

concept

DECISION MAKERS, DOERS AND ADVISORS
– JOINING FORCES TO ENHANCE UTILITY OF INVESTMENTS

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

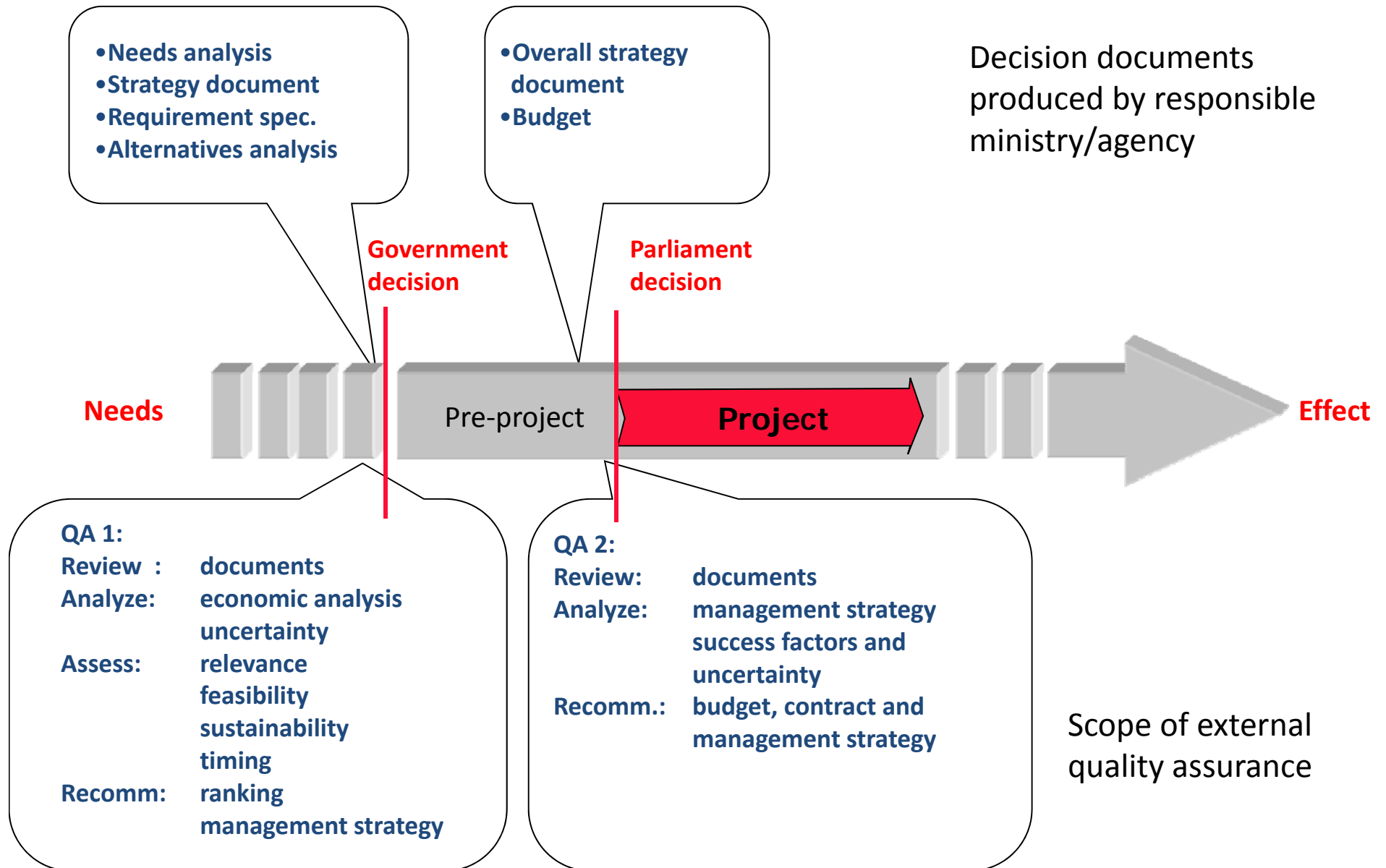
UPDATES ON PROJECT GOVERNANCE IN NORWAY

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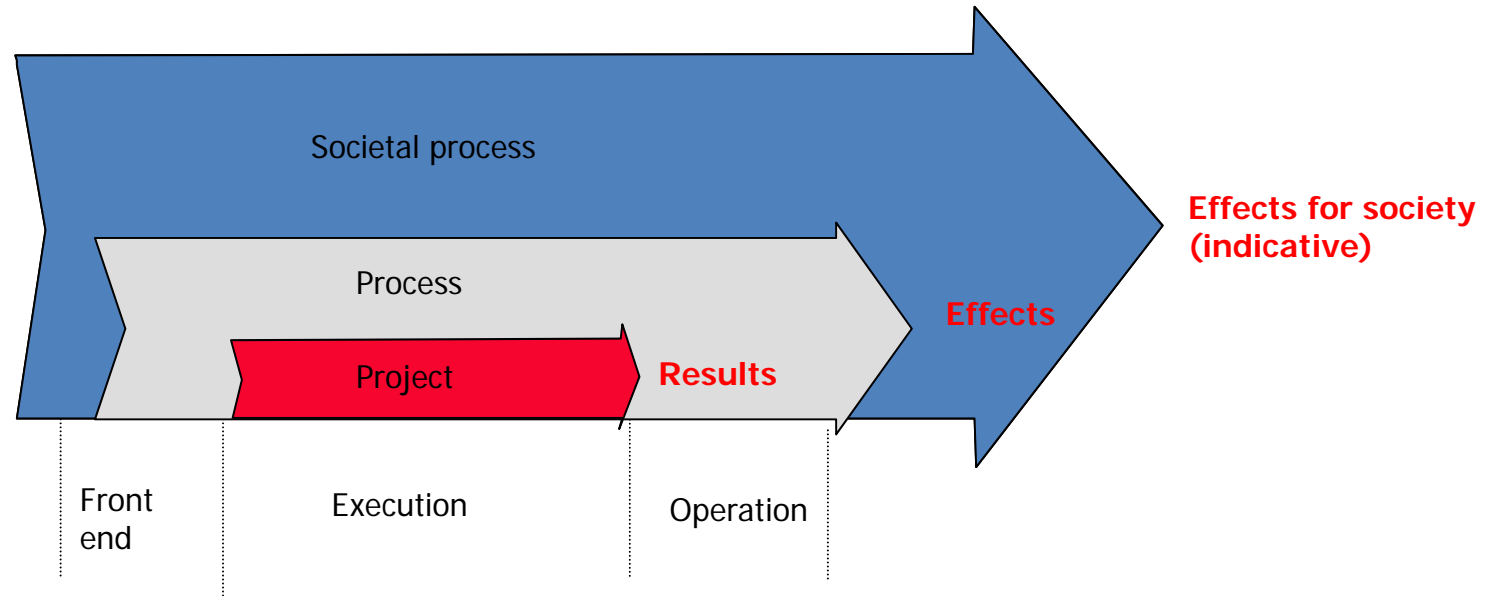
Deputy Director General

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QA regime: scope and procedure



Projects in a wider perspective



QA 1

- Introduced in 2005
- An evaluation of effects is years ahead
- 30 completed reviews, of which:
- 2 were axed (budget and supplementary guarantees combined 36.3 bn. NOK, net benefit – 17.1 bn. NOK)
- 1 at investment cost 13.2 bn. NOK and net benefit – 21 bn. NOK not decided on.
- 1 program at a cost of 103 bn. NOK not approved as submitted (but much of the program will be realized under a different governance regime)
- 5 or 6 out of 8 other road and rail infrastructure projects have negative net benefit.

QA 2

- 23 completed projects have been reviewed. This is a representative sample containing about 50% of the quality assured projects in the period 2000-03.
- 1 cost overrun
- 9 over P50, 2 about at P50, and 12 over. 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.