

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
Project Implementation		
Technical designs and specifications of subprojects are not appropriate in terms of contracting capabilities, availability of materials, and site conditions	Medium	Conventional engineering designs have been adopted. During implementation, the PIU will ensure that all civil works and equipment comply with Vietnamese standard engineering design parameters and quality standards for road and building construction.
Inappropriate construction methods and equipment will cause delays and increase costs	Medium	Bidding documents will require (i) evidence of satisfactory performance in similar conditions, (ii) adequate physical plant, (iii) adequate financial capacity of contractors, and (iv) adequate contingencies for unforeseen items. ADB's standard bidding documents and ICB procedures will be followed.
Institutional Arrangements		
Ambiguities in the roles and responsibilities of the PCU and PIUs	Medium	The composition and responsibilities of the PCU and PIUs are clearly defined and agreed in the PAM. The national and provincial steering committees will provide guidance and resolve issues on project implementation matters during semiannual planning and review meetings.
Lower than expected tourist arrivals undermine private sector and community interest in operating tourism services at sites developed by the project	Medium	All subprojects are linked to multicountry tour circuits being promoted by all GMS countries. Support to formalize public–private and community partnerships to operate tourist sites and develop tourism services is built into the project design. Destination marketing programs target fast-growing priority markets.
O&M of subproject assets is not implemented effectively	Medium	O&M plans incorporating sustainable finance mechanisms will be prepared for all project facilities, with capacity building and training programs provided for entities and staff tasked with O&M.
PIUs lack of experience in ADB and government financial management and procurement procedures will cause delays in project implementation	Medium	Training in financial management procedures acceptable to ADB and the government will be implemented shortly after loan effectiveness, with participation of all PCU and PIU staff. Consultants will be embedded in PCU and PIU offices to provide on-the-job training in financial management and procurement.
Inadequate coordination with other GMS countries leads to asynchronous implementation of subregional activities	Medium	The project's subregional steering committee and senior PCU and NTO staff from all GMS countries will meet twice annually in conjunction with the GMS Tourism Working Group to jointly plan and review subregional activities.
Government will not allocate sufficient and qualified institutional and human resources to support the project	Low	All PCU and PIU facilities and staff were established prior to loan negotiations following job descriptions in the PAM and agreed readiness filters.

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Project Costs		
Project cost estimates may not be sufficient due to unforeseen circumstances (e.g., extra construction, inflation)	Medium	The project (i) uses conservative cost estimates, (ii) will follow ADB procurement guidelines for civil works contracts, and (iii) includes price and physical contingencies to cover unforeseen events.
Financial Management		
PIUs lack financial management skills, including financial analysis, management accounting, financial reporting, and audit	High	The international and national financial management and procurement consultants will provide all counterpart staff with financial management, accounting, and procurement training. Counterparts will participate in periodic disbursement and financial management seminars conducted by ADB's Controller's Department.
Potential corruption from weak procurement oversight	Medium	Standard ADB bidding documents and procedures will be used. Grievance redress procedures, including misuse of funds, will be published on the project website, and mechanisms put in place to address any grievances received.
Social and Environmental Safeguards		
Increased number of tourists will overwhelm infrastructure and services at project sites, causing negative environmental impacts	Medium	Project infrastructure and utilities are designed to accommodate demand until at least 2030, based on projections for tourist arrivals. The IEE and EMPs prepared for each project site cover the preconstruction, construction, and operation phases of infrastructure subprojects, to be updated during project implementation.
Delays in updating and implementing resettlement plans will delay the award of civil works contracts	Medium	International and national resettlement specialists will be recruited to assist the PCU and PIUs with timely implementation and monitoring of resettlement activities, and support capacity building and training for safeguard implementation.
Government does not plan for the impacts of climate change and does not put in place adequate measures to address the results of extreme climatic events	Medium	Provisions for the impact of climate change are incorporated into the infrastructure design. The IEE, EMPs, and climate resilience measures will be reviewed and updated in parallel with the detailed design of civil works.
Overall	Medium	

ADB = Asian Development Bank, EMP = environmental management plan, GMS = Greater Mekong Subregion, ICB = international competitive bidding, IEE = initial environmental examination, NTO = national tourism organization, O&M = operation and maintenance, PAM = project administration manual, PCU = project coordinating unit, PIU = project implementation unit.

Source: Asian Development Bank.