

**BASES CONVERSION AND DEVELOPMENT AUTHORITY (BCDA)**

**MATERIAL RISK FACTORS AND STRATEGIES**

GCG MC No. 2013 – 05

<b>RISK CATEGORY</b>	<b>RISK</b>	<b>MEASURES</b>
<b>A. EXTERNAL</b>		
a. POLITICAL	1. Amendments to the BCDA Charter	Legislative representation and monitoring to protect the mandate of BCDA
	2. Political Pressures/Interventions/Lack of Support from the affected Local Government Units (LGUs)	Proper representations and consultations with affected political units on BCDA strategic actions
	3. Demands from Regulatory Agencies/LGUs	Proper representation and presentation of BCDA position on issues raised by regulatory agencies and approving bodies
	4. National Political Unrest	Business Continuity Plan implementation
b. ECONOMIC	5. Fluctuating Foreign Exchange Rates which affects BCDA Foreign Denominated Projects	Risk Transfer Strategies
	6. Real Estate Bubble (rapid increases in valuations of real property such as housing until they reach unsustainable levels and then decline)/Depressed Real Estate Market	Securitization of BCDA cash-flows from lease and JV contracts (payment frontloading), as part of the agreement  Penalty clauses in BCDA land lease and JV contracts should defaults occur  Portfolio Diversification anchored on BCDA mandate (on non-land based projects like utilities, transportation, new project frontiers)
c. SOCIAL	7. Squatting in BCDA Properties	Tighter security of BCDA properties; Relocation program to informal settlers (but qualified beneficiaries)

	8. Illegal Titling of BCDA Properties	Expeditious titling of lands under BCDA Legal cases against syndicates to revert back lands under BCDA ownership
	9. Pilferage, Unlawful acts committed against BCDA Properties (Man-made)	Tighter security of BCDA properties
	10. Social non-acceptance of BCDA projects by host communities	Proper representation and presentation of BCDA position on issues raised by concerned social sectors Social intervention and advocacy strategies Corporate Philanthropy
	11. Being labelled and corrupt and inept organization	Transparency initiatives Compliance to Good Governance Conditions set by National Government Public Relations Strategies
	12. Demands from the AFP	Proper representation and presentation of issues raised by AFP against BCDA Public Relations strategies Joint-Development Partnership strategies
d. ENVIRONMENTAL	13. Natural Calamities	Adoption of new technologies and international standards into BCDA infrastructure projects  Insurance coverage of BCDA properties
B. INTERNAL		
a. BUSINESS and FINANCIAL	14. Unreceptive market for BCDA product offerings	Offer optimal returns to investor partners Offer market demand-driven projects
	15. Pull-out of locators in BCDA Ecozones/ Loss of Investor Confidence	Lobby for reforms concerning business and investment policies of Government
	16. Non-compliance to contract provisions by BCDA business partners (Business, Financial and Project Delivery)	Securitization of BCDA cash-flows from lease and JV contracts (payment frontloading), as part of the agreement  Penalty clauses in BCDA land lease and JV contracts should defaults and breaches occur

		Carefully drafted and worded Terms of Reference (TORs) and Contracts  Legal remedies
	17. Lawsuits, TROs and Adverse Court decisions	Legal remedies
	18. Corporate Net Losses	Improve strategic planning and management Improve international operational efficiencies Diversify portfolio anchored on BCDA mandate
	19. Project Implementation slippages (bided out infrastructure projects)	Stricter project management and supervision by BCDA
b. OVERSIGHT OF BCDA SUBSIDIARIES	20. Enclave mentality	Creation of corporate synergies, single strategic direction, coordination plans and programs
c. INTERNAL PROCESS and PEOPLE	21. Meticulous bidding process guidelines on procurement resulting to failed biddings	Lengthy, devoted and focused pre-procurement conference to orient interested bidders on the bidding process requirements (disclosures)
	22. Resource wastage	Operational efficiency strategies
	23. Incompetence	Competency-based trainings
	24. Attrition	Performance-based Performance Evaluation and Promotion