

Updates on project governance in Norway

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Symposium web-site: <http://www.conceptsymposium.no/>
Concept Research Programme: <http://www.concept.ntnu.no/english/>

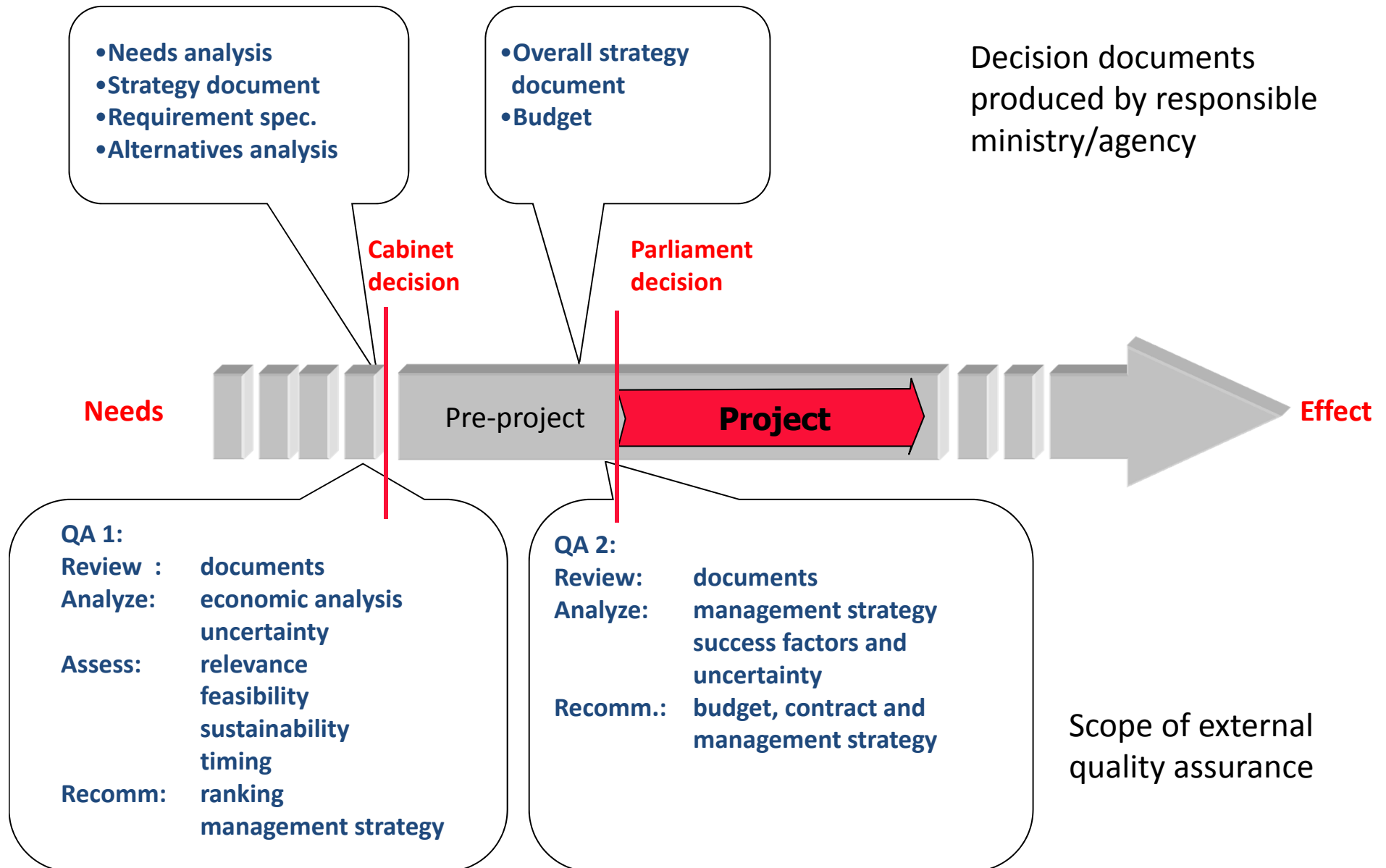
UPDATES ON PROJECT GOVERNANCE IN NORWAY

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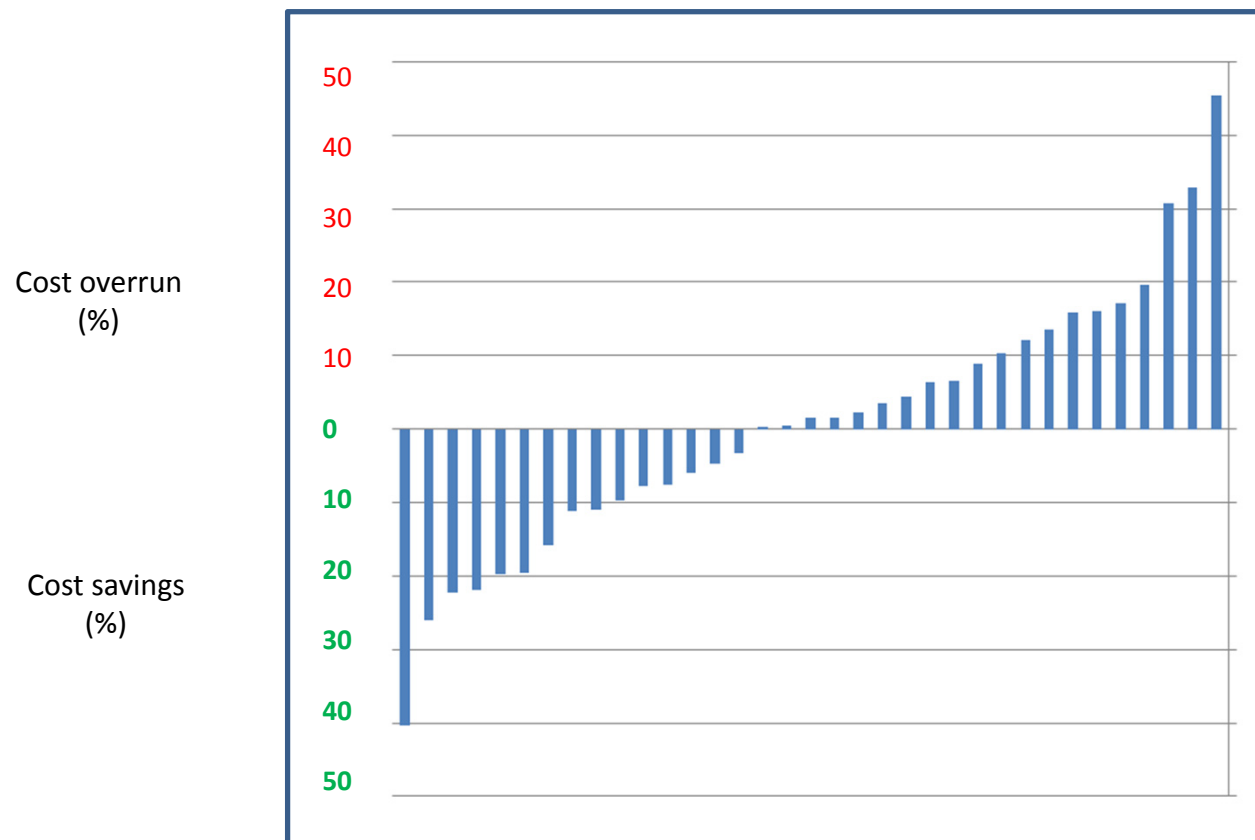
Ministry of Finance Norway

QA regime: scope and procedure



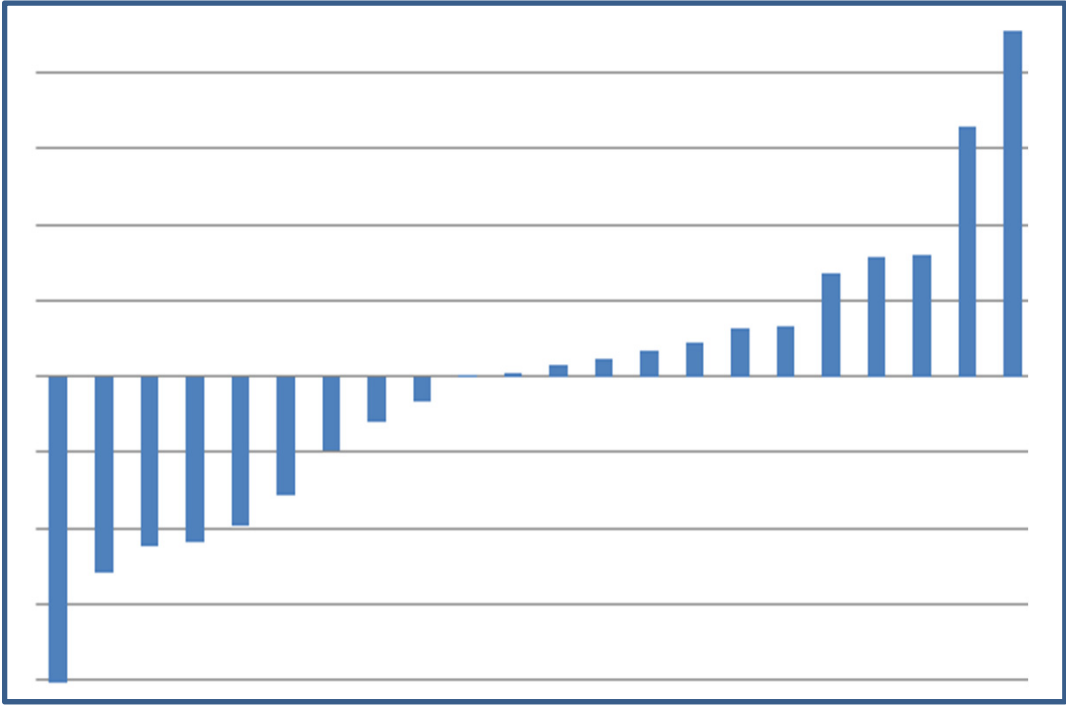
QA 2

- 37 completed projects have been reviewed. This is a representative sample containing about 80% of the quality assured projects in the period 2000-03.
- 7 cost overrun and the remainders, about 80 %, with (considerable) cost savings
- 15 were over P50, 8 close to P50, and 14 under. This indicates that quantitative risk analyses yield robust results for a sufficiently large portfolio.
- There are very few projects that combine the properties "many changes" and "the contingency is spent". The evidence thus does not support the allegation that risk analyses are cost driving.
- Some smaller projects had considerable cost overruns, while the largest projects had considerable savings
- Total savings were almost three times higher than total overruns
- Total net savings amount to about 5 per cent of the total investments

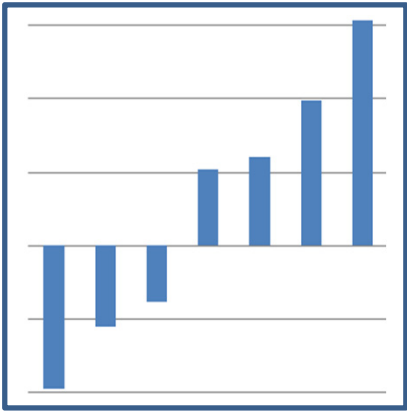


Cost deviation relative to P50 estimates (percentages)

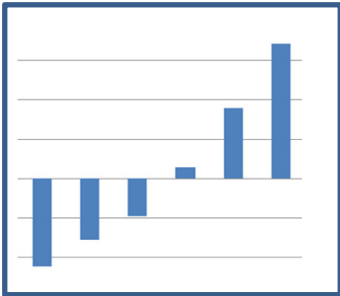
Transportation



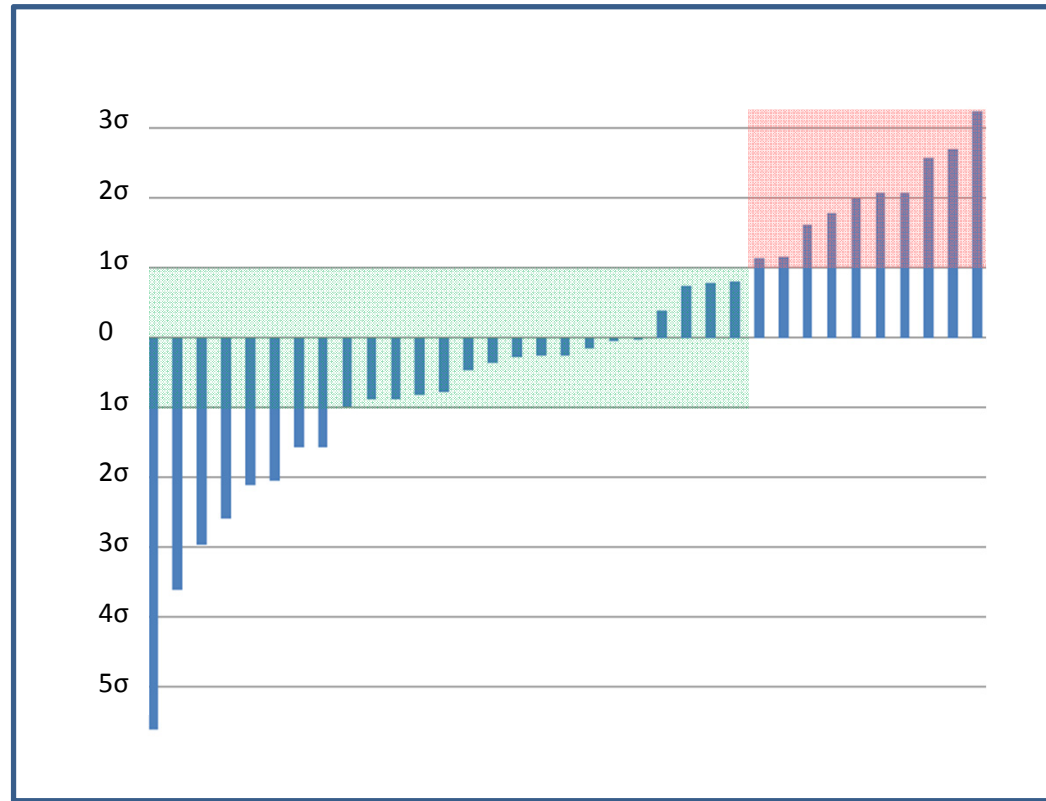
Construction



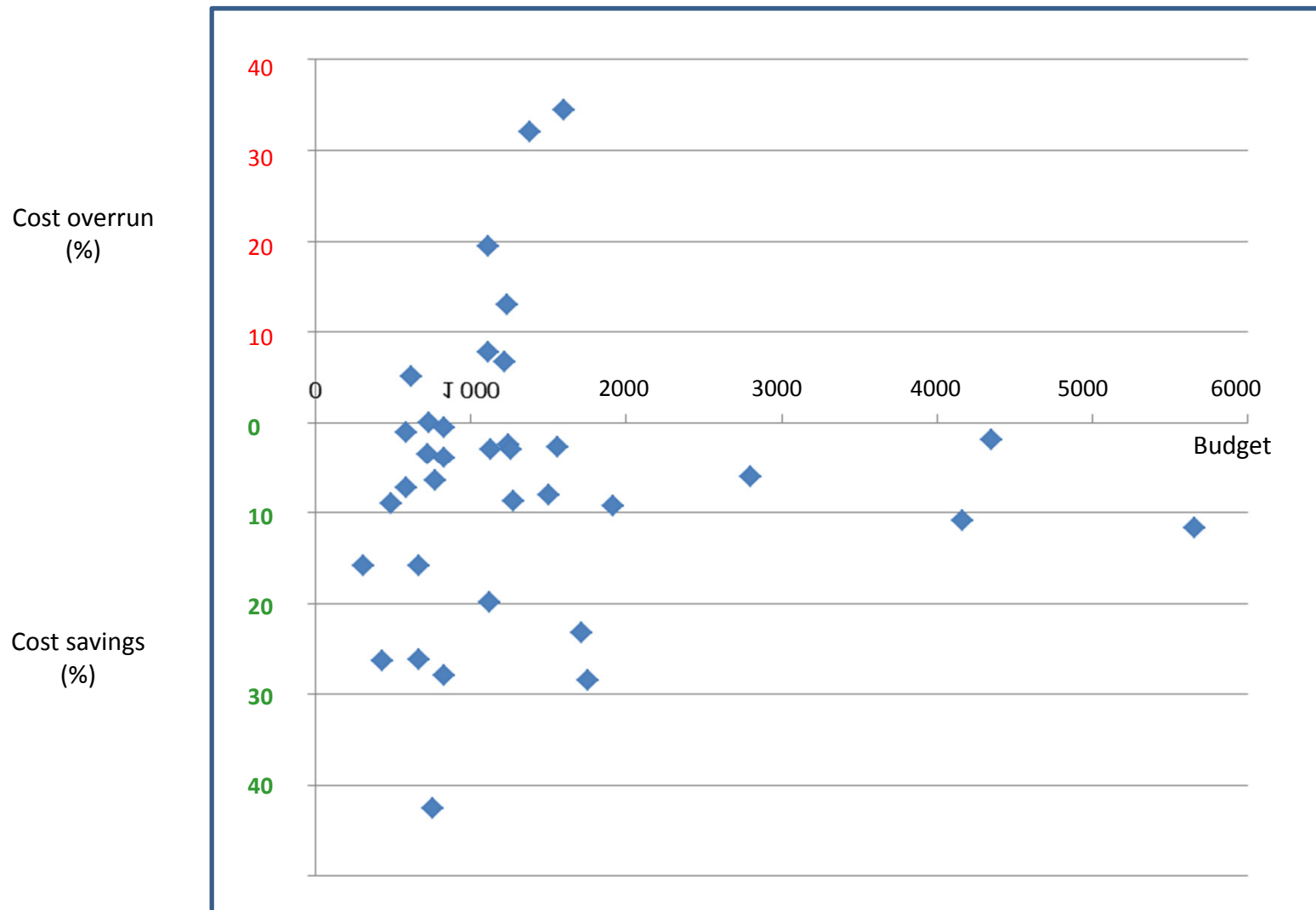
Defence



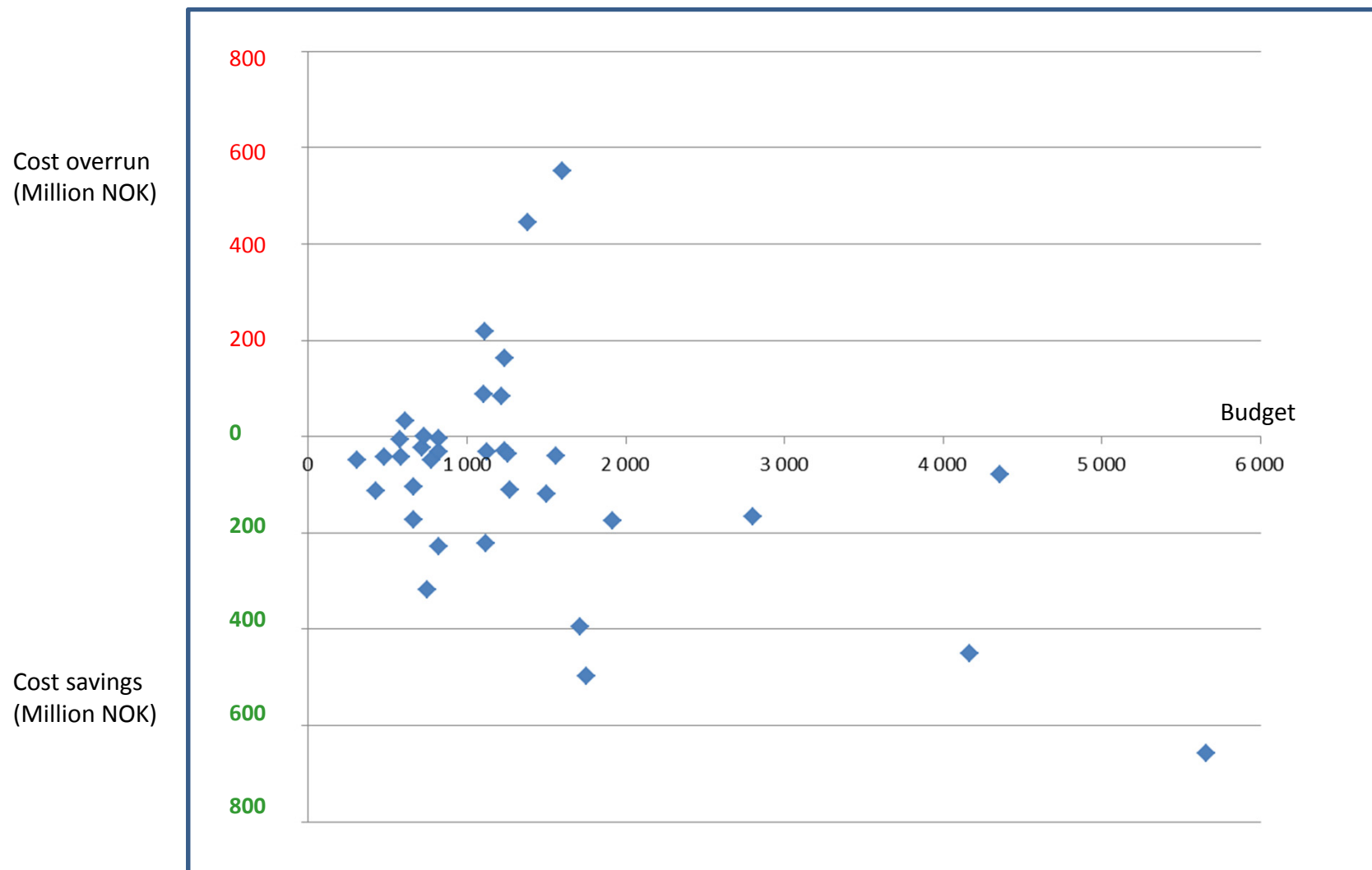
Cost deviation relative to P50 estimates in three sectors



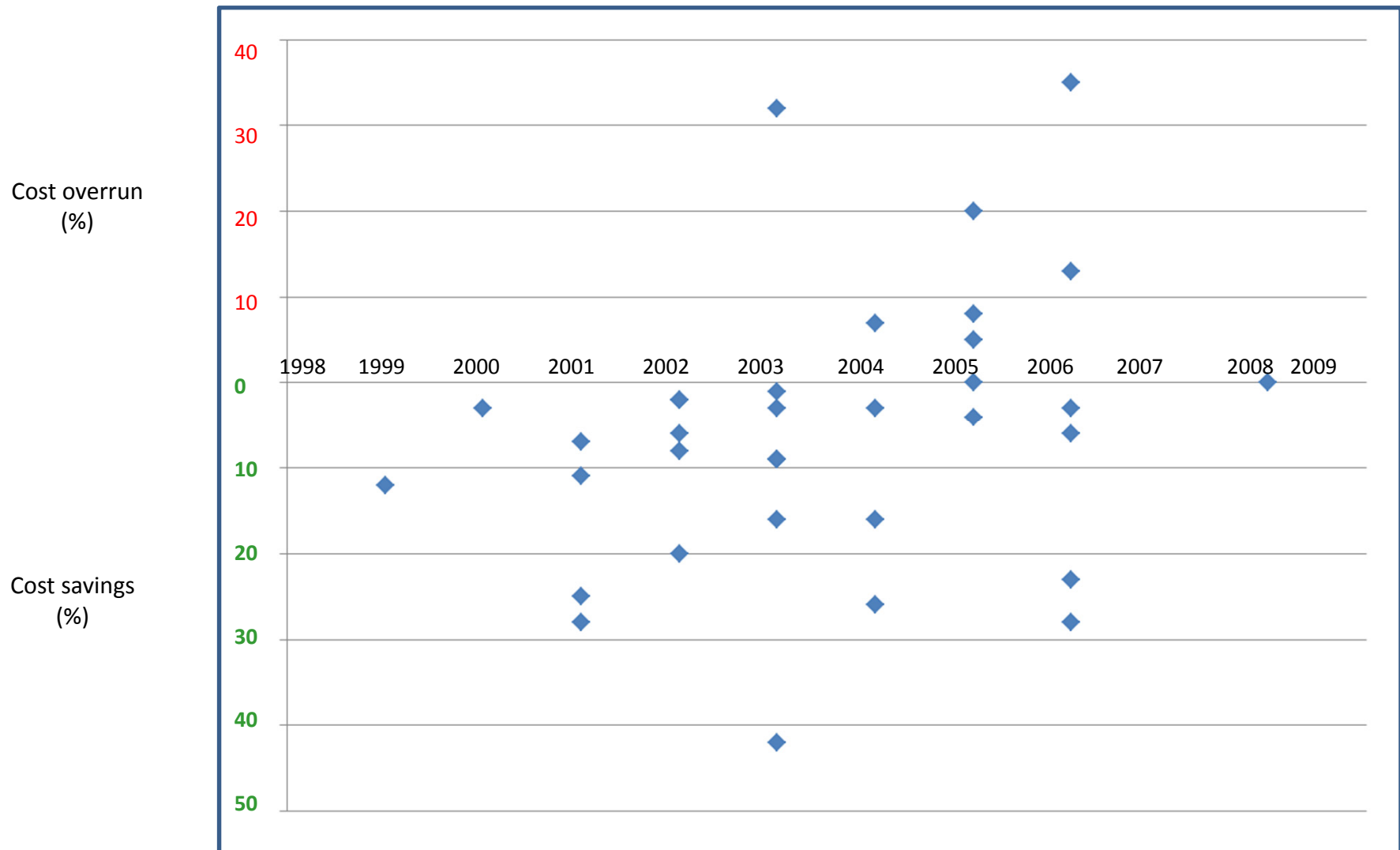
Cost deviation relative to P50 estimates (Standard deviations)



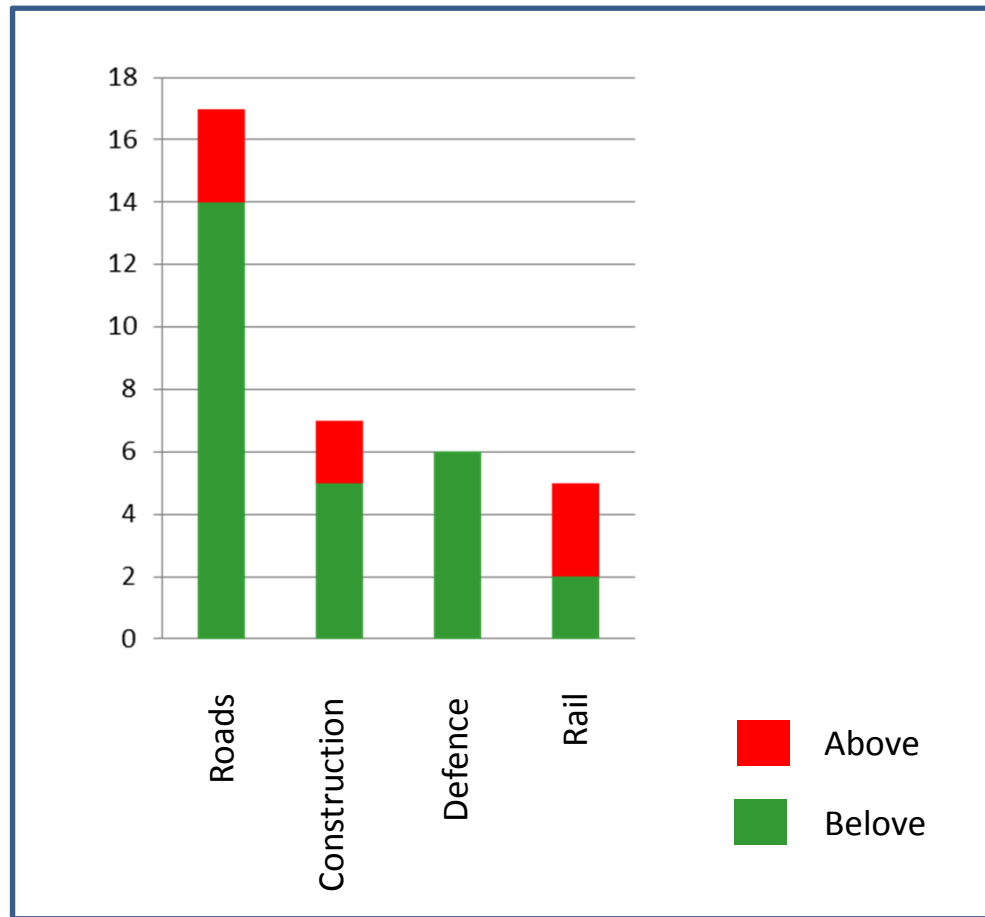
Cost deviation relative to the size of the budget (percentages)



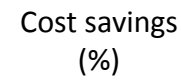
Cost deviation relative to the size of the budget (Million NOK)



Cost deviation relative to the budget for projects initiated 1999 - 2008



Number of projects with cost above/below budget in different sectors



Cost deviation relative to P85 estimates (percentages)