

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
A. Implementation		
1. New public transport policies and regulations developed under the project may not achieve private-to-public transport modal shift targets because of (i) a lack of public support for the effective policies needed, (ii) complex institutional arrangements, or (iii) poor enforcement of regulations.	High	The government, the Ho Chi Minh City (HCMC) people's committee, and the Urban Transport Management Department 1 (UTMD1) will expedite analysis and approve implementing rules. The establishment of a public transport authority is proposed by 2016 to be the regulator responsible for all public transport modes. The development of street and footpath management system on a pilot basis for Mass Rapid Transit (MRT) Line 2 will be replicated city-wide by 2018.
2. Public transport systems may not be integrated because (i) measures are implemented ineffectively, or (ii) the fare pricing structure is not affordable.	Medium	The project will design and implement pilots for key measures. A demand forecasting and transport pricing policy framework will be developed with a high level of stakeholder participation.
3. Unfamiliarity with ADB environmental, involuntary resettlement safeguards, and other social policies caused implementation delays.	Medium	Project management support for UTMD1 will include support for monitoring safeguard measures. UTMD1 will establish new social unit, including a gender focal point.
4. Project component may not be maintained during operations after completion.	Low	Components are mostly enhancements of current systems that already have operations and maintenance (O&M) budgets. The HCMC people's committee budget is sufficient to ensure that adequate extra O&M funds can be provided.
5. Costs may increase, and complexity may delay implementation.	Low	International experts will support project design and management. Design auditing and value analysis of detailed design
6. Start-up delays may occur due to slow award of initial contract or delays in detailed design approval.	Medium	UTMD1 will be helped to fully utilize new regulations under Decree 38 that allow for advance action for consultant recruitment and procurement. UTMD1 will access the project preparation support and startup facility for first three contracts.
7. Delay in implementation of MRT Line 2 station works could prevent the completion of this project's civil works on time.	High	Timely provision of project detailed design to MRT Line 2 contractors Regular project coordination meetings held, chaired by Official Development Assistance Project Division head
B. Public Financial Management		
1. The sustainability of the project may be undermined by a lack of	Medium	The government will take up additional loans and grants from development partners for sustainable

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
investment or cost overruns in other urban transport undertakings.		transport development and infrastructure
2. Shortage of financial, analytical, and managerial skills and capacity could affect project management.	Medium	The project management will help UTMD1 set up and train financial project management staff. Staff will take part in ADB disbursement training courses
C. Procurement		
1. The project management unit (PMU) may lack capacity to effectively manage procurement.	Medium	The PMU will be able to make use of experienced staff from the MRT line 2 project and consultant project management support to UTMD1. The project administration manual will help the PMU conduct procurement. A procurement specialist will help the PMU manage procurement.
2. The public may not be made aware of the procurement opportunities of the project for civil works and consultancy services.	Low	The project website will be regularly updated and media reports will be generated, in accordance with ADB public communications guidelines
3. The detailed design and the technical specifications in the bidding documents may be of poor quality	Medium	International consultant will prepare documents and assist the UTMD1 procurement division.
D. Corruption		
1. Accountability in implementation and oversight institutions may be limited.	Medium	UTMD1 will establish an action plan to ensure that the identified accountable agencies comply with specific tasks.
2. Transparency may be lacking, not timely, or not available to all stakeholders.	Medium	More information will be made available through media and information sources to improve transparency. Project website will be launched on time and maintained.
3. Collusion may occur in procurement.	Medium	Project administration manual will include a clear description of financial management procedures to guide project staff.
4. Internal control and accounting may be inadequate.	Medium	Strengthening of the internal controls of the HCMC people's committee and UTMD1 will include regular internal technical and financial audits and specific requirements for accounting evidence, with payment verification to be segregated from project management.
Overall	Medium	

ADB = Asian Development Bank, HCMC = Ho Chi Minh City, O&M = operations and maintenance, MRT = Mass Rapid Transit, UTMD1 = Urban Transport Management Department 1