

**RISK ASSESSMENT AND RISK MANAGEMENT PLAN**

<b>Risk Description</b>	<b>Rating</b>	<b>Mitigation Measures</b>	<b>Responsibility</b>
<b>Financial Management and Sustainability</b>			
Risks related to financial management (i) competent staff might not be assigned and trained on time; (ii) internal audit function might not be sufficient for the project; and (iii) implementing agencies do not have unified project reporting and monitoring system.	S	PIU staff with prior ADB experience will be deployed and trained on ADB procedures.  Adequate internal audit staff will be assigned for each implementing agency.  Project monitoring and management information system will be developed.  Financial management expert will be recruited to provide capacity building support for robust and transparent project financial management.	Executing agencies Implementing agencies ADB
Delays in approval and release of government counterpart fund and/or matching fund and delays in payment to contractors	M	ERD will coordinate for appropriate counterpart fund.  With consultant support, prepare, submit, and approve DPPs and TAPPs on time.	ERD Planning Ministry
<b>Institutional Capacity and Coordination</b>			
Delay or insufficient key staff mobilization in PMUs and PIUs	M	ERD will help expedite the appointment of nodal and other key staff for PIUs by July 2018.	ERD Executing agencies Implementing agencies
Weak and lack of dedicated PIU staff during project implementation period may hamper fast-track implementation of subprojects, including timely completion of due diligence required for subprojects	S	Reinforce PIUs at the project site with consultants to assist the implementing design, construction supervision, safeguard application, procurement, financial management, and reporting.  Recruit TA consultants to support the implementing agencies in the procurement, management, monitoring, and reporting of project activities.  Establish extended ADB mission at Coxsbazar to provide close support on technical, financial, and institutional supports and coordination.	Executing agencies Implementing agencies ADB
Weak interagency coordination among NGOs, UN agencies, national agencies, and other stakeholders due to overlapping roles may delay and	M	The government has set up a project coordination committee at the central level and RRRC at the site to steer the project.  The Project Coordination Committee will act as a policymaking body and provide advice and guidance for smooth project	Project Coordination Committee RRRC

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undermine effective implementation of project activities		<p>implementation, and will coordinate with line agencies to formulate, implement, and monitor the program.</p> <p>Implement flexible and relaxed procurement procedures for emergency and relief procurement and operations, which will help in fast-tracking the project.</p>	
Lack of clear cut mandate and guidance on the roles and responsibilities of different government agencies	M	The Project Coordination Committee will act as a policymaking body and provide advice and guidance whenever there are issues.	Project Coordination Committee
<b>Procurement, Implementation, and Operation</b>			
Delays in subproject selection and approval of DPPs and TAPPs	M	<p>ADB and the implementing agencies will work closely with RRRC for the selection of subprojects and avoid duplication.</p> <p>Mobilize TA consultants for each sector at the earliest to support in preparing DPPs and TAPPs; ensure approval at the earliest within Q3 2018.</p> <p>Expedite the recruitment of engineers for complex project designs through individual selection process.</p> <p>Expedite the recruitment of consultants for environmental and social safeguards.</p>	ADB RRRC Executing agencies Implementing agencies
Delays in procurement of large packages that need CCGP approvals	M	<p>ADB, the implementing agencies, and project coordination committee will work closely to expedite the approval process.</p> <p>Mobilize the national and international at the earliest to support the implementing agencies in preparing bid documents and packaging.</p>	ADB Implementing agencies
Lack of sufficient construction materials and labor may lead to delays in implementation	M	<p>Where or when necessary, the implementing agencies will facilitate required statutory clearances to ensure adequate access and availability of construction materials for civil works under the project.</p> <p>The government may allow displaced persons to work as a laborer within the camp area for project activities.</p>	Implementing agencies Government of Bangladesh
Difficulty in mobilizing labor and machinery, especially in the camp site due to lack of access roads and storage space for construction materials	M	<p>Cost estimates will be prepared, keeping in mind the appropriate tender premiums, as applicable, especially for more difficult work in the difficult locations or at difficult climatic conditions, to ensure adequate contractor participation.</p> <p>Consider the monsoon and rainy monsoon season in the scheduling of labor and machinery mobilization.</p>	Implementing agencies Contractors

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		<p>Agree on realistic time frames for the mobilization of labor and machinery given the difficulties in access roads and crowded camp.</p>	
<p>Extreme climate events causing disruption or delay in execution of works [because of a limited working season and unpredictable and harsh weather conditions]</p>	H	<p>Factor in the implementation schedule seasonal weather conditions, including the monsoon season, and expected rainfall, which often triggers further landslides and erosion, potentially damaging constructed infrastructure.</p> <p>Schedule project construction activities in such a way that the available working season is efficiently utilized.</p> <p>Manage access and climate challenges by prioritizing the needs—only those works that can realistically be completed in the given time frame are included.</p> <p>Allocate financial and human resources to project areas for certain periods contingent on when and to what extent extreme weather conditions could restrict works.</p> <p>Include in the contractor's work schedule longer working shift per day to make up the lost hours due to bad weather.</p>	<p>Implementing agencies Consultants Contractors</p>
<p>Implementation delays due to land acquisition, right of ways, and other safeguards issues</p>	L	<p>Filter out the scopes requiring land acquisition and right of ways during the subproject selection.</p>	<p>Implementing agencies RRRC</p>
<p>Lack of capable contractors, consultants, and suppliers (low implementing capacity of contractors may delay delivery of emergency works within scheduled period)</p>	M	<p>Reduce qualification requirements since works are simple and repetitive, and skilled labor is in short supply.</p> <p>Contractors will be assisted by TA consultants with training on preparation and submission of compliant and responsive bids and train them on understanding of the contract conditions, especially cost and time variations, extra work orders or repeat orders, and orders for additional delivery or modifications; time extensions; liquidated damages; bonus for early completion; and contract amendments.</p> <p>Apply value for money and fit-for-purpose principles in the procurement process.</p> <p>Improve contractors' cash flow by an advance of 20% against a reputable bank's guarantee.</p>	<p>ADB Implementing agencies</p>

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Weak monitoring and supervision of civil works resulting in poor quality and delays	M	<p>Provide adequate consulting support to overcome the capacity constraints of the implementing agencies on procurement and contract management.</p> <p>ADB and the implementing agencies will conduct periodic reviews and progress monitoring of all ongoing contracts, to ensure timely and quality completion of works.</p> <p>Mobilize ADB's TA consultants to monitor and advise on construction quality and safeguards compliance.</p>	ADB Implementing agencies
Lack of sustainability of infrastructure and physical assets built or supplied under the project, due to lack of ownerships and weak management mechanism	M	<p>Transfer assets to the respective beneficiary agencies or local government to ensure utilization and maintenance.</p> <p>Provision of operations and maintenance of the assets into the procurement package until grant availability (June 2021).</p> <p>Request the government to allocate annual budgets for long-term sustainability of infrastructure (water treatment plants and roads).</p>	Executing agencies Implementing agencies
<b>Governance</b>			
Procurement risks - lack of transparency, collusion among the contractors; and non-transparency in distribution of goods and equipment to beneficiaries	M	<p>Apply e-GP process for procurement.</p> <p>Apply ADB rules on prior review and approval for at least two procurement packages for each agency and all consultant recruitment.</p> <p>Conduct frequent and close monitoring, audits, and reviews.</p> <p>Strengthen ADB communication strategy to emphasize ADB's message of zero tolerance on corruption.</p> <p>Ensure close supervision and mechanism in the distribution of goods and equipment through credible agencies.</p>	Executing agencies Implementing agencies ADB
Misuse and sale of distributed goods and equipment to market/bazaar for cash	M	<p>Strengthen ADB communication strategy to explain the objectives of the project and ADB policies.</p> <p>EAs and IAs through RRRC will closely monitor and review reported cases.</p>	Executing agencies Implementing agencies ADB RRRC
<b>Safeguards</b>			
Subprojects selection and implementation may be delayed due to	L	Filter out all protected areas during subproject selection.	Executing agencies Implementing agencies ADB

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protected forest and critical natural habitat		Contact the Divisional Forest Office in Coxsbazar to identify the boundary of legally designated or proposed protected areas in Coxsbazar.  Conduct afforestation or tree plantation in barren hills or deforested land for proper compensation.	RRRC BFD
Project activities may get hampered due to human–elephant conflict (some subproject area may fall under elephant migration path)	L	Filter out all seasonal or permanent elephant migration routes during subproject selection—information on elephant routes will be confirmed with the Department of Forest and IUCN.  Ensure that the construction sites will be selected outside the elephant route.	Executing agencies Implementing agencies ADB RRRC BFD
<b>Gender and Social Inclusion</b>			
Increase in human and drug trafficking, and increased Sexually Transmitted Infections (including HIV) prevalence as a result of new population into the communities	M	Prepare the GESI action plan and conduct awareness-raising programs throughout the camps, host communities, and migrant laborers.  Maintain close coordination with organizations providing health services to ensure early detection and prevention of sexually transmitted infections (including HIV)  Provide zero tolerance to drug trafficking notice in project site and the implementing agencies should ensure workers' consent on the issue prior to engagement at work.	Executing agencies Implementing agencies ADB

ADB = Asian Development Bank, BFD = Bangladesh Forest Department, BRM = Bangladesh Resident Mission, CCGP = cabinet committee for government purchase, DPP = development project proposal, e-GP = electronic government procurement, ERD = Economic Relations Division, GESI = gender equality and social inclusion, H = high, IUCN = International Union for Conservation of Nature, L = low, M = moderate, NGO = nongovernment organization, PIU = project implementation unit, PMU = project management unit, RRRC = Refugees Relief and Repatriation Commission, S = substantial, TA = technical assistance, TAPP = Technical Assistance Project Performa, UN = United Nations.

Source: Asian Development Bank.