

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Risk Assessment	Management Measures or Risk Management Plan
The towers and the transmission line crossing the Strait may be vulnerable to adverse climatic conditions and natural disasters.	Low	The construction of the towers and the transmission line crossing will be undertaken following state-of-the art technology, sound engineering practice and proven international standards.
Project implementation delays due to issues in land acquisition and resettlement.	Medium	PLN has identified the land acquisition requirements for the transmission line right of way and has put in place a comprehensive land acquisition and resettlement plan (LARP) in compliance with Asian Development Bank's (ADB) safeguards policy statement. The LARP will be updated during detailed design phase with participation and consultation of all affected people. Implementation of LARP will start before the awarding of contracts. Capacity building of PLN staff will be conducted and project implementation consultants will be tasked to assist PLN in the implementation of LARP.
Cost overruns	Low	Estimates are based on actual data from most recent projects have been made.
Unsynchronized completion of different sections of the transmission line may delay the overall completion of the project.	Low	Project implementation consultants will assist the project management and implementation units in monitoring the implementation This task is incorporated in the terms of reference of project implementation consultants
Power shortage in Java.	Low	PLN will coordinate the operations of the existing and planned power plants that will supply the power for transmission.
Project implementation delays owing to procurement delays and contractual issues.	Medium	Advanced procurement actions and retroactive financing will help mitigate the risk of procurement delays. Project implementation consultants will be recruited to assist the executing agency in contract management and issue resolution.
Procurement of goods, works and consulting services may be subject to corrupt governance issued or corrupt practices.	Low	Procurement and recruitment of consultants financed from ADB loan proceeds will follow ADB's Procurement Guidelines (2013 as amended from time to time) and ADB Guidelines on the Use of Consultants (2013 as amended from time to time). ADB's anticorruption policy was discussed with the government and PLN and governance measures have been identified.
Overall	Medium	

Source: Asian Development Bank.