currently substantial devolution to Northern Ireland, Scotland and Wales (see the table below).

The Commission's role is to advise the UK government, but it works with both the UK government and the devolved administrations where responsibilities interact.

Table 7: Infrastructure Responsibilities in UK Devolved Administrations

Sector	Devolved administration responsibility		
	Northern Ireland	Scotland	Wales
Digital	Reserved	Reserved	Reserved
Energy	Devolved, except nuclear	Reserved, except energy efficiency	Reserved, except energy efficiency
Flood risk	Devolved	Devolved	Devolved
Transport	Devolved	Largely devolved	Devolved, except rail
Waste	Devolved	Devolved	Devolved
Water and sewerage	Devolved	Devolved	Devolved

Resources

The NIC is supported by a multi-year funding agreement which provides a more solid basis for staffing, work programming and generates confidence of its future funding and plan. For 2023-2024, the key resources include:

- Total budget of €6.9M
- €1M for commissioned research
- and 50 FTEs.

Comments

The NIC supports two additional groups. The first is the Design Group and the second the Young Professionals Panel (YPP).

Design Group. Consistent with the NIC's focus on the future and 'upstream' infrastructure and public investment needs, the Design Group was established in 2019 to inspire renewed ambition for the quality of the UK's infrastructure and inspire, promote and champion design excellence in all nationally significant projects.

In 2020, the Design Group published Design Principles for National Infrastructure to embed good design at every stage of infrastructure projects. The four principles are climate, people, places and value and aim to guide the planning and delivery of future major infrastructure projects in the UK.

YPP. The NIC's YPP is currently on its second cohort. The purpose of the YPP is to ensure the Commission's work draws upon the creativity and diverse viewpoints of potential future leaders from

across infrastructure. The YPP published their own contribution to the Second NIA proposing priorities for the next generation²⁰.

References

NIC Governance: <https://nic.org.uk/about/governance/>

NIC Charter:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1028250/Updated_NIC_charter_v.final2.pdf

NIC Framework Document:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1028251/Updated_framework_document_v.final2.pdf

NIC Commission: <https://nic.org.uk/about/the-commission/>

NIC Commission Remuneration: <https://nic.org.uk/app/uploads/Commissioner-remuneration-as-of-1-April-2024.pdf>

NIC Secretariat: <https://nic.org.uk/about/secretariat/>

NIC Objectives: <https://nic.org.uk/about/>

NIC Design Group: <https://nic.org.uk/about/design-group/>

NIC Design Principles: <https://nic.org.uk/studies-reports/design-principles-for-national-infrastructure/>

UK 'devolved responsibilities': <https://nic.org.uk/about/what-we-do/>

Second National Infrastructure Assessment (2023): <https://nic.org.uk/studies-reports/national-infrastructure-assessment/second-nia/>

NIC Design Principles: <https://nic.org.uk/app/uploads/NIC-Design-Principles.pdf>

NIC Datasets and Visualisations: <https://nic.org.uk/data/>

OECD: <https://www.oecd.org/publication/government-at-a-glance/2023/country-notes/united-kingdom-7a8f7acf#chapter-d1e22>

²⁰ Details available at: <https://nic.org.uk/studies-reports/national-infrastructure-assessment/second-nia/ypp-priorities-for-the-next-generation/>