

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk	Assessment without Mitigation	Management Plan or Measures	Assessment with Mitigation
A. Public Financial Management			
Weak internal control system	Medium	The executing and implementing agencies for the project are responsible for internal audits. The internal audit units inspect compliance with budget rules and regulations. For the external audit, independent auditors acceptable to ADB will audit the accounts and financial statements.	Low
Financial transparency and accountability	Medium	A separate financial management manual for the project will be established for the implementing agencies in accordance with government and ADB requirements. Adequate training on ADB financial management procedures will be provided to project implementation unit staff. External auditors will verify proper implementation of the financial management system on an annual basis.	Low
B. Procurement			
Weak procurement capacity and procurement delays	Medium	Project readiness activities including advance contracting will be conducted before approval. The design-and-build modality for procurement will be adopted to attract better-qualified contractors; and individual project activities will be combined into larger contract packages to generate economies of scale and simplify project supervision. The governments of project countries have committed to expedite internal approvals	Low
C. Implementation			
Weak and varying implementation capacity	Medium	The project provides sufficient funding for project implementation units to attract qualified staff and engage experts for project management and supervision of project implementation.	Low
Interagency conflict may complicate project administration	High	In situations where interagency conflict is high, the project steering committee will strengthen its role in coordination and conflict resolution.	Medium
Inadequate legal and regulatory framework for effective operation of NSW	Medium	The project will engage consultants to review the legal framework governing data exchange, business processes, and private sector use of NSWs. This review will identify, draft, and enact any revisions to the legal framework that may be needed to ensure effective NSW operation.	Low
Coordination with ongoing,	Medium	Regular consultations with development partners, particularly the European Union and GIZ, will be	Low

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related development partner projects		conducted to ensure complementarities and avoid duplication.	
D. Corruption			
Lack of up-to-date information for stakeholders	Medium	The governments of project countries have given assurances that they will post updated information on the project (such as project performance, business opportunities, bidding process and guidelines, outcome of bid evaluations, and periodic progress reports) regularly on the website of the implementing agencies and/or government procurement website, as applicable and if available, to create greater transparency and increase availability of current information.	Low
E. Government Commitment			
Weakened government commitment and policy continuity due to government changes	Medium	ADB will continue to organize and help strengthen regional dialogues on trade facilitation through CAREC ministerial conferences and Customs Cooperation Committee meetings which will create peer pressure and encourage governments of project countries to implement regionally-adopted trade facilitation policies and measures. During project implementation, ADB will conduct regular project review to identify any gaps and drawbacks, and will also organize well-designed capacity building activities to strengthen the government engagement.	Low
F. Project Sustainability			
Lack of operating and financial sustainability after project completion	Medium	The governments of project countries have given assurances that they will allocate adequate budgetary resources to cover annual recurrent costs related to O&M of the NSW systems and BCPs. The implementing agencies will prepare an O&M plan satisfactory to ADB not later than 12 months before project completion to ensure technical and operating sustainability. The plan will address O&M issues of the project facilities including plans for recruiting or retaining qualified technical staff. The project will fund enhanced stakeholder engagement to create demand for NSW services.	Low
Overall	Medium		Low

ADB = Asian Development Bank, BCP = border crossing point, CAREC = Central Asia Regional Economic Cooperation, GIZ = Deutsche Gesellschaft für Internationale Zusammenarbeit, NSW = national single window, O&M = operation and maintenance.

Source: Asian Development Bank.