

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
<p>1. Public Financial Management Significant gap between the sector's recurrent budget and resource requirements for implementing draft TVET Strategic Plan, 2014–2018</p>	High	Proposed capacity development TA will support capacity development of DGTVET for TVET sector planning and budgeting to meet MEF requirements. Policy dialogue will be promoted with MLVT and MEF on financing issues and TVET priorities.
High degree of off-budget funding in TVET sector	High	Proposed capacity development TA will promote policy dialogue with MLVT and MEF on strategies for program-based budgeting for TVET sector.
Insufficient financial management capacity at provincial institute level	High	Program will support capacity development of administrators of public TVET institutes in (i) planning; (ii) budgeting; (iii) program implementation; (iv) business development; and (v) monitoring, evaluation, and reporting.
<p>2. Procurement Inadequate procurement capacity resulting in unnecessary delays and occasional nonadherence to requirements of government procurement manual for externally financed projects</p>	Medium	Program will provide training in project management and planning. Advance procurement action will be taken. Advice and support during tendering processes will be provided. Procurement plan has been developed to minimize the risk of delay.
<p>3. Corruption Nonadherence to the requirements of the government's financial and procurement manuals for externally financed projects</p>	Medium	Relevant project coordination unit staff will be trained on the requirements of the financial management and procurement manuals, as updated. Due diligence monitoring will be conducted by project coordination unit and ADB review missions.
Unclear roles and responsibilities of provincial level TVET authorities	High	Policy dialogue will be promoted with MLVT and National Committee for Sub-National Democratic Development to define roles and responsibilities of Provincial Training Board in the development of the formal TVET system through PTCs and RTCs.

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4. Project Implementation Formal TVET programs do not meet the needs of the industry and employers they aim to serve	High	Sector skills councils will be established for priority sectors. Members of the SSC will be the main clients of public TVET institutes. Program will facilitate employer and private sector engagement in identifying internship opportunities for trainees of public TVET institutes. Program will support development of labor market information system and TVET management information system to identify employer needs.
Lack of project coordination and engagement of key government agencies	Medium	Program will provide support for project coordination through project implementation specialist, together with team leader and deputy team leader, under consulting firm. Associated capacity development TA will support DGTVET to enhance coordination arrangements to facilitate cooperation among key government agencies involved in TVET delivery.
Technical capacity is inadequate to implement competency-based training and assessment system	Medium	Program will build the capacity of DGTVET staff and staff from public TVET institutes to introduce competency-based training and assessment, inclusive of study tour to build knowledge. Program will design robust monitoring and evaluation framework to measure implementation of competency-based training and assessment.
Overemphasis on upgrading equipment and infrastructure without attention to competency-based training and assessment	Medium	All public TVET institutes receiving equipment and upgraded facilities will benefit from capacity building in the form of workshops throughout project implementation.
Overall	Medium	

ADB = Asian Development Bank, DGTVET = Directorate General of Technical and Vocational Education and Training, MEF = Ministry of Economy and Finance, MLVT = Ministry of Labour and Vocational Training, PTC = provincial training center, RTC = regional training center, TA = technical assistance, TVET = technical and vocational education and training.

Source: Asian Development Bank.