

## RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
Waste disposal practices of households, industries, and commercial establishments outside the project area may reduce the expected program impact on environmental pollution of rivers and waterways	High	City governments are to promote citywide reduction of environmental pollution, including promoting the construction of onsite wastewater treatment in areas outside of the planned wastewater collection system
Delay in project implementation	Medium	Ensure detailed engineering designs commenced for the program by the Asian Development Bank, Indonesia Infrastructure Initiative, and government consultancy contracts Early support by capacity development technical assistance commenced by Q3 2013 Followed by support from the project implementation support contract commenced by Q3 2014
Slow progress in community mobilization, awareness programs not well implemented, and property owners do not apply for sewerage connections	High	Joint sanitation marketing and sustainability plans in place by 2017. The city governments will continue providing awareness and promotions campaigns until project completion.
City governments have insufficient funds	Medium	In December 2012, all city mayors have given written confirmation that adequate allocation will be made in appropriate budgets for the city contributions to the subprojects Memorandums of understanding (MOUs) should be developed to ensure adequate funding for city contributions and promote property connections
Environmental impact assessments (AMDALs) delayed	Low	Pekanbaru and Jambi city PEMDAs (local government water utilities) to implement the environmental impact assessment consultancy contracts for the program City PEMDAs promote environmental impact assessment requirements to meet construction deadlines
Discharge licenses not given	Low	City PEMDAs promote the issue of the wastewater treatment plant discharge licenses to meet construction deadlines

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Lack of domestic water supply makes sewerage connections not viable for some households in Cimahi and Pekanbaru	High	City PEMDAs are to promote water connections to achieve 100% connection of properties in project areas
<b>Post-construction Financial Management</b>		
Uncertainty on the provision of Public service organization as required for operation and maintenance	Medium–high	City PEMDAs to establish regulations for the service to be provided by the technical unit within a local Government agency
Inefficiency of the collection system	Medium–high	City PEMDAs to issue a decree for compulsory service payment in served areas
Inadequate resources for counterpart funding	Medium–high	The central government to enforce MOUs with local governments to provide subsidies for operation and maintenance shortfalls
Uncertainty in the implementation of service fee increases	Medium–high	The central government enforces MOUs with local governments to promote operation and maintenance cost-recovery tariffs

Source: Asian Development Bank.