

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Rating	Mitigation Measures	Responsibility
Technical			
Change in government priorities	Substantial	The project reflects balanced geographic development. Cities are confirmed and the agreed selection criteria in the PAM are designed to reflect the priority infrastructure of local authorities.	MPCLGS, MMWD, NPD
Weak technical capacity of implementing agencies for designing project works	Moderate	MPCLGS and MMWD have experience implementing development partner-funded urban projects (World Bank, AFD), but their technical capacity in project design and implementation requires strengthening, as confirmed in discussion with other development partners. The TA will provide additional capacity building and implementation support to PMUs.	PMUs
Economic and Financial			
Government delays in the release of counterpart funds	Substantial	The government confirmed counterpart financing. The government share will finance only taxes and duties and a portion of incremental costs. This will ease the government's financial burden of providing counterpart funding and ensure adequate cash flow during implementation.	ERD, MPCLGS, MMWD
Gender Aspects			
Poor and marginal groups do not benefit from improved urban services under the facility.	Low	A gender action plan was prepared and includes the preparation of guidelines for integrating gender considerations in project designs to ensure benefits are inclusive. The TA will also provide support in gender action plan implementation.	PMU

AFD = Agence Française de Développement, ERD = External Resources Department, MMWD = Ministry of Megapolis and Western Development, MPCLGS = Ministry of Provincial Councils, Local Government, and Sports, NPD = National Planning Department, PAM = project administration manual, PMU = project management unit, TA = technical assistance.

Source: Asian Development Bank.