

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
Governance (Low community participation and ownership)	Low	CDD project experience indicates risk of elite capture. This will be minimized by establishing BKMs elected by community members; ensuring transparent procedures to document decision making fund handling and procurement. In addition consultant teams will facilitate the process to jointly prioritize community needs and investment plans.
Lack of adequate O&M arrangements reduce benefits from investments and jeopardize sustainability	Medium	For community-based infrastructure projects, strong emphasis is needed on establishing adequate maintenance mechanisms to ensure sustainability of infrastructure investments. The executing agency will ensure that O&M arrangements are well reflected in the upgrading plans, and are a precondition for approval of city proposals. In preparing the infrastructure upgrading plans, consultant teams will guide communities and city administrations to understand the need for O&M provisions and ensure that appropriate technical and financial measures are included. The BKMs will collect small O&M fees from beneficiaries for facility upkeep.
Community-based infrastructure projects are not effectively integrated into overall city development planning	Medium	A mandatory consultation mechanism among BKMs and respective city administrations will review relevant slum improvement strategies of current overall city development plans, and ensure that individual slum upgrading plans to be financed by the project are integrated into the overall planning documents. At each project city, all BKMs, the city administration, and the executing agency will jointly endorse the overall upgrading. The capacity of local governments will be developed to strengthen integrated urban pro-poor development planning systems and adopt CDD approaches in spatial planning.
Poor technical design and poor implementation of civil works	Low	Consultants will support the executing agency, city administrations, and communities in preparing simple and efficient technical solutions. A monitoring system will provide additional supervision by experts from district or municipal administrations. Experienced firms will execute more complex works. ADB will support the executing agency in ensuring that terms of reference are well prepared. Firm selection will follow ADB's Procurement Guidelines (2013, as amended from time to time).
NSD does not successfully engage with private stakeholders to establish new housing sites for poor families	Low	Awareness campaigns will illustrate the benefits for all stakeholders. Project consultants will be engaged to facilitate dialog among developers, commercial banks, local administrations, and community members.
Project slum neighborhoods and city administrations do not agree on consolidated city investment upgrading plan within anticipated time frame	Low	Confirmation of the consolidated city investment-upgrading plan by a supermajority will be permitted if consensus is not reached within 1 year.
Overall	Low	

CDD =Community-Driven Development, NSD =New Sites Development.
Source: Asian Development Bank.