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SECTOR BREAKOUT SESSION: TRANSPORT

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Project implementation risks in the Transport Sector

- Legislative and procedural gaps (e.g. procurement /safeguards) – Uniform across the region (Armenia, Azerbaijan, Georgia, Kyrgyzstan, Turkey)
 - **Risks:** Gaps requiring longer approval periods and additional efforts;
 - **Mitigation measures:** Readiness filter, gap assessment, stakeholder engagement & consultation, strategic alignment



Project implementation risks in the Transport Sector

- Capacity gaps within EAs/IAs
 - **Risks:** Poor implementation and coordination, misalignment with development objectives, delays in preparation and implementation
 - **Mitigation:** Timely establishment of PIUs, finetuned TORs with clear roles and responsibilities; objective selection process; Training, capacity building and knowledge sharing;



Project implementation risks in the Transport Sector

- Quality of project design
 - **Risks:** Retendering leading to delays, contingent bid prices, claims and variations during project implementation, safeguard risks;
 - **Mitigation measures:** Design review and validation, detailed and diligent studies and analysis feeding the design and safeguard elements, stakeholder engagement.



Project implementation risks in the Transport Sector

- Procurement and implementation delays
 - **Risks:** cost escalation factors, and supply of construction materials.
 - **Mitigation measures:** Readiness filters, EME events, proper bidding documents
- Financial management
 - **Risks:** Budget allocation, delays in payment
 - **Mitigation:** Enhanced coordination and control mechanisms



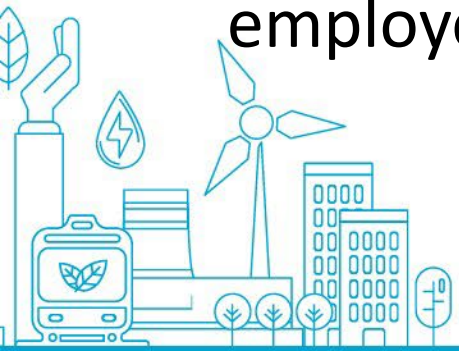
Project implementation risks in the Transport Sector

- Technical and engineering
 - **Risks:** Seasonal implementation risks, harsh geotechnical conditions leading to land slides and avalanches, harsh underground and under sea conditions, cost overruns and abnormally low bids, preparation and implementation, longer procurement periods
 - **Mitigation:** EME events, proper bidding documents and employment of contracting mechanisms, enhanced control and monitoring mechanisms



Project implementation risks in the Transport Sector

- Case study 1
 - **Project:** Procurement 90 excavators
 - Contract was procurement under CIP terms
 - 2 excavators lost and or stolen during transportation;
 - Insurance was claimed but took longer to execute
 - Reason: supporting evidence for any such loss missing
 - Risk materIALIZED: Longer implementation period
 - Lessons learns: Apart from CIP insurance, Employer risks should be employed after contract award.



Project implementation risks in the Transport Sector

- Case study 2
 - 165 long railway line
 - Risk identified: Sea rise level
 - Risks did not materialize



Group 2 – Transport



Thank you!

