

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
Cost overruns	Medium	Cost estimates are based on actual data from current projects. The actual bid results indicate estimates are within the budgeted amounts.
Weak public financial management	High	A financial management assessment on Myanmar's power sector agencies was conducted and necessary capacity building for financial management will be provided in early 2014. To enhance accountability, the project implementation consultants will help the executing agency prepare financial statements in accordance with Asian Development Bank (ADB) guidelines and procedures.
Delay in the effectiveness of loan and project agreements may affect implementation and disbursement	Medium	Project readiness has been ensured in compliance with government requirements and criteria.
Implementation delays due to lack of familiarity with ADB guidelines and procedures	Medium	Advance contracting for the procurement and recruitment of project implementation consultants has been undertaken under technical assistance for Preparing the Power Transmission and Distribution Improvement Project. Necessary capacity building for the procurement, engagement of consultants, disbursements, and financial management will be provided. The project implementation consultants will help the executing agency prepare the reports following ADB guidelines and procedures.
Procurement	High	The number of procurement packages has been minimized to six for international competitive bidding (financed by ADB, with different delivery schedules for four project areas) and one package for local competitive bidding (financed by the government, with three subpackages) to mitigate risks of delay in procurement and to improve transparency.
Disbursement	Medium	All disbursements will be made to suppliers and consultants through direct payment by ADB with no imprest account; this is to eliminate exposure to weak banking systems in Myanmar.
Anticorruption	High	To ensure goods are used only for the project, project implementation unit staff will verify all deliveries of goods to be procured under the project and maintain an asset register for each project area, in line with loan covenants.
Overall	Medium	

Source: Asian Development Bank estimates.