

## 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 project implementation support consultant (PISC) services that will provide the necessary support and on-the-job training for staff of the project management units (PMUs) for project management. Separate consultant teams will be recruited by each of the three provincial PMUs for design, construction supervision and capacity building.
Irregularities in procurement and financial management.	Medium	Relevant provisions of ADB Anticorruption Policy (1998, as amended to date) are incorporated in 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. PISC experts will assist the PMUs during implementation.
<b>Public Financial Management</b>		
Financial sustainability of the project's sanitation investments in Bac Giang, Mong Cai and Sa Pa could be adversely affected by the lack of financial management skills and insufficient tariff adjustments.	High	The capacity building consultants recruited by each of the three provincial PMUs will provide training and capacity development in sustainable operation and maintenance (O&M) of the new facilities as well as in tariff setting and financial management. While tariffs will be adjusted over time to cover O&M costs, the provincial governments will cover any funding gaps resulting from insufficient revenues.
<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	ADB will provide an individual startup procurement advisor to help in the selection of the PISC and to provide training on ADB project administration and implementation processes.
<b>Other</b>		
The project could damage the environment through poor management of wastewater treatment plants.	Low	Environment safeguards measures will be integrated into the project during the design and planning stages, and monitored during the implementation. Capacity building consultants hired by the provincial PMUs will provide training on O&M of the new facilities.
The potential presence of unexploded ordnance (UXO) could cause safety issues and/or delay project implementation.	Medium	Geophysical surveys to identify UXO contamination and any necessary clearance and decontamination will be undertaken by a specialized contractor, managed by the PMUs.. A clearance certificate and appropriate supporting documentation must be submitted to the government and ADB before any works start in areas where UXO is suspected.

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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>	

Source: Asian Development Bank