

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
Peace and Order		
Recurrence of conflict because of remaining supporters and new recruits	High	ADB will continue to closely monitor the security situation in Marawi and surrounding areas in coordination with the TFBM subcommittee on security, peace, and order, coheaded by the Department of National Defense and the Department of Interior and Local Government.
Vulnerability to conflicts because of the post-conflict situation	High	ADB will keep the local communities informed of the benefits of the projects and will formulate interim measures to ensure that inconveniences will be minimized as projects are being implemented. The <i>ulama</i> (traditional leaders) will be consulted so as not to trigger internal conflicts (<i>rido</i>). The geographical scope of ADB funding will include both conflict-affected areas and communities hosting IDPs.
Induced effects of development on real estate values	High	Feasibility studies to be prepared by LWUA, DPWH, and other implementing partners will include social and economic impact assessment to mitigate gentrifying and socially polarizing effects of the projects.
Political Economy and Governance		
Weak interagency coordination in the recovery process	High	ADB will continue to coordinate with TFBM member agencies through the subcommittee on reconstruction led by the DPWH, as well as relevant national and local committees and working groups. ADB will consider implications of the Bangsamoro Organic Law as implementation progresses.
Nonalignment of plans at city, provincial, and regional levels	Medium	ADB, and the advisory team already embedded with TFBM at both the national and local level will continue to coordinate closely at all levels of government and with development partners. Master plans and feasibility studies to be prepared will refer to allowed land uses as indicated in the comprehensive land use plan.
Lack of interface between the MAA and non-MAA redevelopment plans	Medium	ADB will continue coordinating with TFBM on the MAA redevelopment planning and implementation. Feasibility studies to be prepared will consider impacts because of intensification of land uses in the MAA redevelopment.
Financial Management		
Unclear accounting policies and procedures	Medium	DPWH should ensure timely liquidation of any fund transfer; and closely coordinate with COA and with the Finance and Resource Mobilization Support Group of TFBM regarding possible streamlined financial management procedures for the efficient delivery of post-disaster recovery projects. LWUA and DPWH should discuss with IAS possible internal audit covering project activities during implementation.
Procurement		
Possible delays in implementation because of late release of SARO	High	During project and loan preparation, the executing agencies should ensure that the FOA to be obtained from the DBM fully covers the estimated costs for both ADB loan financing and government counterpart funds.

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		Upon loan effectivity, the executing agencies should promptly submit sufficient request for SARO to DBM for projected loan, grant, and government expenditures in FY2018, and ensure follow-through on the immediate approval of said request. In the succeeding years, project expenditures to be financed by the loan and government counterpart should be accordingly considered in the agency's appropriations under the GAA, while SARO for the grant expenses must be obtained accordingly.
Project Implementation		
Limited implementation capacity of government agencies	Medium	A project implementation consultant will be recruited for implementation of the infrastructure investments under the emergency assistance loan. INGOs or UN agencies will be hired as implementation partners for the two grants. Oversight for consultants and implementation partners will be provided by executing and implementing agency staff, together with individual advisory team members hired under the grants.
Sharing of responsibilities among the concerned agencies	Medium	The roles of the executing agencies, implementing agencies, and implementation partners are clearly delineated in the project administration manual. If necessary, memoranda of agreement between relevant agencies will also be established.
Governance		
Inadequate monitoring systems	Medium	Project implementation and funds utilization monitoring systems will be in place to ensure transparency. All finance personnel of executing and implementing agencies at all levels should comply with policies and procedures on the use of eNGAS and eBudget systems during project implementation.
Land Management		
Contentious land because of multiple ownership claims	High	ADB will secure appropriate guidance, including from TFBM subcommittee on land resource management, on the complex issue of land ownership.
Encroachment on culturally sensitive areas	Medium	Infrastructure design and site selection will consider heritage areas, sultanates, ancestral lands, and socially significant areas. The executing and implementing agencies will refer to laws governing these sites.
Possible project delays because of land use conversion	Medium	Infrastructure design and site selection will consider land uses as embodied in the comprehensive plans. Executing and implementing agencies will refer to relevant laws such as those covering the conversion of agricultural land.
Social Safeguards		
Lack of ownership by project beneficiaries	High	ADB will continue to consult and coordinate with the communities and local leaders through TFBM to ensure that projects are calibrated to local realities. A communication campaign will be conducted to engage stakeholders in a culturally appropriate, gender-sensitive, and timely manner. TFBM will endeavor to tap local professional services and labor for project implementation.

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Insufficient supply and demand analysis	Medium	Executing and implementing agencies to include in the feasibility studies the staffing requirements of all public and social infrastructure, e.g., medical staff for health facilities, and calculations of demand through delineated catchment areas.
Disaster Risk and Climate Change Resilience		
Subpar design and technical specifications because of the need for a quick response	Medium	Building and development will be based on the “build back better” principle and shall be compliant with all design standards as embodied in the National Building Code, engineering codes, and other relevant laws. Climate change adaptation through design and site selection will be integrated in the feasibility study preparation and project implementation.
Increased risk because of expansion of paved and built-up areas	High	Executing and implementing agencies and implementing partners to factor in hazard-prone areas, protected areas, environmentally sensitive areas, as well as slow-setting effects of climate change in design development and site selection. Disaster mitigating engineering designs will be applied as needed. Designated no-build zones shall be strictly enforced.
Increased vulnerability because of lack of social safeguards	High	Measures for enabling people, especially women, children, the elderly, and physically and/or mentally challenged people, to prepare for, respond to, and recover from disasters and climate change effects should be instituted. Communities and local knowledge will be engaged in the formulation of disaster risk management and climate change adaptation measures.
Overall	High	Greater Marawi is a high-risk area, but the Government of the Philippines with the support of ADB and other partners is adopting credible, focused measures to manage these risks.

ADB = Asian Development Bank, COA = Commission on Audit, DBM = Department of Budget and Management, DPWH = Department of Public Works and Highways, FOA = Forward Obligation Authority, FY = fiscal year, GAA = General Appropriations Act, IAS = Internal Audit Service, IDP = Internally Displaced Person, INGO = International Non-Governmental Organization, LWUA = Local Water Utilities Administration, MAA = most affected areas, SARO = Special Allotment Release Order, TFBM = Task Force Bangon Marawi, UN = United Nations.

Source: Asian Development Bank.