

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risks	Risk Assessment	Mitigating Measures
Procurement and implementation of turnkey contract could be delayed.	High	<ul style="list-style-type: none"> • Procurement packaging will be minimized with one implementation consultant package and one turnkey contract package. • International consulting firms will be recruited to help DABS in the procurement of the turnkey contract and in managing project implementation.
Governance issues could negatively affect the project.	Moderate	<ul style="list-style-type: none"> • All procurement and consultant recruitment will require prior approval of ADB. DABS has been undertaking procurement and consultant recruitment following ADB's guidelines since 2009. Procurement oversight will be close, complemented by a credible protest review mechanism and access to procurement-related information on the DABS and ANDS websites. • Public financial management has improved in DABS since its operationalization in 2009. A financial management review undertaken by ADB and USAID has confirmed adequate systems have been institutionalized. DABS is gaining financial autonomy and has a strong board that is independent of regular government systems and protocols. There is a room to strengthen the internal audit system, which is being addressed through interventions by USAID and other development partners. • The government's High Office of Oversight and Corruption and Office of Attorney General are vigilant in detecting fraud and corruption cases.
DABS non-experience with 500-kV technology	Moderate	<ul style="list-style-type: none"> • Sufficient training is being imparted to the executing agency by other development partners and by ADB under an O&M package of its Energy MFF. The training will also be provided during detailed design and implementation stage by the contractor. • This will be the second 500-kV line in Afghanistan. The contract for the first 500-kV line will be awarded in Q1 2014.
The project could encounter cost overruns.	Moderate	<ul style="list-style-type: none"> • The cost estimates are consistent with the engineers' design and recent turnkey contract awards. • The project scope has been well-defined, with clear interface boundaries. • Adequate contingency has been provided in the financing plan.
Quality contractors and consultants may not be available due to the poor security conditions in Afghanistan.	Moderate	<ul style="list-style-type: none"> • While security remains a key concern, experience in attracting sufficient qualified bidders and in implementing similar projects indicates the project can be successfully implemented.