

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
Governance		
Financial management	Low	<p>A financial management assessment was carried out, which indicates that JMRC has an accounting system that allows for the proper recording of project financial transactions in accordance with the international principles generally accepted in India, and has sufficient financial management capacity to administer the project.</p> <p>The agreed funds flow arrangements for the project will require JMRC to maintain separate project records and accounts to identify the financing resources received and expenditures made for the project, ensuring an adequate audit trail; and will cause the annual financial statements to be audited by an auditor acceptable to ADB in accordance with auditing standards acceptable to ADB.</p>
Procurement	Low	<p>The Rajasthan Transparency in Public Procurement Act, 2012, covers all aspects of public procurement for ensuring transparency, fair and equitable treatment of bidders, promoting competition, enhancing efficiency and economy, and safeguarding integrity in the procurement process.</p> <p>Goods and works will be procured in line with the relevant ADB guidelines, with prior review by ADB at key steps in the procurement process.</p>
Other Risks		
Implementation capacity	Low	<p>JMRC, since its establishment in 2010, has been assisted by DMRC for the implementation of Line 1-Phase A, which is nearing completion on time and within budget. DMRC has a sound reputation and track record of executing metro systems in Delhi, and assisting with start-ups in other major cities in India.</p> <p>For the project, JMRC at its own cost will retain DMRC as the project management consultant to expedite design engineering and assist with procurement and supervision. With DMRC's assistance, JMRC has initiated advance action for procurement of works and goods in accordance with ADB requirements.</p>
Operation and management	Low	<p>JMRC is headed by an experienced officer from the Indian Administrative Service. Senior administrative and technical staffs have experience with the state government, Indian Railways, or other metro rail corporations in India.</p> <p>JMRC has recruited an adequate number of staff necessary for metro operation, and critical training for start-up and maintenance is being conducted at the DMRC Training Institute.</p>
Overall	Low	

ADB = Asian Development Bank, DMRC = Delhi Metro Rail Corporation, JMRC = Jaipur Metro Rail Corporation.
Source: Asian Development Bank.