

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
A. Implementation		
1. Public transport policies: Inadequate policy and regulatory reform to achieve modal shift targets because of (i) a lack of public support for effective policies to support needed modal shift, (ii) complex institutional arrangements, and (iii) poor enforcement of regulations	High	The government, Ha Noi People's Committee (HPC), and the Urban Transport Project Management Unit (UTPMU) to (i) expedite analysis and approve implementing rules, (ii) establish public transport authority by 2016 to be regulator responsible for all public transport modes, and (iii) develop street and footpath management system on a pilot basis for metro line 3 that will be replicated city-wide by 2022
2. Public transport systems not integrated because measures are implemented ineffectively, and the fare pricing structure is not affordable.	Medium	The project to design and implement pilots for key measures, and establish a transport pricing framework for long-term sustainability of public transport in Ha Noi
3. Unfamiliarity with Asian Development Bank (ADB) environmental, involuntary resettlement safeguards and other social issues policies	Low	Project management support to UTPMU to include support for monitoring safeguard mitigation measures UTPMU to establish new social unit, including gender focal point
4. Failure to maintain project components once operational	Low	Components mostly enhance current systems that have Operation & Maintenance budget HPC budget sufficient to assure adequate extra O&M funds can be provided
5. Cost increase and complexity delays	Low	International experts to support project design and management Designs audited and value analysis of detailed design completed
6. Delivery of project documents on time to meet mandated requirements of district and city agencies in Ha Noi and national ministries	Low	Clear target dates and requirements for authorities to be monitored through monthly meetings
7. Start-up delays due to slow award of initial contract or delays in detailed design approval	Medium	UTPMU provided support to fully utilize new regulations under Decree 38 which allows for advance action for consultant recruitment and procurement UTPMU to submit to application to the Vietnam Project Preparation Support and Startup Facility for first three contracts
8. Delay in implementation of metro line 3 station works prevents the completion of civil works	Medium	All civil works for elevated section under construction and underground section to be awarded by November 2014, so main works expected to be completed on schedule
B. Public Financial Management		
1. Sustainability of the project undermined by a lack of investment or cost overrun in other urban	Medium	The government has existing and proposed new loans and grants for sustainable transport development and infrastructure

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transport measures and policy		
2. Shortage of financial, analytical, and managerial skills and capacity	Medium	Project management support to UTPMU to assist in setting up and training financial project management Participation in ADB disbursement training courses in 2015
3. Funds flow	Medium/Low	Under the government guidelines on financial management of official development assistance programs (Circular 108/2007/TT-BTC of the Ministry of Finance), the mode of transfer to be determined in the project investment decision Dedicated bank account set up to channel loan disbursements Ministry of Finance to issue a circular letter to the HPC and UTPMU providing guidelines and criteria for eligible project expenditures in accordance with the loan agreement
C. Procurement		
1. Lack of capacity in the project implementation division (PID) to manage procurement	Low	The PID to be able to use experience from metro line 3 project and consultant project management support to UTPMU and Ha Noi Metropolitan Railway Management Board. The project administration manual to help the PID to conduct procurement A procurement specialist to help the PID manage procurement
2. Lack of public awareness of procurement opportunities in the project for civil works and consultancy services	Low	Project website regularly updated and media reports, etc. carried out in accordance with ADB public communications guidelines
3. Poor quality of detailed design and technical specifications in the bidding documents	Medium	International consultant prepares document and assists UTPMU procurement division
D. Corruption		
1. Limited capacity for accountability in implementation and oversight institutions	Medium	Establishment of an action plan to ensure identified accountable agencies comply with specific tasks
2. Transparency measures not timely or available to all stakeholders	High	More information to be made available through media and information sources to improve transparency Project website launched and maintained
3. Procurement collusion	Low	Project administration manual to include a clear description of financial management procedures to guide project staff
4. Internal control and accounting	Medium	Strengthened internal controls with the HPC and UTPMU to include regular internal technical and financial audits, and specific requirements for accounting evidence, with payment verification to be segregated from project management
Overall	Medium	