

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risks	Assessment without Mitigation	Management Plan or Measures	Assessment with Mitigation
1. Governance			
1.1 Weak governance in financial management and procurement	High	Project design and implementation arrangements have included several measures to bring more accountability and transparency to procurement and financial management. A proper system of procurement planning, tracking of various procurement actions, and complaints monitoring will be implemented and will include the provision of experienced procurement consultants. A website will be maintained by the Roads Division to show the updated status of procurement. The number of contracts to be procured will be limited to seven large ones, using international competitive bidding procedures, and will be supervised by international consultants to minimize risks. In addition, direct payment procedures will also mostly be used.	Medium
2. Political and/or organizational			
2.1 Frequent strikes (garment workers) blocking motorized traffic, affecting and delaying project implementation	High	ADB, along with other development partners, will continue to dialogue with the government.	Medium
2.2 Government commitment to institutional reforms in the urban transport sector weakens and key legislation is not adopted in a timely manner	Medium	ADB, the Japan International Cooperation Agency, and the World Bank have requested the government to (i) transform the Dhaka Transport Coordination Board into the Dhaka Transport Coordination Authority, and (ii) set up SPOs for their respective projects, following their joint recommendation. Throughout the project, the three development partners will ensure support to the Dhaka Transport Coordination Authority and will set as a condition government's compliance with their recommendation, prior to implementation of any urban transport infrastructure.	Low

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2.3 Noncooperation from the existing bus industry	Medium	<p>Consultations have been held during project preparatory technical assistance with the Gazipur bus operators' federation to inform them about the project.</p> <p>Only seven bus routes out of the 61 routes operating in the corridor will be affected by the project.</p> <p>Skilled negotiators will be recruited under the project and will draft a convincing business model for the private operators to integrate them as much as possible in BRT operations.</p> <p>As one of the incentives provided, the new BRT bus fleet will be leased to private operators, so those operators do not have to bear the investment cost.</p> <p>A compensation mechanism and a fleet scrapping program will be set up under the project for operators choosing not to be integrated in BRT operations.</p> <p>Representatives of bus operators will be regularly invited to participate in project steering committee meetings to instill ownership of the project and integrate their inputs throughout the reform process.</p>	Low
2.4 Delays in appointment and capacity building of the SPO staff	Medium	<p>SPO staff and management will be recruited and trained by the project consultants during implementation to ensure efficient BRT operations.</p>	Low
2.5 Continued lack of coordination and clarity on roles and responsibilities among the executing and implementing agencies, especially since one of the implementing agencies (the Local Government Engineering Division) is not under the direct authority of the executing agency.	Medium	<p>The project steering committee will be formed by the Ministry of Communication and will provide guidance and coordination during project period and over the long term.</p> <p>All three PIUs will be housed in the SPO offices, and the SPO management team will provide tight coordination between all components.</p> <p>The PMU will coordinate all disbursement matters.</p>	Low
2.6 Frequent transfer of staff in the PIUs and PMU	Medium	<p>Assurance has been provided by the government to assign PMU and PIU staff for the project period.</p>	Low

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3. Technical			
3.1 Longer preconstruction time and delayed start of civil works due to (i) delayed preparation of bidding documents, (ii) lack of coordination among utility agencies, and (iii) delayed implementation of resettlement plan	Medium	Bidding documents will be prepared with the support of consultants under the loan. A utility coordination committee has been established during project design by the Roads And Highways Department to ensure smooth coordination with relevant parties. Alternative vendor sites were identified in consultation with local government and communities. Sites will be finalized and transferred prior to the award of contracts.	Low
3.2 Longer processing and construction time for the BRT airport terminal, due to public-private partnership scheme, delaying start of BRT operations	Medium	The public-private partnership scheme to finance an intermodal hub integrating the BRT terminal, as well as bidding documents, will be prepared by the project consultants. Potential investors have already expressed interest in such a project in this prime location.	Low
3.3 Difficulties to secure the land transfer from the Ministry of Post and Telecommunication to the Ministry of Communication for the BRT depot in Gazipur, and ensure availability of identified land for the BRT airport terminal	Medium	A Memorandum of Understanding has already been signed between the Bangladesh Telecommunication Company Limited and the Roads Division, agreeing on the land transfer in Gazipur. The formal transfer is a condition for disbursement under the Gazipur BRT depot activity.	Low
Overall	Medium		Low

ADB = Asian Development Bank, BRT = bus rapid transit, PIU = project implementing unit, PMU = project management unit, SPO = special project organization.

Source: Asian Development Bank assessment.