

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risks Description	Risk Assessment	Mitigation Measures or Risk Management Plan
General		
Cities are adversely affected by international economic developments.	Medium	Central and provincial governments continue to support the cities' development as regional growth centers.
Extreme events occur with more frequency and intensify, causing increased damage to urban infrastructure.	Medium	Improved quality and increased coverage of climate-change-resilient urban infrastructure will be developed in the project cities. A climate change adaptation approach to monitor and react to the changing weather patterns will be adopted.
Technical		
Wastewater treatment plants are not completed on time to receive wastewater from the developments under this project. ^a	Low	The completion of these works will be the responsibility of the relevant departments in the PPCs. The PPCs will provide assurances to this effect as part of the loan covenant.
Poor households do not connect to the centralized wastewater networks.	Medium	Targeted aid for poor households through a revolving fund to assist in payment of connections will be introduced. Awareness programs on public health and environmental protection will be implemented.
Stakeholders in the river basins do not cooperate to operationalize the flood warning and management system in Hoi An.	High	As part of the project, basin-level workshops will be held to ensure involvement and commitment of stakeholders in the design and implementation of the flood forecast and warning system.
Individual developers in Bao Ninh new urban area do not follow the measures to protect the coastal dune complex to be developed under the project.	High	Strict adherence to dune protection measures will be ensured through review of developers' EIA reports by PMU supported by the project implementation support consultant. DONRE will ensure that all recommendations are included in developers' EIA reports and will not grant licenses to developers that do not comply.
Financial		
Inadequate subsidies are provided for wastewater management in Dong Hoi and water supply in Hoi An.	High	Required subsidies were estimated under the project preparatory TA. PPCs will be assisted by the project implementation support consultant in revising the estimates when the project facilities start commissioning.
PPCs do not approve and implement tariff reform for wastewater in Dong Hoi and water supply in Hoi An.	Medium	Tariff reform roadmaps were prepared under the project preparatory TA. PPCs will be assisted by the project implementation support consultant in revising the roadmaps when the project facilities start commissioning.
Counterpart funds are insufficient or not provided	Low	Counterpart funds related to resettlement will be continued to be reduced during detailed engineering

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in a timely manner.		design preparation. A separate account will be set up in which the PPC will deposit counterpart funds prior to disbursement.
Procurement Project implementation is delayed because of slow start-up in recruiting the project implementation support consultant.	Medium	A national consultant has been engaged under the project preparatory TA to help recruit the consultant. Training on ADB's procurement requirements will be conducted as part of the project administration and implementation training under the project.
Governance Irregularities in procurement and financial management	Low	Financial management assessment and procurement capacity assessment have concluded that appropriate control mechanisms are in place. ADB's Anticorruption Policy (1998, as amended to date) was explained to and discussed with the government and the executing agencies.
Safeguards Major environmental impacts occur, particularly during construction, including environmental and health conditions for laborers.	Low	Reinforcement of EMP follow-up with inclusion of consultants and external monitoring as part of project management. In each PMU a person acting as a focal point for EMP implementation will be appointed.
Land acquisition and resettlement is insufficiently resourced and implemented.	Low	External monitoring and training are included in project management. In each PMU a person acting as a focal point for implementation of the resettlement plans will be appointed.
Gender mainstreaming is inadequately resourced and implemented.	Low	External monitoring and training are included in project management. In each PMU a person acting as a focal point for gender action plan implementation will be appointed.
Overall	Medium	

ADB = Asian Development Bank, DONRE = Department of Natural Resources and Environment, EIA = environmental impact assessment, EMP = environmental management plan, PMU = project management unit, PPC = Provincial People's Committee, TA = technical assistance.

^a A wastewater treatment plant is being constructed, financed by the World Bank in Dong Hoi and by the Government of France in Hoi An.

Source: Asian Development Bank.