

## RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
<b>Governance</b>		
Project effectiveness could suffer due to the lack of sufficient human resources for project management and implementation.	Medium	The project includes PISCB consultant services that will provide the necessary support and on-the-job training for staff of the PCU and project implementation units for project management, design, and construction supervision works. The executing agency will recruit additional staff, when needed, to support the project and post-project activities.
Irregularities in procurement and financial management.	Medium	Relevant provisions of ADB's Anticorruption Policy (1998, as amended to date) have been incorporated into the loan and grant agreements and bidding documents. The executing agency is required to take necessary measures to disclose contract awards and the use of loan proceeds. Procurement and financial management experts will assist the PCU during implementation under the PISCB consultants.
<b>Public Financial Management</b>		
Financial sustainability of the project's solid waste management investments in both Luang Namtha and Houayxay could be adversely affected by the lack of financial management skills and insufficient tariff adjustments.	High	The PISCB consultants will provide training and capacity development in sustainable operation and maintenance of the new facilities, as well as on tariff setting and financial management. While tariffs will be adjusted over time to cover the cost of operation and maintenance, the provincial governments will cover any funding gap if revenues from tariffs are insufficient.
<b>Procurement</b>		
Requirements of government and ADB procurement processes may result in delays in the recruitment of consultants and the procurement of civil works and goods.	Medium	The PCU in the Ministry of Public Works and Transport has experience in implementing donor-financed projects, including those of ADB. ADB will provide an individual start-up procurement advisor to help in the selection of the PISCB consultants and to provide training on ADB's processes for project administration and implementation. The PISCB consultants will provide support and training for efficient procurement of civil works and goods at the provincial level.
<b>Other</b>		
The project could damage the environment through poor management of solid waste management facilities.	Low	Environmental safeguards measures will be integrated into the project design and planning stages, and will be monitored during implementation. PISCB consultants will provide training on operation and management of the new facilities.
The potential presence of unexploded ordnance could cause safety	Medium	Geophysical surveys to identify unexploded ordnance contamination and any necessary clearance and decontamination will be undertaken by a specialized

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issues and/or delay project implementation.		contractor, managed by the PCU and project implementation units. A clearance certificate and appropriate supporting documentation must be submitted to the government and ADB before any works start in areas where unexploded ordinance is suspected.
Potential archaeological finds could result in delays to project implementation and possibly changes in design.	Medium	Appropriate measures and recommendations are identified in the relevant initial environmental examinations and due diligence reports to minimize any potential impact on the progress of construction work.
<b>Overall</b>	<b>Medium</b>	ADB = Asian Development Bank, PCU = project coordination unit, PISCB = project implementation support and capacity building. Source: Asian Development Bank.