

# **OMEGA 2 Project: Some Generic Lessons**

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# Contents

- *A selection* of OMEGA Lessons for MTP Planning, Appraisal and Delivery
- Some key conclusions

**Key lessons for MTP planning, appraisal and delivery derived from the synthesis of the case studies:**

- **MTPs as ‘agents of change’**
- **MTPs as ‘open systems’**
- **MTPs as ‘organic’ phenomena**
- **Proper framing of MTPs**
- **Power & influence of context**

**OMEGA’s lessons also address (but not covered by this presentation):**

- **Role of sustainable development visions**
- **Engaging with MTP stakeholders**
- **Institutional, policy and legislative support**
- **Importance of lesson learning and sharing**

# Notions of success & failure

**OMEGA case studies illustrate the difficulties in determining MTP success and failure:**

For example:

- Success/failure – for whom? Who are the winners and losers?
- Success/failure – when? In what time period? On completion, ten years later.....?



# OMEGA Lessons for MTP Planning, Appraisal and Delivery

## Some important 'health warnings':

- OMEGA case study interviewees comprised those directly involved in/ impacted by MTPs – the emphasis was on **decision-makers**
- OMEGA 2 Project derived 50+ lessons relating to project planning, appraisal and delivery – almost all of these are interrelated. **The lessons presented here should therefore not be taken in isolation,** they represent an overview

# OMEGA Lessons for MTP Planning, Appraisal and Delivery

## Some important 'health warnings':

- The 'Power of Context' is considered to be a fundamental influence on almost all aspects of MTP planning, appraisal and delivery – e.g. temporal, environmental, social, economic, physical, institutional and political (and 'mega events')
- Therefore the transferability of OMEGA Lessons to different contexts needs to have due regard to these many and varied contextual circumstances that prevail at different times and in different locations
- OMEGA Case Studies are all located in the Developed World – are the lessons derived from the research transferable to the Developing World? How do we ensure that sufficient attention is paid to 'context' in transferring OMEGA lessons to different contexts?

## MTPs as ‘Agents of Change’

- Because MTPs frequently become critical ‘agents of change’ that have multiple spatial, economic, environmental and other implications, **there is a need for a change of mind-set** concerning the way in which they are positioned, framed and planned. Very many are fundamentally about **more than just the delivery of transport infrastructure**
- Many such ‘projects’ represent programmes consisting of **multiple mega projects that evolve over time, in response to different contextual influences** (‘boom and bust’ and changes in political leadership for example)
- But, **the potential for MTPs to change the context into which they are placed is often under-appreciated** by decision-makers – resulting in unexpected/unintended consequences (positive and negative) or lost opportunities.

## MTPs as 'Agents of Change'

- Many MTPs are rather narrowly framed mainly as providers of transport infrastructure – e.g. from our case studies, The Western Harbour Crossing in Hong Kong and the Athens Metro – arguably both represented 'missed opportunities' for wider structural change/regeneration etc.
- Conversely, projects such as Tokyo's Metropolitan Expressway and the Oedo Line, the CTRL in south-east England and the basket of core airport-related projects in Hong Kong were inherently positioned as components of broader agent of change strategies - albeit with varying degrees of success, and not always at the outset.
- Quite often new agent of change objectives were 'bolted onto' already planned projects – the UK's CTRL being a case in point.



# MTPs as 'Agents of Change'

**MTP planning, appraisal and delivery agents therefore need to consistently and *explicitly* ask themselves some key questions:**

- is the proposed MTP expected to function as an 'agent of change', and if so, in what way?
- what sort of territorial, sectoral or other type of change is it expected to achieve?
- which forces of change is the project trying to influence or harness?
- what timeframe will be required for such change to take place – given prevailing/forecast/scenario contextual conditions?
- what type of resources (financial, institutional, personnel, legal, etc.) and policy frameworks are needed, and over what period?
- what are the potential project 'boundaries' - physical and otherwise – often extremely difficult to discern, let alone identify?

## MTPs as 'Open Systems'

***MTPs require 'open systems' treatment which is able to reflect their complex and fluid relationship with the areas/sectors/communities they serve, traverse and impact upon***

- In seeking to adapt and respond to changing contexts, MTPs are themselves frequently changed. Conversely, they also alter the contexts into which they are placed.
- Such changes are continuous and evolving thereby contributing to the development of a dynamic situation, which never reaches equilibrium.
- Consequently an 'open system' approach will be required for *all* aspects of planning and appraisal of those MTPs considered to have complex interrelationships with the territories they serve.
- Important external contextual influences need to be identified and addressed in plans and strategies – this is often very difficult over time and space and frequently impacts on project management approaches.

# MTPs as 'Open Systems'

- 50%+ of the OMEGA case studies were considered as 'closed systems' during both their planning and implementation stages
- Feedback from some interviewees suggests that when megaprojects are treated as 'closed systems' during the early stages of project development they *cannot be adequately appraised* as part of the wider context into which they are placed
- Such projects subsequently face the possibility that their potential contextual impacts will be seriously underestimated – beneficial and disadvantageous
- Here, there is a clear link with the notion of MTPs as agents of change
- A number of OMEGA case study projects experienced transition from a closed to an open system approach – e.g. Tokyo's Metropolitan Expressway was initially treated as a closed system but was subsequently forced to be treated as 'open' due to local pressure for a more environmentally sensitive design solution

***MTPs are 'organic' phenomena (rather than static engineering artefacts alone) that often need 'time to breathe' (a period of reflection) in their preparation which can present special opportunities that should be seized and exploited by key decision-makers.***

- Most MTPs are subject to an 'organic', evolutionary process that often produces fundamental change in their *raison d'être* or scope/scale - they are moulded over time by contextual forces including economic, political and institutional
- This is also frequently *necessary* to enable MTPs to respond to changing ideas and visions of future possibilities.
- But is difficult in contexts characterised by an emphasis on speed of delivery.



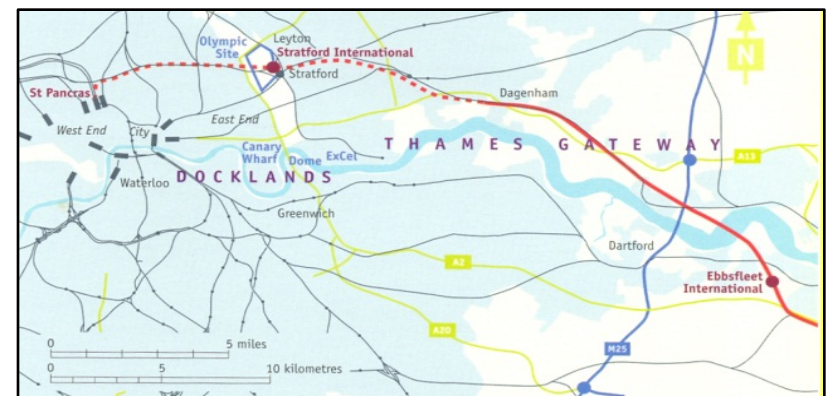
# MTPs as 'Organic' Phenomena

- As a result, the 'time to breathe' or period of reflection that MTPs may require should *not* necessarily be considered ineffective – but may be used as a period to explore a wider range of visions and possibilities.
- Conversely, many argue that an over emphasis on 'speed' can often prove to be especially harmful – yet 'speed of delivery' is often seen as a cornerstone.
- But, such periods of reflection need to be well managed to ensure a genuine re-examination of past decisions and future direction involving key stakeholders.
- Much is dependent here upon the ability and willingness of planning and delivery agents to explore changing visions, stakeholder agendas and wider contextual influences



# 'Time to Breathe'

- The JLE in London - the project was put on hold for 18 months following the collapse of private sector funding while the government sought a contribution to the overall (project) costs from the private sector. The 'time to breathe' was not fully exploited in terms regeneration opportunities and station design.
- CTRL – the time to breathe enabled exploration of new territorial and sectoral development/restructuring initiatives in Thames Gateway



***The changing demands placed on MTPs can make it excruciatingly difficult to judge their successes and failures. This makes it imperative to ensure proper project framing so as to enable their appraisal to be based upon a fair and transparent foundation.***

- ‘Iron Triangle’ criteria of project management are capable of *only* providing a partial (albeit important) basis for determining project ‘success’ – this seems to be well recognised by key decision-makers.
- MTP stakeholders and stakeholder groups not only often have fundamentally different expectations of the roles and impacts of projects but also their perceptions of ‘success’ or ‘failure’ are frequently highly individual, based on a particular aspect/component of a project or even an emotional response to it, and may change over time.
- There should be a clear early statement of MTP roles, goals, objectives, together with key assumptions, appraisal criteria and anticipated impacts which need to be disseminated to/discussed with key stakeholders.

# The Framing of MTPs

## OMEGA case study projects – ‘iron triangle’ based criteria for success and failure?

- the average cost-overrun was found to be 22%
- only one project (the ‘Big Dig’ in Boston) was found to have exceeded its original budget by more than 100%
- three projects were found to have been between 50% and 100% over budget
- 50% were successfully delivered at less than 10% over budget
- 50% were delivered either on time or less than one year behind the original schedule
- only one-third achieved more than 75% of their initial objectives
- but for those 13 case studies where ‘emergent objectives’ were identified, the success rate was much higher - more than 75% achieved 100% of their ‘emergent objectives’.



# The Framing of MTPs

- MTPs such as the CTRL, JLE, Melbourne City Link and the Big Dig demonstrate that, post-completion, the perception/criteria of 'success' often changes – sometimes dramatically, and sometimes perceptions alternate between success and failure
- In all four cases, the problematic circumstances surrounding aspects of their planning, funding and delivery attracted much controversy
- This was especially true in the case of the Big Dig - the immense cost of the project to the State of Massachusetts and the US public purse meant it was seen as the most costly urban road in the history of US public works
- However, subsequent perceived benefits have diluted this criticism somewhat, especially in relation to the positive impacts of agglomeration impacts, property/land value uplifts and environmental improvements
- Clearly then today's failures can often become tomorrow's successes – and vice versa of course!

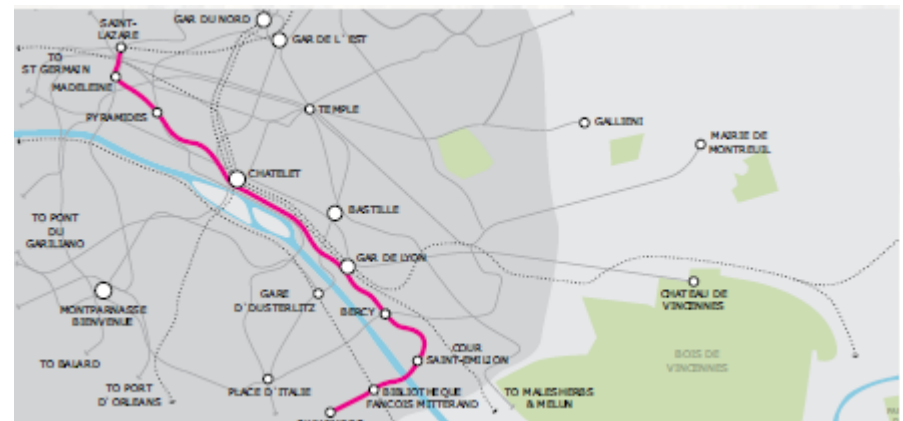
***Context awareness and sensitivity to context is vital for both the successful planning, appraisal and delivery of MTPs and suitable treatment of contextual risks, uncertainties and complexities.***

- Context awareness is a key factor in successful decision-making to address the risks, uncertainties and complexities that characterise MTPs as all such projects are impacted in some way by the interplay of different contextual influences over time.
- Key project stakeholders need to identify and analyse the critical contexts (and interdependencies) that surround *pivotal project decision making*.
- Sensitivity to context enables the identification of opportunities (and risks) which arise from time to time (often referred to as a period ‘when the planets align’ or serendipity) which suggest that the time is ripe to take decisive action. This is clearly understood by politicians and investors – and, most notably ‘project champions’.

- Many/most experienced project planners and deliverers also display acute sensitivity to context.
- However, our case studies indicate that there are few examples where explicit context monitoring systems are established – to both identify contextual elements, to understand their potential influence and to track changes over time

# The Power of Context

- OMEGA case studies highlight the need to pay careful attention to the governmental (and spatial/territorial planning) contexts into which MTPs are to be inserted - mis-matches in expectations and outcomes are frequently experienced
- Country contexts that are characterised by 'strong' or visionary governmental and planning traditions more able to exert control over project impacts (identified in the Hong Kong, Japanese and French case studies) need to be treated very differently from those where the ability to control unintended outcomes is, at best, patchy - as was found in all three Greek case studies where uncontrolled development arose.



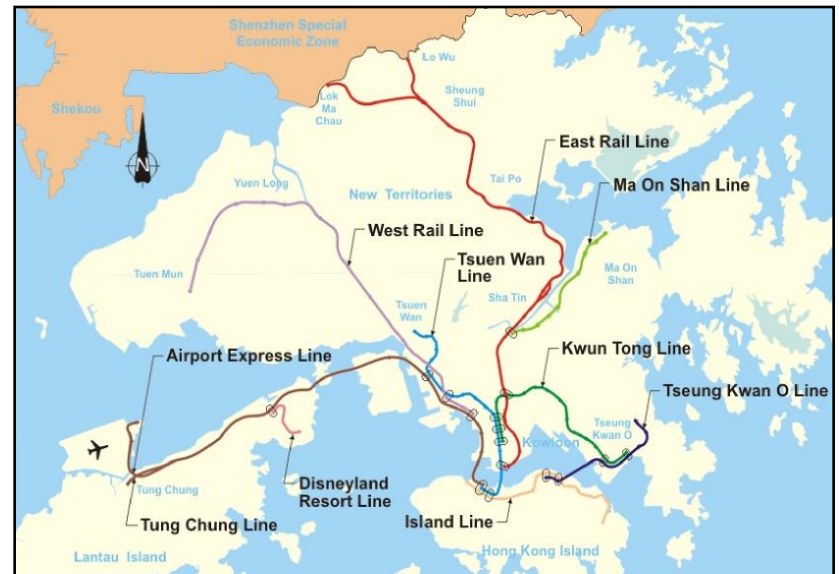
# The Power of Context

- Contexts are being changed at an increasing pace due to (for example) rapid technological developments, global financial and environmental instabilities and globalisation
- This resonates especially strongly with transnational MTPs:
  - the Øresund Link, which links the economies of Sweden and Denmark with that of Germany and other EU countries (and beyond) by facilitating enhanced passenger and freight traffic - making the cities of Copenhagen and Malmö more competitive
  - CTRL and JLE were also seen as being influenced by globalisation - with the former providing direct access to the European rail network and the latter being seen to enhance the role of Canary Wharf and London as a global financial centre



# The Power of Context

- The Hong Kong case study projects comprised major components of the overall strategy for the Territory to remain as a major international financial and transportation hub of Asia post- 1997 (and to build confidence)



- Decision-making for MTPs should include **a much wider set of complex considerations** than those traditionally associated with the ‘iron triangle’ alone.
- The acceptance of MTPs as **‘open systems’ with powerful ‘agent of change’ functions** necessitates, the need for them to be seen as **‘organic’ phenomena requiring time and space to evolve and adapt in response to changing contextual influences** (and ‘happenstance’) that exert themselves over the (often lengthy) project lifecycle. Faced with this, it is perhaps **unrealistic to expect that all aspects of project planning and delivery can be tightly controlled.**

- This, in turn, implies the **necessity for project decision-makers to adopt more holistic, flexible, robust strategies and procedures** that incorporate periods of engagement with a wide range of project stakeholders from the earliest opportunity.
- The treatment of **MTPs as ‘adaptive systems’, combined with the changing demands placed on such projects, creates considerable difficulties for their subsequent evaluation.** Therefore, it is *imperative* to ensure proper *project framing* that enables appraisals to be based on a broad, fair and transparent foundation.





THANK YOU