

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risks	Rating	Mitigation Measures	Responsibility
Project implementation is delayed because of the transition of executing agency role from NRA to MOEST.	M	ADB and the government will review and agree on continued implementation arrangements during the midterm review of the project to avoid disruption of project implementation.	MOF, ADB
CLPIU does not have adequate accounting staff to perform additional financial management responsibilities.	H	Three additional staff (a senior accounts officer, an accounts officer, and an accountant from FCGO) and a financial management expert (consultant) will be deployed in CLPIU.	NRA, CLPIU, FCGO, MOF
The national procurement system does not meet international standards. Bidding documents prepared by PPMO do not fully reconcile with ADB's Procurement Policy and Regulations.	M	Use of ADB standard bidding documents	CLPIU and ADB
CLPIU has insufficient staff and lacks familiarity to efficiently undertake the procurement and contract management activities required to implement the project.	M	This will be mitigated through the following management actions: (i) filling staff vacancies at CLPIU; (ii) developing procurement capacity of CLPIU's staff through training; (iii) engaging an individual procurement specialist to support CLPIU's procurement unit through ADB's technical assistance support; (iv) ADB providing orientation and guidance during bid evaluation; and (v) ADB providing procurement oversight and project monitoring.	CLPIU and ADB
Project implementation is delayed because of the government's transition from a unitary to federal system.	M	The government has committed to the outlined project implementation arrangements. If any changes are forthcoming, CLPIU will prepare remedial plan and seek ADB concurrence.	CLPIU and ADB
The allocation for operation and maintenance is inadequate.	M	This will be mitigated by the ongoing education program to monitor the new federal structure allocation to local governments of the 14 districts.	

ADB = Asian Development Bank, CLPIU = Central Level Project Implementation Unit, FCGO = Financial Comptroller General Office, MOF = Ministry of Finance, NRA = National Reconstruction Authority, PPMO = Public Procurement Monitoring Office.

Source: Asian Development Bank.