Oslo Winter Olympics 2022 - A Controversial Proposition

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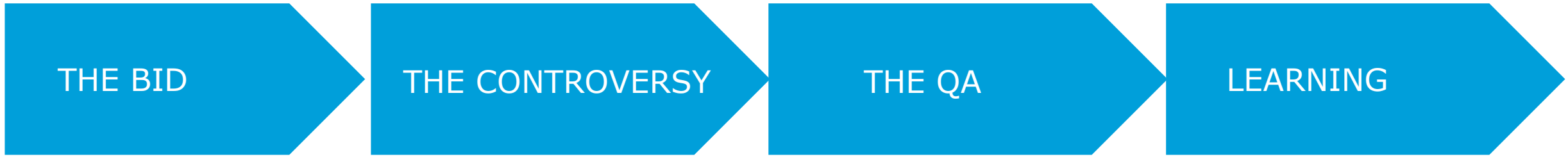
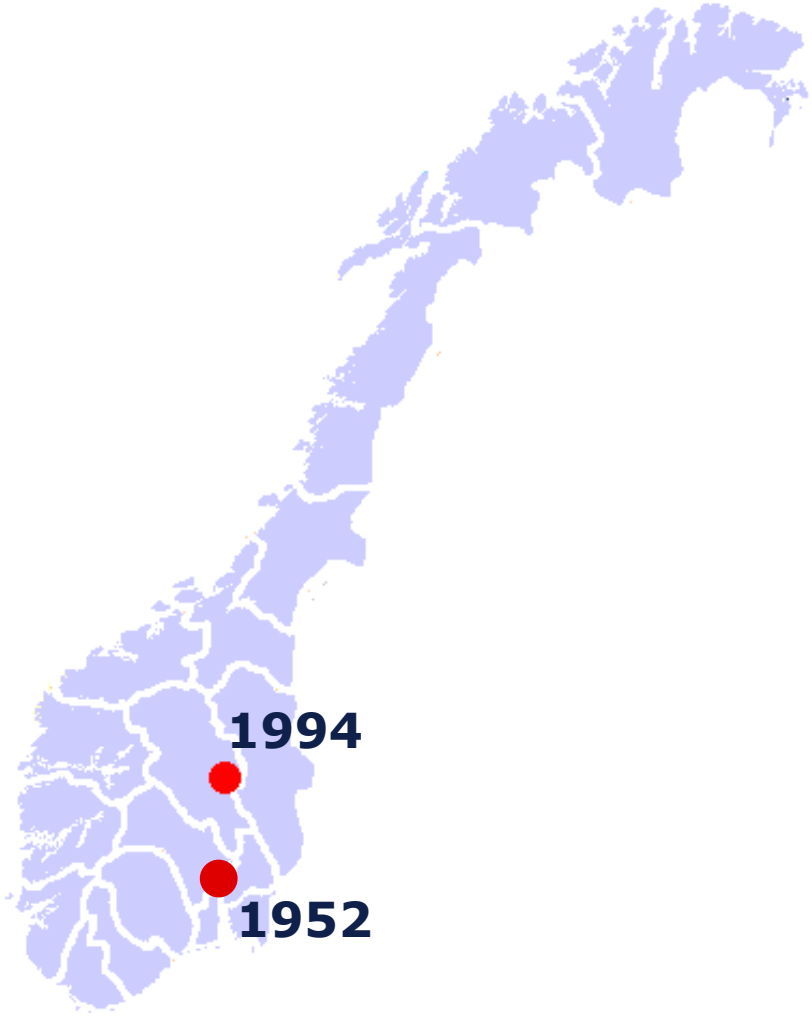
WINTER OLYMPICS 2022
A CONTROVERSIAL PROPOSITION

The 6th Concept symposium on project governance
Anders Magnus Løken, 26 september 2014

Topics



Winter Olympic games in were held in Norway in 1952 and 1994



Lillehammer'94

Winter Olympic games in were held in Norway in 1952 and 1994

Photo: Scanpix

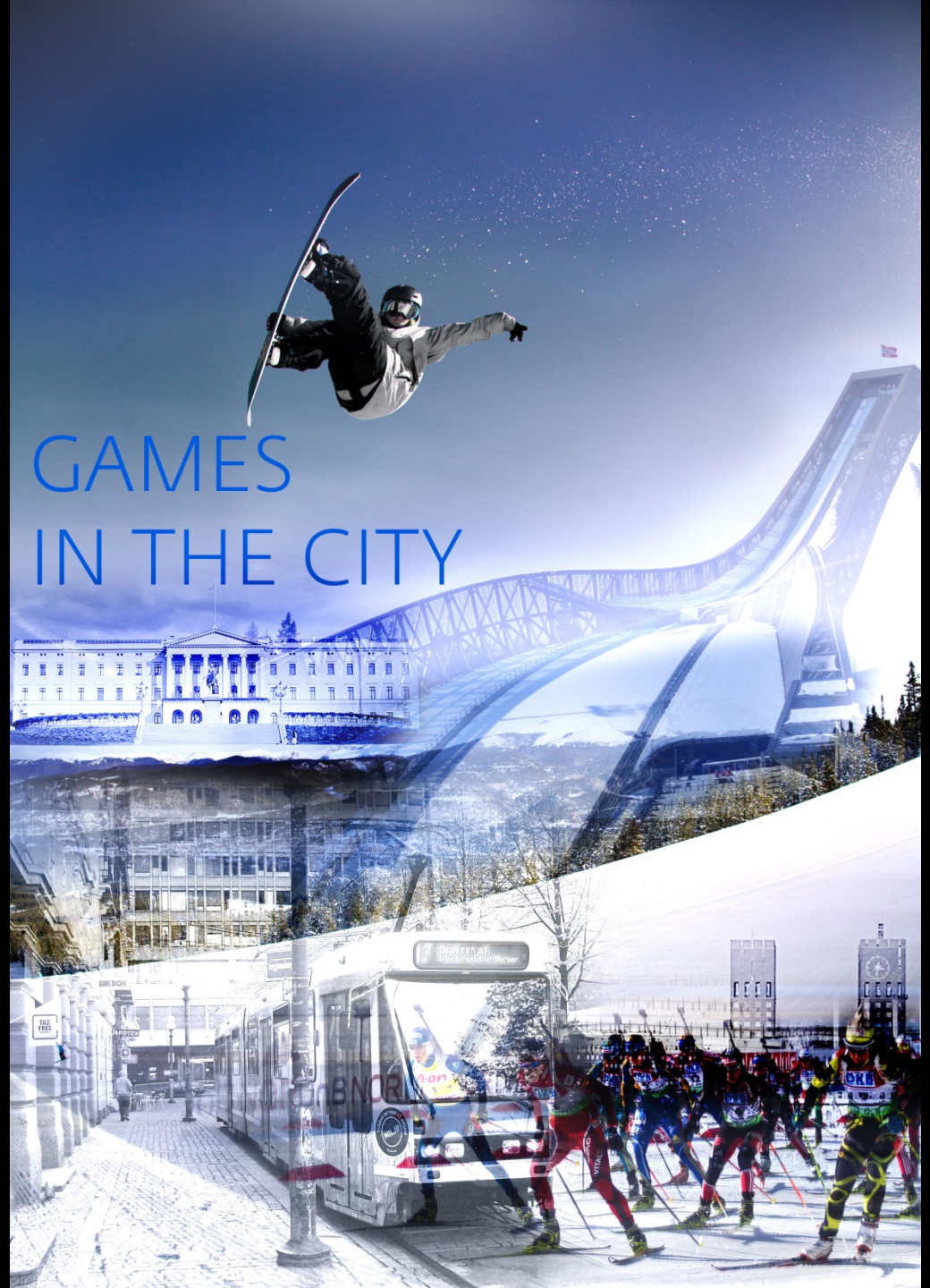
Foto: DAGBLADET

Photo: LOOC

The bid

OSLO2022

Candidate City


GAMES
IN THE CITY

The application for government funding and guarantee

"Through the Olympic and Paralympic games in Oslo in 2022 we will showcase and lift Norway as a unique winter wonderland and Oslo as the world's winter capital. The games will inspire increased sustained activity and participation."

Goal 1

Photo: Jarle Nyttingnes/Oslo2022

THE SUCCESSFUL COMPLETION OF THE WINTER GAMES, WHERE THE WORLD AND NORWAY UNITE THROUGH SPORT, CULTURE AND SHARED EXPERIENCES.

Goal 2

STRONGER ACTIVITY, IMPROVED PUBLIC HEALTH AND INCLUSIVE PARTICIPATION OF THE POPULATION

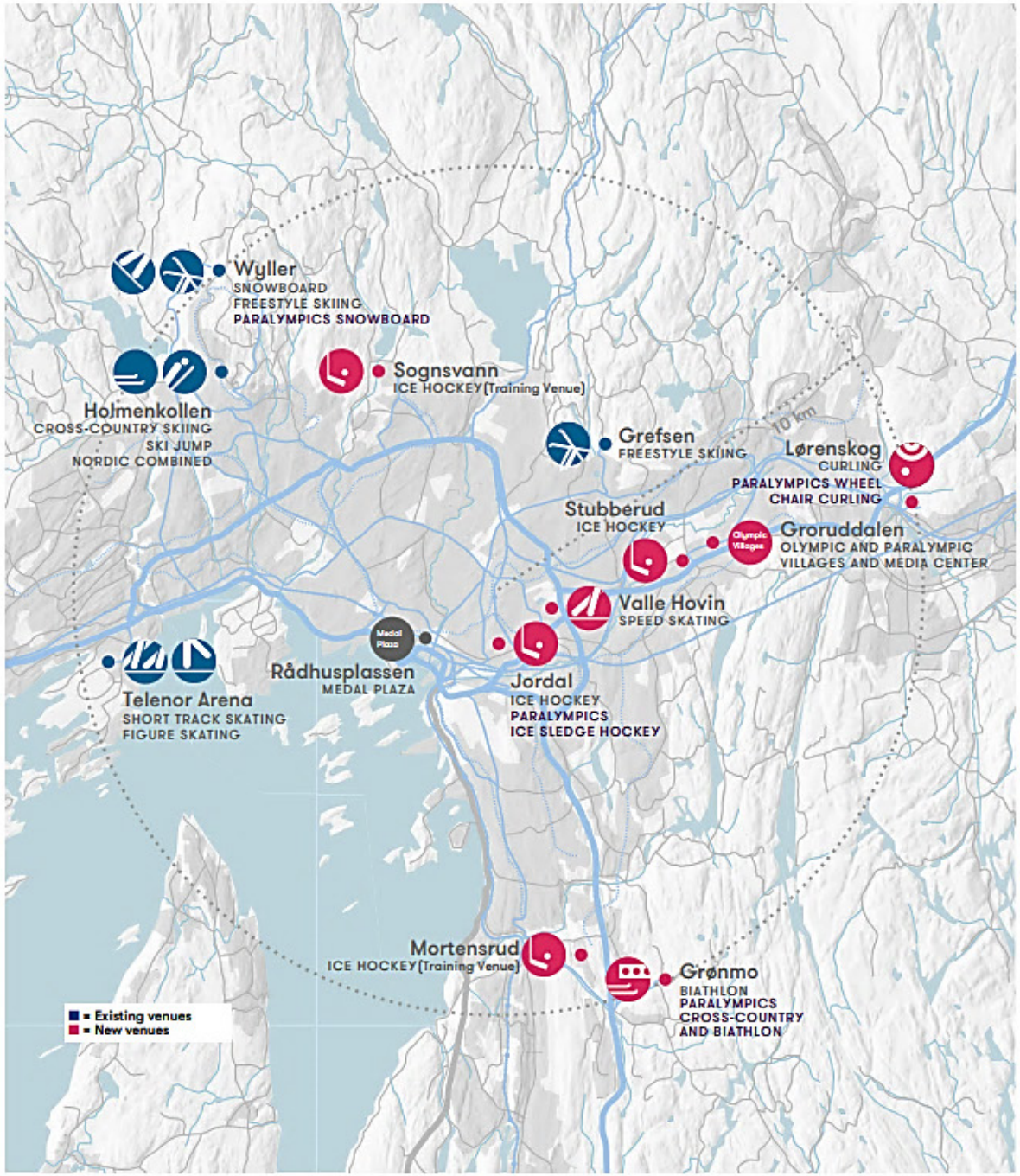
Goal 3

SUSTAINABLE REGIONAL AND URBAN DEVELOPMENT WITH EMPHASIS ON OSLO EAST

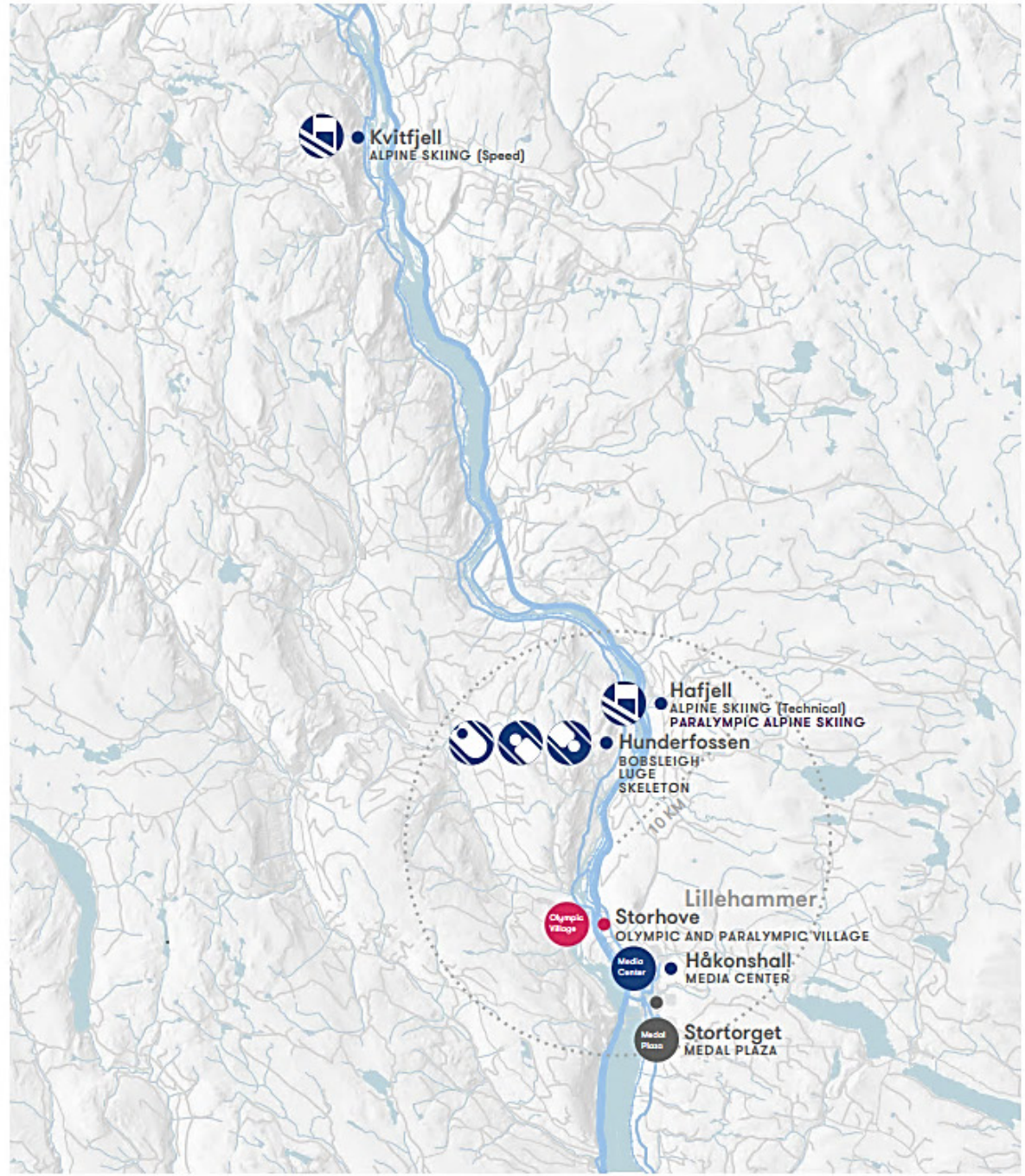
Goal 4

INCREASED TOURISM AND ENHANCED PROMOTION OF NORWEGIAN CULTURE AND BUSINESS

Oslo Area



Lillehammer Area



Staging the Olympic winter games is comparable to staging 15 Nordic ski world championships at once

94 EVENTS

8 000 ATHETES AND LEADERS

14 000 MEDIA

20 000 VOLUNTEERS

3 000 000 SPECTATORS

An extensive effort was laid down to prepare the bid

7000 PAGES

The controversy

Previous quality assurance of Olympic bid – Tromsø 2018

- Provoked by Olympic-”cheating"
- The Government split….
- Olympic bill: 4 400 MUSD
- The olympic funeral
- A disowned project
- Game over, Tromsø
- The ”Olympic lesson”
- ..Tromsø would not have been awarded the games anyway..

The Norwegian view on the IOC is not favourable

"LORDS OF THE RINGS"

- Geelmuyden-Kiese

FOTO: NTB Scanpix/Denis Balibouse

Public spending - Environmental impact – “Gigantomania”

Photo: Reuters/Kai Pfaffenbach

The primary topic of debate is the cost

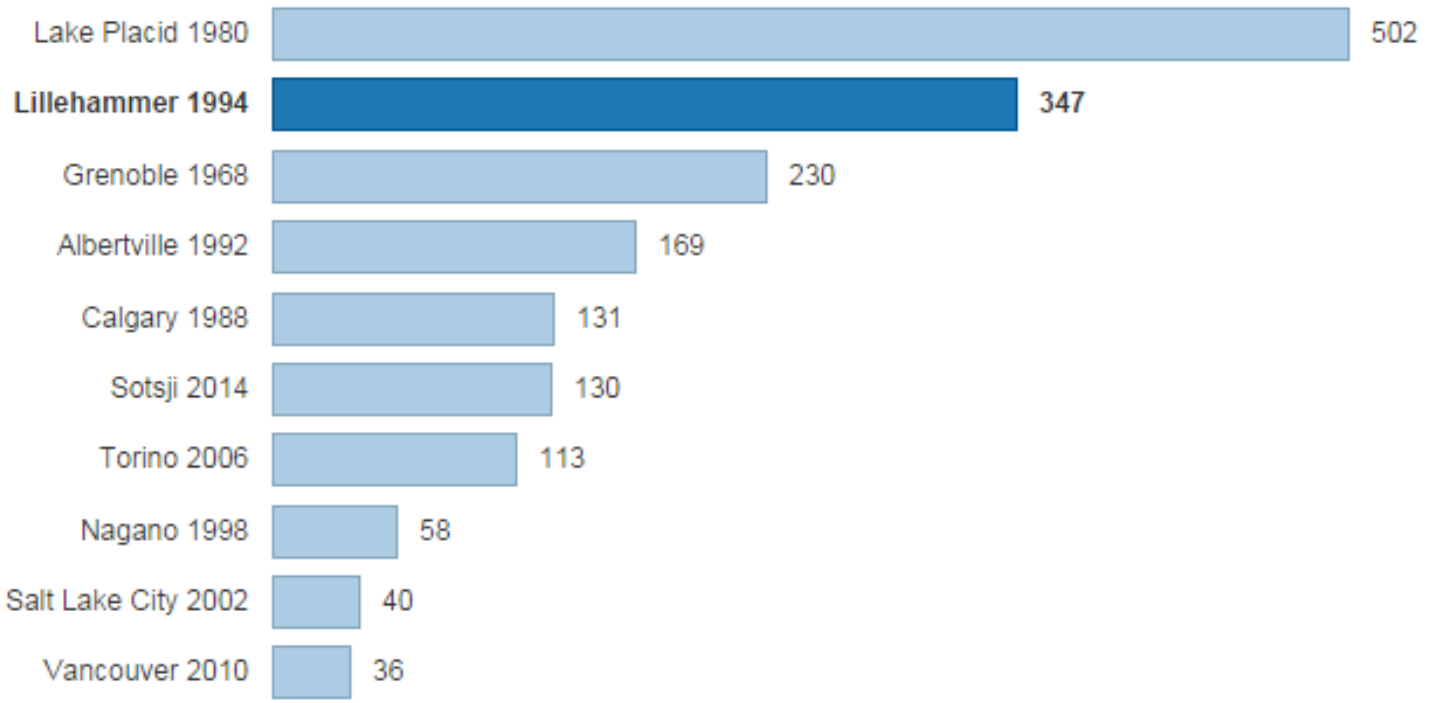
As quality assurer one must keep an objective approach and investigate relevant information that will support the decision makers

WHAT ARE THE

FACTS?

Olympic budgets bust “every time”

Percent budget overrun (final cost vs initial bid)



Created with Datawrapper

Source: Saïd Business School, University of Oxford, Get the data

Chart: Aftenposten.no

There has been a steady increase in the number of athletes

Number of athletes 1952-2014

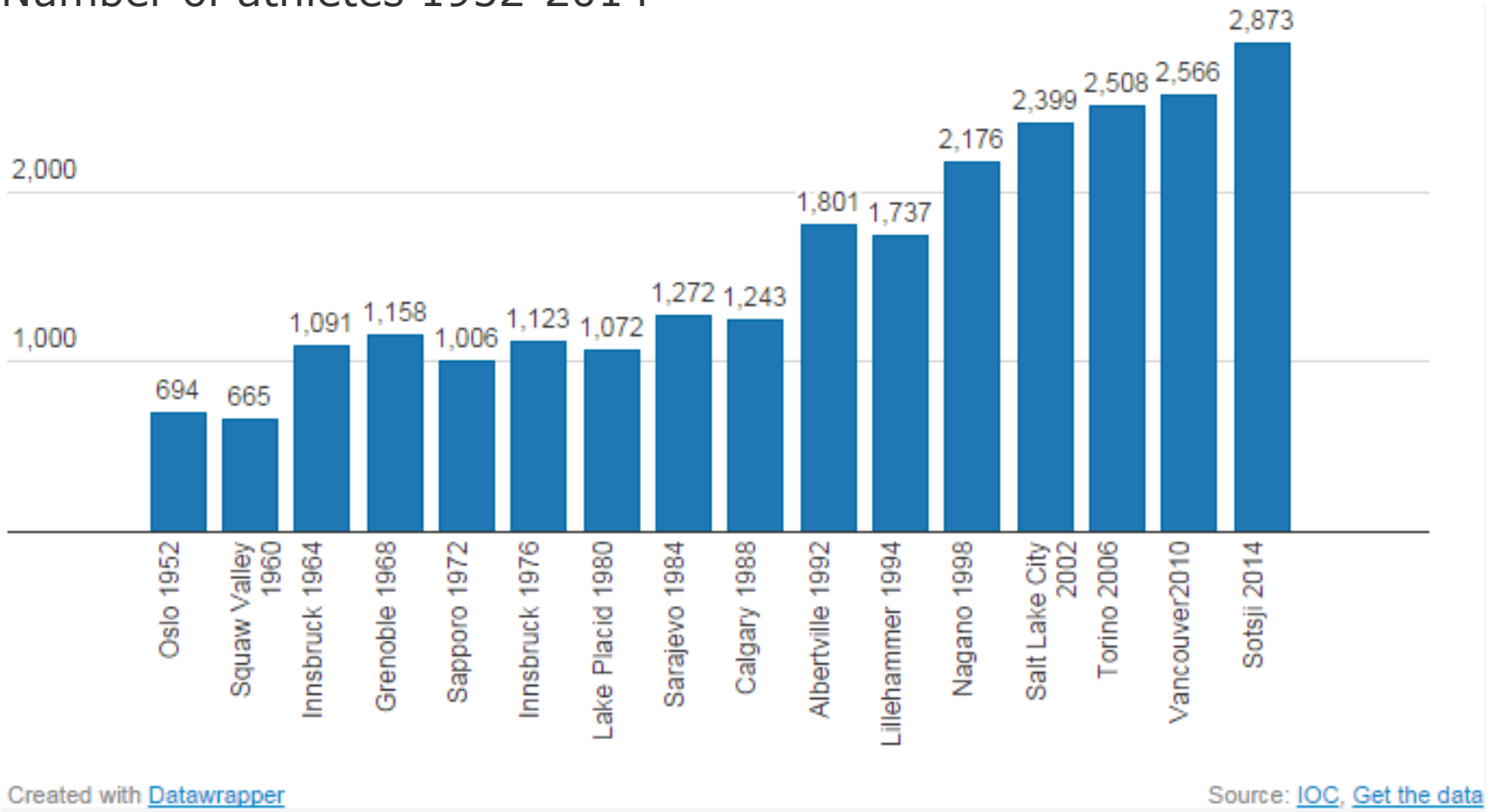


Chart: Aftenposten.no

Because there has been an increase in number of events

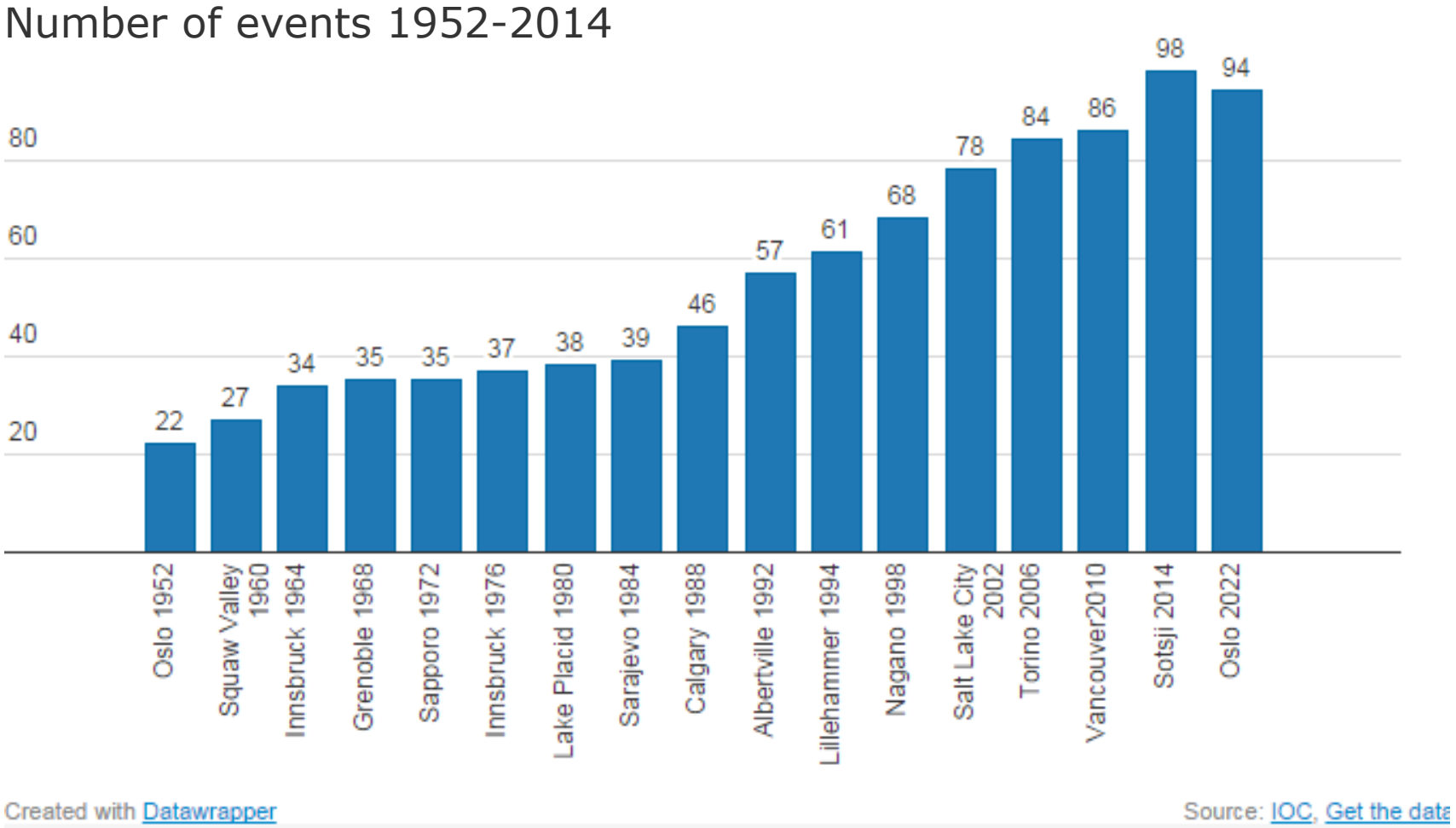


Chart: Aftenposten.no

Cost of Oslo 2022 is small change compared to the others

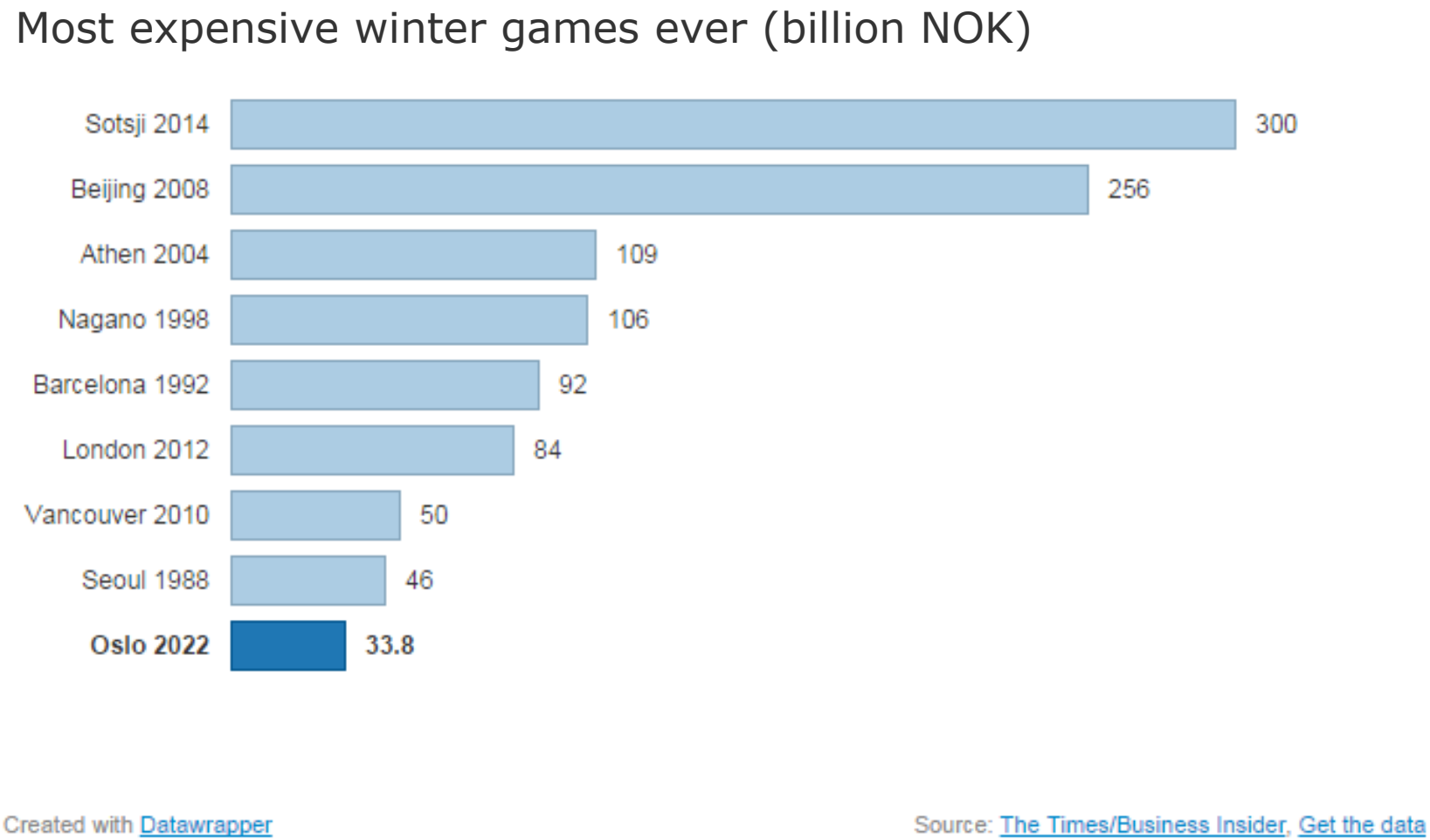


Chart: Aftenposten.no

Is it really possible to compare Olympic costs?

Total cost Winter Games 1960-2010 (billion NOK)

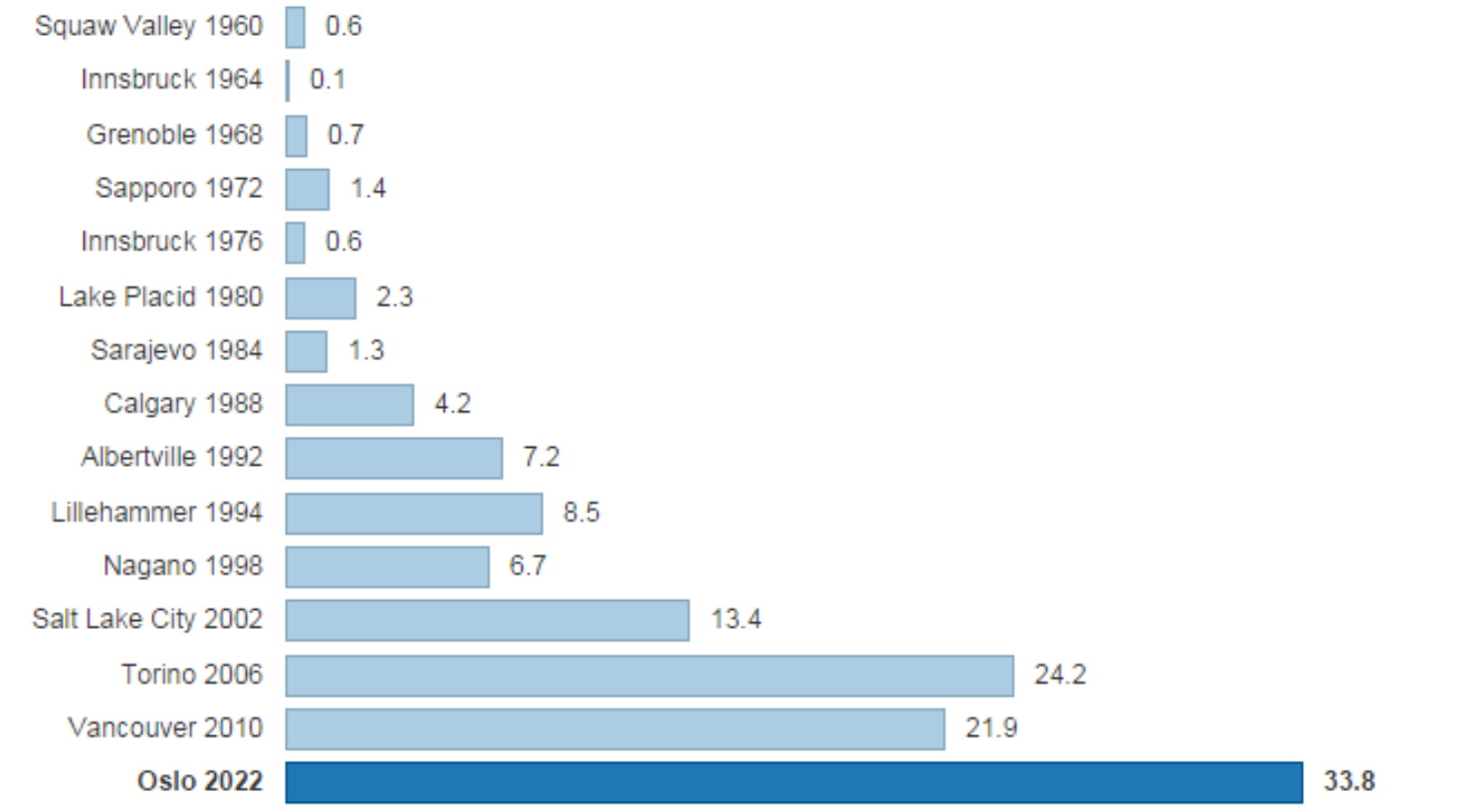


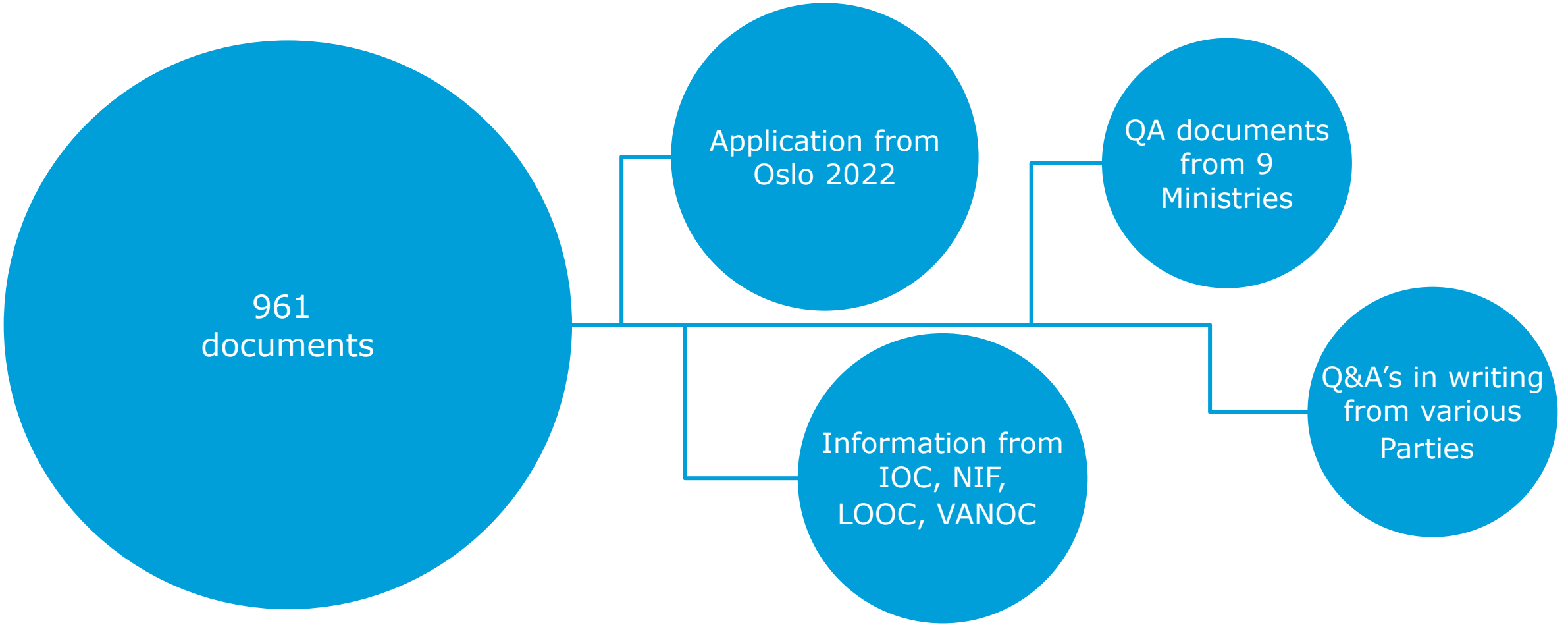
Chart: Aftenposten.no

Our approach

The QA-process - we defined the following questions

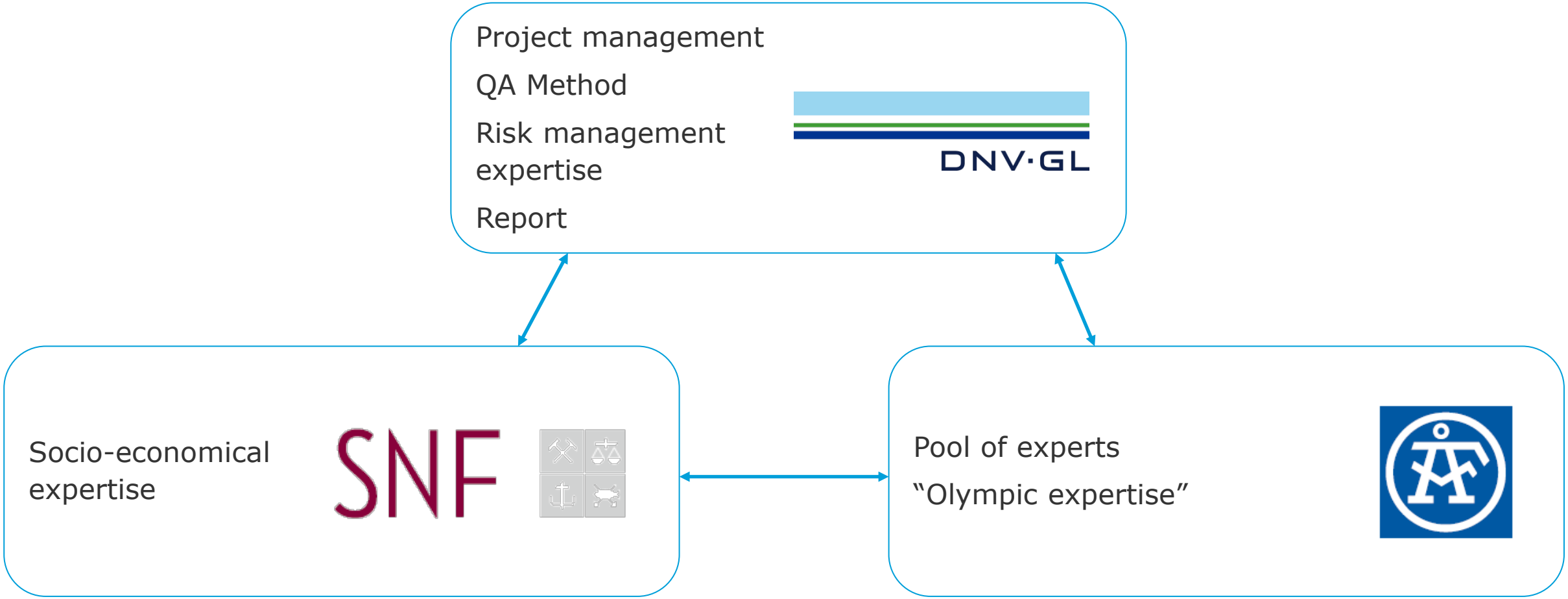
1. Are there any major weaknesses in the chosen concept?
2. What will be the expected net governmental subsidies and the most likely size of the governmental gross guarantee?
3. What will be the most likely social economical cost/benefit?

The basis for the QA

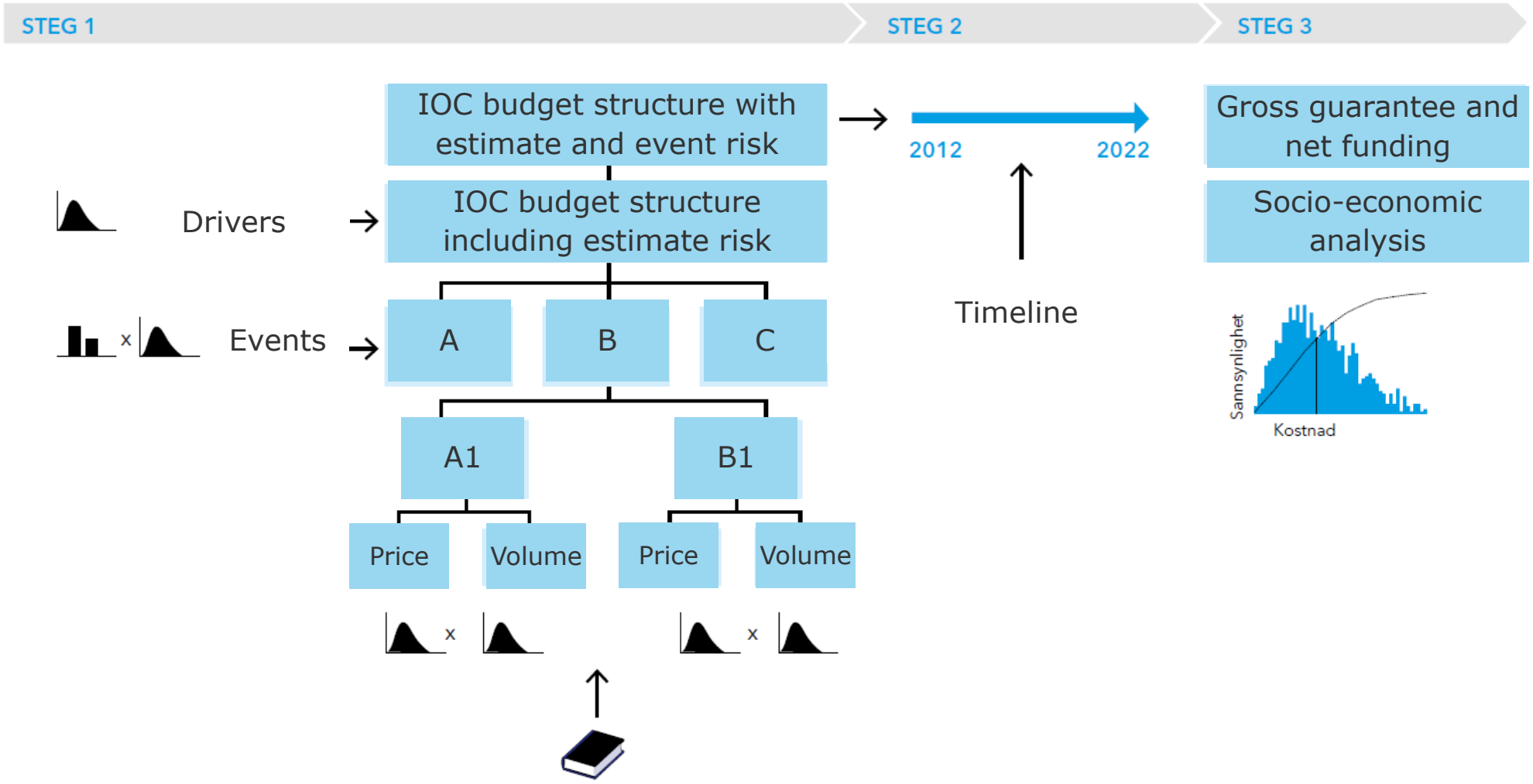


Meetings with NIF, Oslo2022, Ministries and underlying agencies

How we organized the project…



An integrated risk analysis model



Our findings

Important issues for DNV GL and partners

Indisputable report covering all aspects

Making our results comparable to the results presented by Oslo 2022

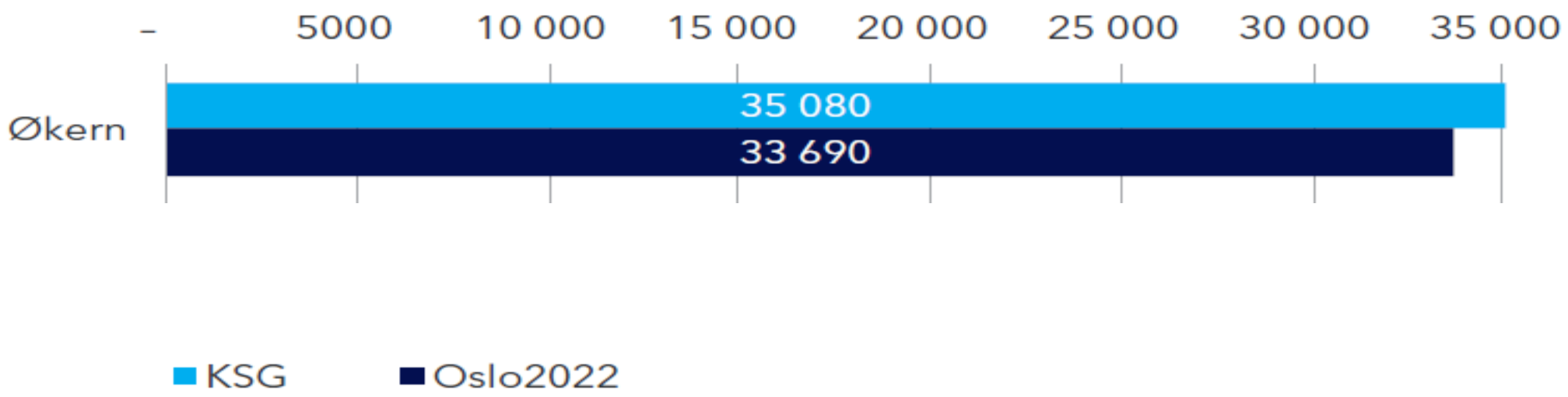
How to present the results from a project that has such high attention in media and to an audience that is so broad?

Photo: Oslo2022

Overall conclusions

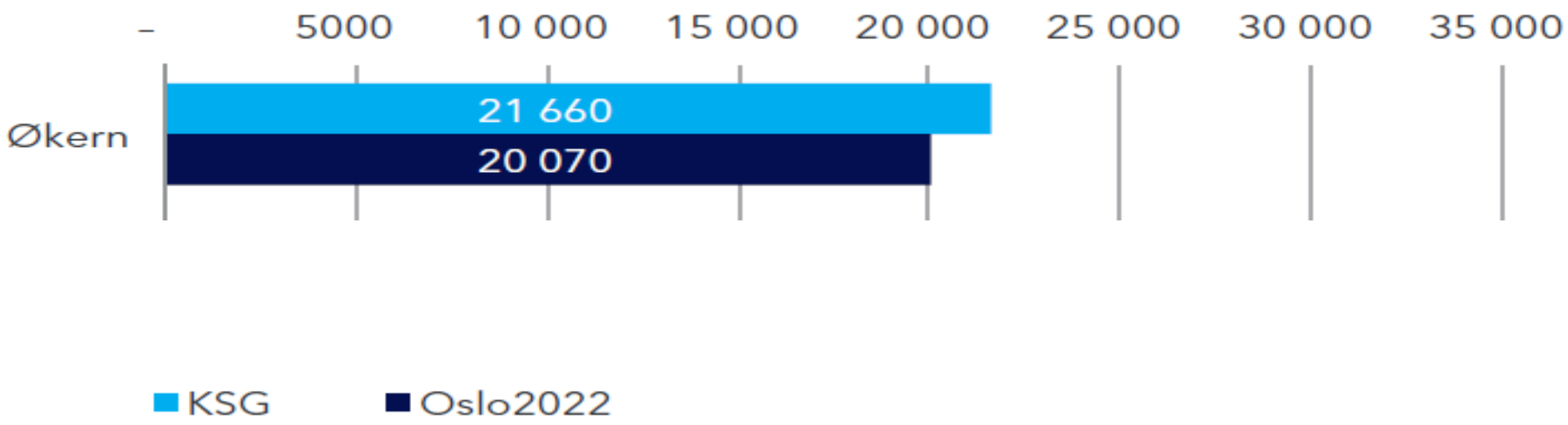
- It is a well-processed material that forms the basis for the application.
- There is a large degree of conformity between KSGs and Oslo2022s assessments and numbers.
- KSG points out, however, some challenges in the concept.

Gross guarantee – difference between QA and bid



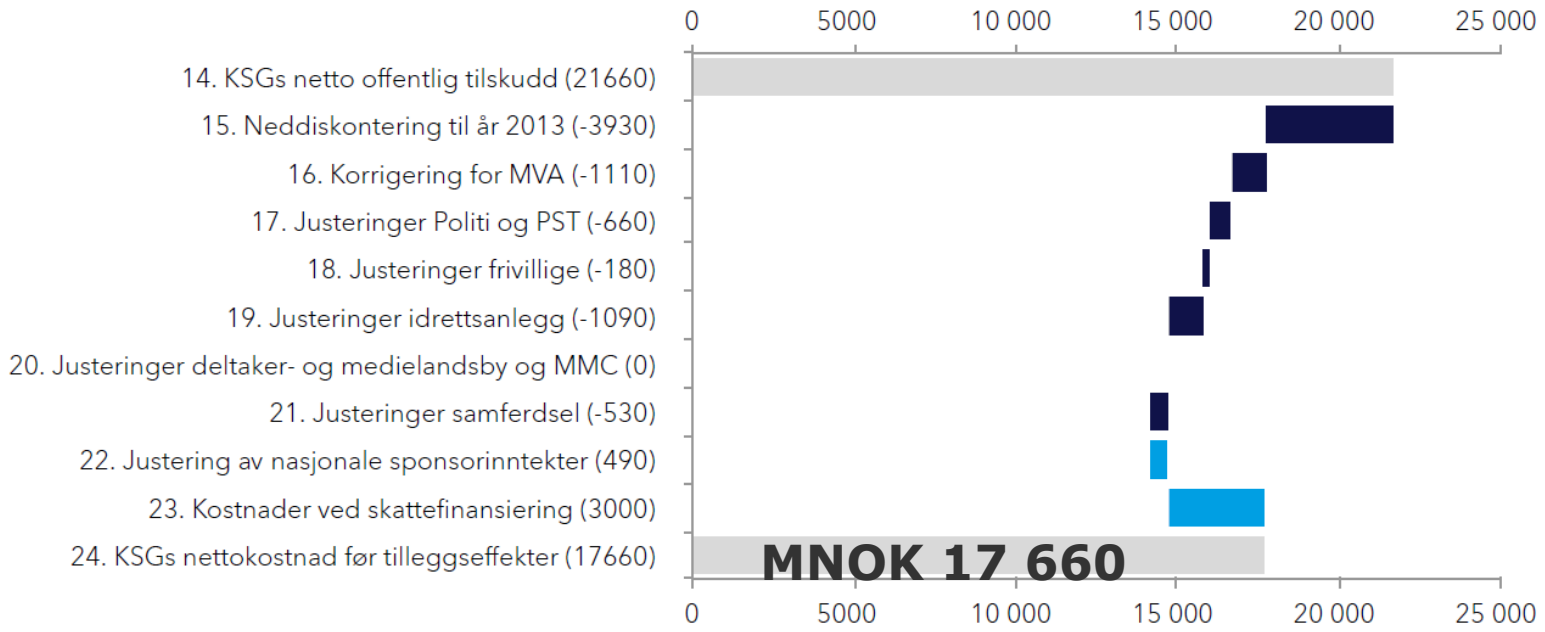
MNOK 2012

Net government funding – difference between QA and bid



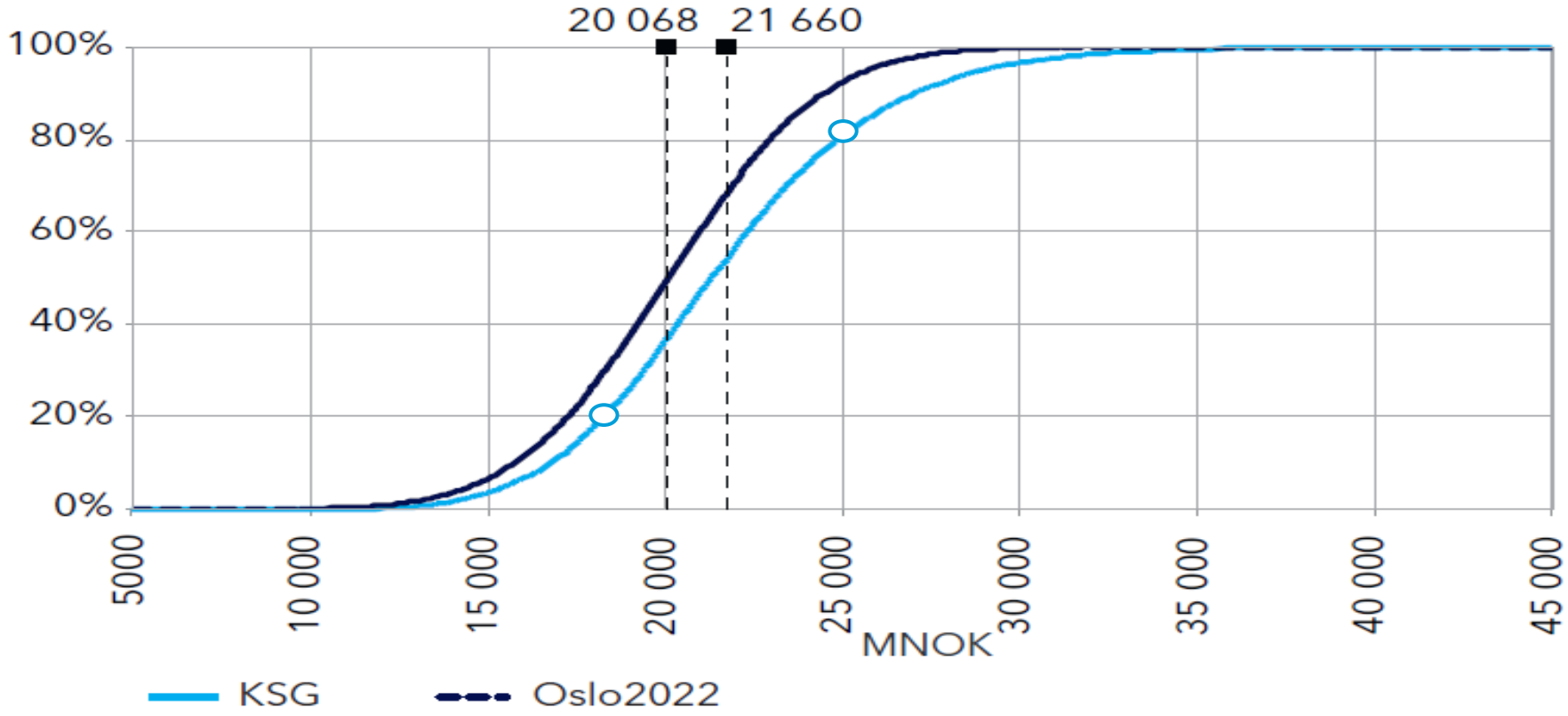
MNOK 2012

Net socio-economic costs



Ikke-tallfestede tilleggseffekter	
Gode opplevelser/folkefest	++++
Helseeffekter som følge av økt fysisk aktivitet	++
Idrettsanlegg som fellesressurs	++
Sikkerhet og beredskap	+/-
Miljøbelastning og naturinngrep	-
Opsjonsverdi for OL/PL for andre	+

Net government funding – uncertainty



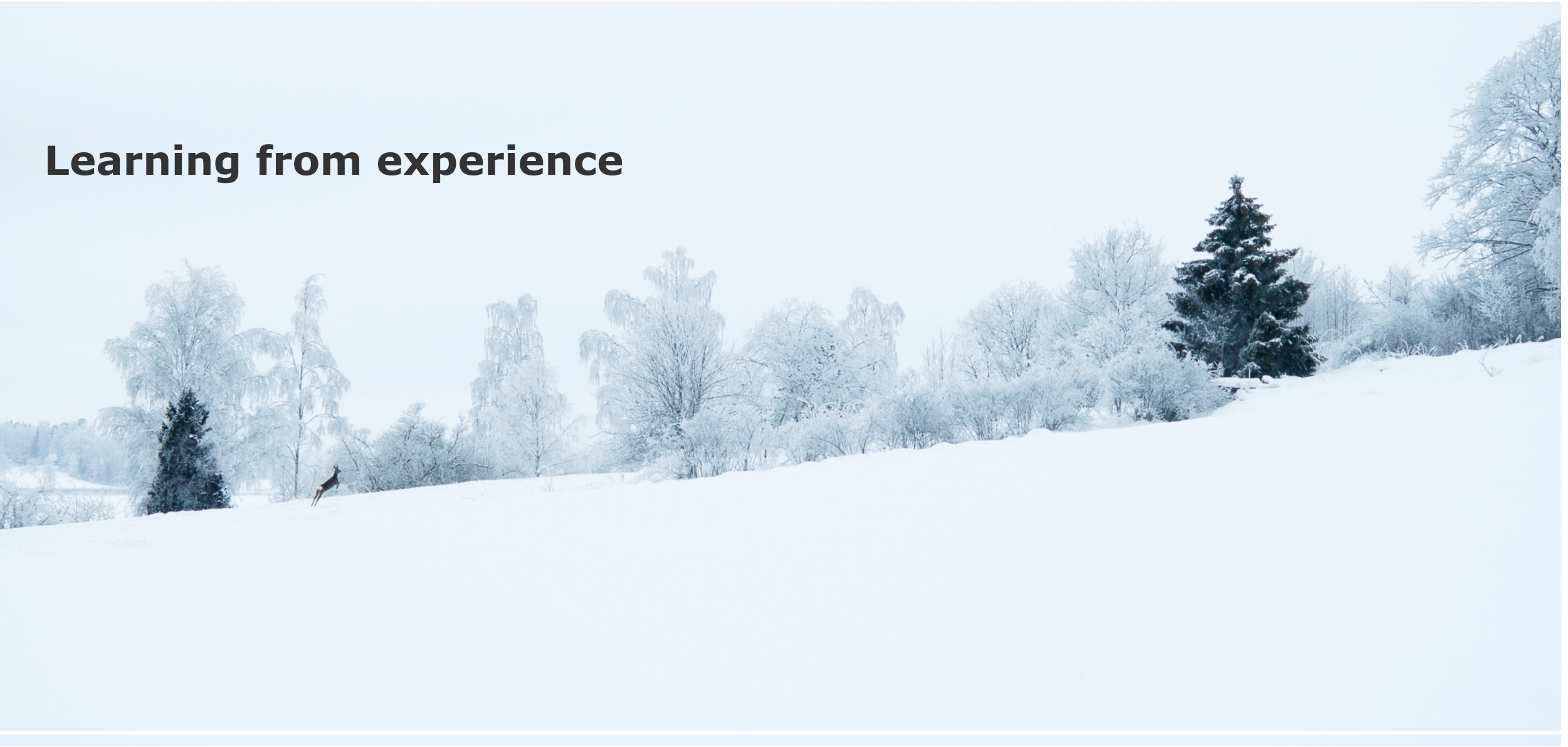
What does it cost? Which number does best represent the answer?

35,1
BILLION

21,7
BILLION

17,7
BILLION

Learning from experience



Oslo 2022 knew they were going to be scrutinized

TROMSØ 2018

OSLO 2022

This lead to a high level of quality

Question	TROMSØ 2018	OSLO 2022
Are there any major weaknesses in the chosen concept?	X	√
What will be the expected net governmental subsidies and the most likely size of the governmental gross guarantee?	X	√
What will be the most likely social economical cost/benefit?	X	√

Summary

- A well structured and transparent process pays off – but requires no holes in the documentation – all topics must be verified and documented
- Solid competence within the type of project analyzed is necessary
- Simplifying the decision process by finding the important questions to be answered
- The planners get better
- The project governance regime works - also for event type of projects

Going forward

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GLOBAL IMPACT FOR A SAFE AND SUSTAINABLE FUTURE

Anders Magnus Løken

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