

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Rating	Mitigation Measures	Responsibility
A. Public Financial Management			
Inadequate financial monitoring and reporting system	S	The PMCSC team for the current project includes an international financial management specialist and a national financial management specialist who will both support the PIURR to review and strengthen its financial reporting and monitoring system by providing adequate tools and on-the-job training during project implementation.	PIURR
Weak information and records management system	M	Although the PIURR's document retention policy is adequate, there is no systematic backup of accounting and financial documents. The PMCSC's financial management specialists will assist the PIURR in establishing appropriate records and backup systems to guarantee recovery of important documents at all times.	PIURR
Inadequate procedure for online payments	M	The PMCSC's financial management specialists will assist the PIURR in amending the approach used for bank transfers through the online transfer facility for the project bank accounts to ensure that no single person has complete authority to make online payments.	PIURR
B. Procurement			
Insufficient transparency in procurement	L	The MOT and ADB will ensure that information is provided to potential bidders by regularly updating their websites and circulating project information through other media.	ADB, MOT
C. Corruption			
Insufficient awareness of anticorruption and integrity	M	The PMCSC and ADB will organize awareness training for MOT and PIURR staff on anticorruption and integrity.	ADB
D. Project Implementation			
Insufficient allocation of funds to maintain the project road and facilities	S	The government and ADB have agreed on a covenant to ensure that project road and facility maintenance will be timely and adequate. A RAMS is also being developed with World Bank assistance to support the MOT in prioritizing its maintenance and financing programs.	MOT
Inadequate attention given to road safety on the project road	S	The government and ADB have agreed on a covenant to ensure that recommendations identified in road safety audits of the project road are effectively implemented by the civil works contractor and monitored by the PIURR with PMCSC assistance. Guidelines on safe arterial roads are being developed under the current project to foster progressive design practices and enable replication at the sector level.	MOT, PIURR
Lack of acceptance of the project by local authorities, local communities, and affected people	M	Extensive consultations have been held with project stakeholders and potentially affected people during project preparation on safeguards and physical connectivity issues. The outcomes of these consultations have been reflected in the project LARP, IEE, engineering designs, and contract documentation.	MOT, PIURR
Inappropriate maintenance of the solar backup power systems	M	The contract for the supply of power solar equipment will include a specific maintenance provision. Two individual energy specialists will be recruited to adequately train local authorities and beneficiaries on maintenance of equipment.	MOT
Overall	M		

ADB = Asian Development Bank, IEE = initial environmental examination, LARP = land acquisition and resettlement plan, MOT = Ministry of Transport, PIURR = project implementation unit for roads rehabilitation, PMCSC = project management and contract supervision consultant, RAMS = road asset management system.

H = high, S = substantial, M = moderate, L = low.

Source: ADB.