

## RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
<b>Macroeconomic</b>		
Economic shocks reduce the purchasing power of the Samoan public.	Low	(i) The government is to continue reforms to ensure long-term fiscal sustainability and an ability to mitigate the impact of shocks.
Demand for web-based service offers is weaker than expected.	Low	(i) The SSCC is to conduct promotional activities with relevant business and civil society organizations on web-based business opportunities.
<b>Procurement</b>		
The procurement capacity of the SSCC is limited.	High	<ul style="list-style-type: none"> <li>(i) A technical support team providing specialized procurement support to the SSCC</li> <li>(ii) Limiting the number of contracts</li> <li>(iii) Advance preparation of bidding documents to allow adequate review</li> <li>(iv) MOF initiating the procurement process. MOF is the executing agency for all completed and ongoing projects of ADB and the World Bank, so is familiar with procurement requirements</li> <li>(v) Training on procurement for SSCC staff (can be supported by MOF's procurement division based on training conducted by ADB in April 2015)</li> </ul>
Cost overruns in the SCS	Low	(i) Advance contracting to obtain price clarity
Delays in approval process because of different procurement rules of cofinanciers	Low	<ul style="list-style-type: none"> <li>(i) Memorandum of understanding between World Bank and ADB addressing issues related to procurement and other collaboration matters</li> <li>(ii) Advance contracting allowing adequate review and discussion of issues</li> </ul>
<b>Governance</b>		
Complex governance arrangements for the SSCC because of public-private partnership	Medium	<ul style="list-style-type: none"> <li>(i) SSCC board of directors having a balanced representation of members with technical, financial, and management expertise</li> <li>(ii) Financing agreement with the government to include appropriate covenants that ensure protection of national interest</li> </ul>
<b>Regulatory</b>		
Inability of the OOTR to enforce regulations and legislations.	Medium	(i) World Bank TA will strengthen the OOTR's ability to enforce regulations and legislations.
Lack of broad support for ICT legislative reforms	Low	(ii) The OOTR is to develop a good communication strategy and information-sharing program to sensitize stakeholders on the need for proper reforms.

<b>Financial Management</b>		
The SSCC has limited capacity to manage ADB-financed projects.	Low	(i) Employing project accountant as part of PMU (at MOF) to manage day-to-day records of the project (ii) Monthly reconciliation of project accounts with government records
Weak financial management capacity of the SSCC as a start-up company	High	(i) Outsourcing financial management activities to local accounting firms (ii) Support from the PMU and MOF counterpart staff
<b>Institutional Capacity</b>		
Limited pool of expertise to staff the SSCC (to manage, operate, and maintain the SCS)	Medium	(i) Advertising regionally and internationally to attract experienced candidates (ii) Developing an attractive remuneration package (iii) Offering on-the-job training and participating in governance training offered by the Ministry of Public Enterprises.
Staff turnover at the OOTR	Medium	(i) Building capacity across staff through World Bank TA
Limited capacity of Ministry of Health to operate and maintain the health information system	High	(ii) Capacity building for system use, including training of trainers, provided as part of the procured package
<b>Other</b>		
Reluctance of health sector stakeholders to make available information and data because they lack faith in privacy regulations	High	(i) Developing an effective communications and information-sharing plan to alleviate fears of stakeholders (through project management TA) (ii) Reviewing and developing appropriate regulations and legislation to manage privacy issues (through project management TA)
Market design risks pertaining to having two competing cables (ASH and SSCC)	Medium	(i) The SSCC to make a reference access offer or similar to the OOTR to ensure that cost-based and nondiscriminatory terms are available to all access seekers.
<b>Overall</b>	<b>Medium</b>	

ADB = Asian Development Bank, ASH = American Samoa–Hawaii, MOF = Ministry of Finance, OOTR = Office of the Regulator, PMU = project management unit, SCS = submarine cable system, SSCC = Samoa Submarine Cable Company, TA = technical assistance.

Source: Asian Development Bank.