

**RISK ASSESSMENT AND RISK MANAGEMENT PLAN**

<b>Risk Description</b>	<b>Rating</b>	<b>Mitigation Measures</b>	<b>Responsibility</b>
<b>Security</b>			
Security situation in project areas deteriorates to the extent that civil works cannot proceed on time	Substantial	Provisions for security advisors have been included in the cost estimates for civil works and supervision consultants.	DPWH
<b>Sustainability</b>			
Lifespan of project roads does not meet design standard	Substantial	The executing agency will monitor closely the quality of detailed design and construction, and ensure the effective use of existing road condition surveys and pavement and maintenance management systems.	ADB, DPWH
Changes in priorities of government shifts resources away from road maintenance	Moderate	Increased use of analysis of benefits of maintenance.	DPWH
Rapid turnover of trained DPWH staff	Moderate	The executing agency will consider incentives to retain trained staff.	DPWH
<b>Procurement</b>			
Procurement of consulting services and civil works is delayed	Moderate	ADB will continue to provide training in procurement to concerned executing agency and UPMO staff.	ADB, DPWH
<b>Corruption</b>			
Corruption occurs during implementation of project	Moderate	The executing agency will establish a project website and grievance redress mechanism. Key information on all project roads will be made accessible to the public on the internet through the project contract management procedures and application monitoring system, which includes a geotagging feature.	DPWH
<b>Financial Management</b>			
Financial management of project is not carried out effectively 1. Advance account procedures are not used effectively 2. Financial reporting is not submitted in a timely manner	Substantial	The supervision consultants will include a national financial management expert to assist the DPWH during the first 5 years of project implementation.	DPWH
<b>Safeguards</b>			
ADB's safeguards policies are not implemented effectively	Low	The executing agency will establish a grievance redress mechanism. The supervision consultants will include safeguards experts to monitor implementation of ADB's safeguards policies during project implementation.	DPWH

ADB = Asian Development Bank, DPWH = Department of Public Works and Highways, UPMO = Unified Project Management Office.

Source: Asian Development Bank.