

## RISK ASSESSMENT AND RISK MANAGEMENT PLAN

<b>Risk Description</b>	<b>Rating</b>	<b>Mitigation Measures</b>	<b>Responsibility</b>
1. Unpredicted port operation requirements lead to delay in implementation of civil works	S	The RDA and the SLPA signed a memorandum of understanding on 3 July 2018 to confirm the SLPA's fundamental requirements during the construction, and to make clear relevant procedures to obtain SLPA's approval of the site access.	RDA and SLPA
2. Implementation delay because of delay in site handover of the sections where SLPA facilities need to be relocated	S	The RDA adopted a phased site handover approach according to the progress of the relocations. The sections will be handed over to the contractor 24 months after the commencement of the civil works. The RDA will consider temporary relocation of the facilities in case the relocations cannot be achieved by the due date.	RDA and SLPA
3. Delay in implementation of trade facilitation agreement may affect smooth trade-related activities	M	Sri Lanka ratified the WTO TFA on 31 May 2016. In August 2017, the Cabinet of Ministers approved the new NTP which was formulated by the Ministry of Development Strategies and International Trade. NTP underscores that being a signatory to the WTO TFA, a NTFC was established in June 2014. NTFC will serve as an institutional mechanism to oversee the planning and implementation of the trade facilitation reforms.	NTFC and relevant ministries
4. Implementation of the electronic toll collection system delayed because of insufficient enabling policy environment	M	The TA supports the preparation of action plans to create an enabling environment for the introduction of the new toll collection system. The RDA will prepare a contingency or transition plan to accommodate vehicles without tags.	RDA
5. Import cargo traffic may not use the port ramp to take the elevated highway for the customs' inspection requirements	M	The attached TA supports improvement of the customs' risk assessment system to reduce the current physical inspection rate. The TA will also prepare a study for a new inspection facility. This will help alleviate truck queuing for the physical inspection which is being conducted inside Colombo.	SLCD
6. Unpredicted administrative and policy changes in port	L	General coordination mechanism is in place between RDA and	RDA, SLPA

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operation requirements not covered by the MOU delay civil works		SLPA for unpredicted events which may affect implementation of civil works.	
7. Implementation delayed by extreme weather conditions	L	Negative impacts of extreme weather on implementation and potential countermeasures have been identified in the initial environmental examination. More detailed site-specific risks and countermeasures will be duly considered in the environmental management plan.	RDA, contractor
8. Sufficiently qualified contractors may not participate in the project	L	ADB is closely monitoring the procurement process. Procurement will be conducted based on the FIDIC Yellow Book (Plant and Design Build) to allow the contractor to design major structures to make best use of the contractor's knowledge, technology, and equipment.	RDA

H = high, S = substantial, M = moderate, L = low.

ADB = Asian Development Bank, FIDIC = Federation Internationale des Ingenieurs-Conseils, JICA = Japan International Cooperation Agency, NKB = New Kelani Bridge, NTFC = National Trade Facilitation Committee, NTP = National Trade Policy, PIU = project implementation unit, RDA = Road Development Authority, SLCD = Sri Lanka Customs Department, SLPA = Sri Lanka Ports Authority, TA = technical assistance, TFA = Trade Facilitation Agreement, WTO = World Trade Organization.

Source: Asian Development Bank.