

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Rating	Mitigation Measures	Responsibility
Technical			
1. Limited integration of the hub with existing and planned urban transport infrastructure	M	Careful attention has been paid during the preliminary design stage to ensure that the multimodal hub is well integrated with the city's transport network; ADB will closely monitor and continue to engage with the Xichang city government to ensure good integration with the planned city infrastructure	Executing and implementing agencies
2. The Chengdu Railway Bureau has limited experience operating modern track maintenance equipment	L	The suppliers of the track maintenance equipment will provide training in its use to Chengdu Railway Bureau staff	Implementing agency
Economic and Financial			
3. Macroeconomic risk	L	Continuous monitoring by ADB of macroeconomic conditions and assessment of impacts of external shocks	Executing agency
Governance			
Financial Management			
4. Staff lack of familiarity with ADB requirements on financial reporting and auditing	M	Training and regular monitoring of project financial statements	Executing and implementing agencies, ADB project team
Procurement			
5. Delay in construction of the Chengdu–Kunming railway line could lead to delays in the construction of the multimodal hub	M	Close coordination with CRC and Chengdu–Kunming Railway Company Limited to ensure multimodal hub is constructed in a timely manner	Implementing agency, ADB project team
Anticorruption			
6. Fraud and corruption	L	ADB's Anticorruption Policy (1998, as amended to date) was explained in detail and the provisions on fraud and corruption in the procurement guidelines were highlighted during loan processing	Executing agency, ADB project team
Institutional			
7. Lack of government support for allocating significant funding for railway maintenance interventions	L	ADB will regularly monitor government support for implementing railway maintenance systems during review missions	Executing agency, ADB project team
Safeguards			
8. Poor compliance with ADB's Safeguard Policy Statement (2009)	L	The project is limited to development of the multimodal hub and procurement of maintenance equipment; safeguards impacts are therefore limited and ADB will regularly monitor compliance during the implementation phase	ADB project team

ADB = Asian Development Bank, CRC = China Railway Corporation, L = low, M = moderate.

Source: ADB.