



INTERNATIONAL
OLYMPIC
COMMITTEE

To: Interested Cities 2026

Cc: NOCs of Interested Cities 2026

Olympic Games Department
By e-mail only

Lausanne, 24 November 2017

2026 Candidature Process - Games Management 2020

Dear Interested Cities,

Following a number of requests with regard to the Olympic Games Organising Committee (OCOG) budget and the guarantees to be provided during the candidature process, we are pleased to share with you the following information, which we hope will assist you in your own planning and in communicating with your stakeholders.

Games Management 2020 and the positive impact on the OCOG budget

The IOC is determined that the cost of organising the Olympic Games and putting forward a candidature to host the Olympic Games must be significantly reduced. These were fundamental principles of [Olympic Agenda 2020](#), the IOC's roadmap for the future of the Olympic Movement.

The IOC has publicly communicated its ambition to achieve a potential cost saving of several hundred million in regard to hosting the Olympic and Paralympic Winter Games to:

- help to ensure a balanced OCOG budget
- enable simplified Games delivery
- allow more cities to consider future Olympic candidatures.

Please find below some further information in this respect, as well as some insight into how the IOC is making this happen.

The IOC has put together a group of worldwide Olympic Games experts, including past Organising Committee leaders and key stakeholders (Summer and Winter Federations, NOCs and athletes) to examine how costs can be reduced under a plan entitled "Games Management 2020". This plan comprises more than 100 measures to reduce costs across the entire spectrum of Games planning and delivery, with all stakeholders committed to working in partnership to deliver the most sustainable projects for each Olympic Games Organising Committee (OCOG).

The process for implementation is the ongoing validation of measures by all stakeholders which will culminate in ratification by the full IOC Session in PyeongChang in February, immediately prior to the opening of the Olympic Winter Games. At that time the measures would be made public. Certain measures are already being implemented and, as a result, the IOC has been able to assist the Tokyo organisers to make savings of USD 2.2 billion to

the overall cost of the Games. The IOC has taken several measures with respect to the Olympic Winter Games PyeongChang 2018 such as optimising capacities, in mountain venues in particular. This has enabled the OCOG to substantially reduce the costs from both a temporary construction and operational standpoint.

Whilst you will understand that the IOC cannot go into the full detail of the proposed measures today, please find below some examples of the areas which are being studied:

- Simplified delivery of technology and energy services by applying new solutions and adapting the level of resilience in some areas
- Additional IOC resources and the delivery of end-to-end solutions to ensure that each OCOG does not re-invent the wheel
- A shorter planning cycle, with most OCOG activities starting only 4 years instead of 7 years before the Games
- The transfer from the OCOG to the International Federations (IFs) of some delivery responsibilities - recognising that the IFs regularly deliver World Championships and other events
- A reduction in venue requirements and a strong push to use existing venues, irrespective of location and spectator capacity, to reduce costs for temporary and/or permanent works
- A reduction in the number and scope of pre-Games test events based on local experience and expertise
- Optimisation of the fit-out period for venues to allow for shorter rental periods and operating costs
- Adapting Olympic Village(s) capacities and service levels
- Creation of additional revenues by reducing accredited seating and selling these seats to the public
- A reduction in transport service levels by merging client groups or replacing dedicated vehicles by public transport where appropriate
- A reduction in space requirements for parking, security and logistics
- A refinement of requirements for the International Broadcast Centre to reduce overall costs

Extensive data captured at past Games will allow organisers to better estimate spaces and services with regard to what is actually required and consumed by the stakeholders.

The cost of security is another area the IOC is looking at closely. There is no “one size fits all” security model and the IOC fully supports exploring a new approach towards a risk-based security assessment.

We hope that these examples demonstrate that the IOC is looking across all areas of planning and operation from the venue plan to a new governance model, with the full buy-in of all Olympic Movement stakeholders.

Ultimately, of course, the level of savings that can be achieved will be dictated by the local context and influenced by factors such as the amount of construction or redevelopment involved, the level of expertise in the city and region, the structure and capacity of energy, technology, etc. The figure mentioned represents what the IOC believes to be a potential maximum saving.

Financial Guarantees

The purpose of the OCOG's budget deficit guarantee is to ensure that Games organisers will be able to meet all their financial obligations during the organisation and delivery of the Olympic and Paralympic Games. During the candidature process, the IOC will undertake an in-depth assessment of the opportunities and risks of each 2026 project. The financial

components proposed will also be studied in detail, in collaboration with the candidature committee.

The IOC is open to discussing the deficit guarantee. During the Dialogue Stage and then, if applicable, in the Candidature Stage, the candidature committee must be able to demonstrate that the budget for the Olympic and Paralympic Winter Games 2026 is credible and that the overall financial model, including the deficit guarantee, is solid. This reflects the greater flexibility, introduced by Olympic Agenda 2020 for all the guarantees to be provided as part of the candidature process. This also extends to the signatories of the Host City Contract where the IOC is open to discussing signature by the bodies or parties who bear the greatest financial and delivery responsibility.

It is important to point out that the IOC contributes substantially to the OCOG's revenues. It allows the OCOG to make use of the Olympic symbols in the framework of its commercial partnership programme. In addition, an IOC financial contribution of USD 925 million is expected for the Olympic and Paralympic Winter Games 2026. As has been the case in the past, this contribution could evolve favourably depending, in particular, on the income generated by the TOP Programme. The OCOG's financial results will not have any impact on the above-mentioned contribution.

Through the dynamic new candidature process for the Olympic Winter Games 2026, the IOC is committed to working collaboratively and in the spirit of dialogue and co-construction with all Interested and Candidate Cities to ensure that any venue proposed for the Games makes sense first and foremost for the local population. The IOC's commitment to co-construction begins from working with you from day one to assist interested cities in putting together a coherent project for each local context through the IOC's offer of Interactive Working Sessions in your city, and making available to you the best Olympic Winter Games expertise at the IOC's cost – costs that were previously incurred by cities. This additional support, provided by the IOC, along with reducing the candidature stage from two years to one, will reduce the costs for a Candidate City by approximately 20 to 30 percent.

We hope that the information provided assists you as you continue with your Games planning. Please do not hesitate to contact us if you require any further information.

Yours sincerely,



Jacqueline Barrett
Associate Director – Olympic Candidatures