

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
<p>Sustainability The project roads are not maintained adequately</p>	Medium	<p>The ongoing and overall loan agreements include an assurance that the project roads will be maintained (i) to the same standard adopted for the government's national road network, and (ii) through the use of performance-based maintenance contracts subject to success of the pilot projects under the implementation.</p> <p>Under the overall project, consulting services will (i) be provided to monitor the maintenance works provided for the completed road sections under the ongoing project, and (ii) propose a future road maintenance program for the Na Meo–Ha Trung corridor as a whole.</p>
<p>Overloaded vehicles cause premature damage to the project roads</p>	Medium	<p>The ongoing loan agreement includes an assurance that the MOT will develop a program to control the overloading of vehicles along the project road by the time civil works have been completed.</p> <p>Under the overall project, consulting services will be provided to (i) review the existing governing documents to control the overloading, (ii) purchase weigh scales and provide on-the-job training for MOT staff on the use and maintenance of such equipment, (iii) conduct a pilot demonstration controlling the overloading on the completed Na Meo–Ba Thouc road section to prevent premature pavement damage, and (iv) strengthen the governing documents based on the findings from the pilot demonstration.</p>
<p>Safeguards ADB's safeguards policies are not implemented effectively</p>	Medium	<p>Under the ongoing project, the MOT will continue to strengthen the grievance redress mechanism so that affected persons' requests, grievances, and complaints related to the project's performance, including possible environmental, social, and other concerns, are addressed in a timely and satisfactory manner. The MOT will establish a task force at its PMU1 for this purpose.</p> <p>PMU1 will engage an external monitoring agency to carry out its own monitoring and evaluation of land acquisition and resettlement activities.</p>
<p>Use of ADB Loan Funds for Land Acquisition and Resettlement Distortions to the land market as an efficient means of acquiring land</p>	Medium	<p>A qualified and certified appraiser will be engaged to conduct the replacement cost survey.</p>

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Misuse of loan proceeds intended for land acquisition and resettlement, and inappropriate monitoring and evaluation arrangements		<p>A capacity building workshop for PMU1, local authorities, and concerned government agencies was carried out in September 2015. Ministry of Finance; PMU1; state treasure of Ba Thouc, Cam Thuy, and Ha Trung; people's committee of Ba Thouc, Cam Thuy, and Ha Trung; and ADB discussed the administrative procedures and list of supporting documents required by ADB and the government prior to commencement of any payment of compensation and other resettlement-related activities. An accountant in PMU1 will be responsible for administering and/or monitoring loan funds.</p> <p>An external monitoring agency will be engaged to carry out its own monitoring and evaluation on the use of loan funds for land acquisition and resettlement</p> <p>The grievance redress mechanism will continue to be strengthened and provided with the required resources in order to function effectively. The affected persons will be fully informed about (i) market conditions and prevailing land values, and (ii) their right to have access to the project's grievance redress mechanism.</p>
Governance Corruption	Medium	The MOT will improve the project website established under the ongoing project so it is easier to access, more user-friendly, and populated with information about the project in English and Vietnamese, including information on project procurement.
Financial Management Weak financial management capacity	Low	The MOT has adequate financial management mechanism and extensive experience in implementing ADB projects. PMU1 is familiar with ADB financial management requirements and its accounting division staff is qualified and experienced in ADB-financed projects.
Lack of adherence to accounting policies and procedures	Low	The project financial management systems used for previous ADB transport sector projects in Viet Nam will be used by PMU1.
Procurement Lack of capacity in the project districts to prepare procurement documents in English	Medium	PMU1 will provide support to the project districts with undertaking procurement of utility relocation works, including preparing documents in English.
Overall	Medium	

ADB = Asian Development Bank; km = kilometer; MOT = Ministry of Transport; PMU = project management unit.
Source: Asian Development Bank.