

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
A. Public Financial Management		
Inadequate financial monitoring and reporting system	High	The PMCSC team includes an international and a national financial management specialist who will provide support to the PIURR to review and strengthen its financial reporting and monitoring system by providing adequate tools and on-the-job training during project implementation.
Weak information and records management system	Medium	Although the PIURR's document retention policy is adequate, there is no systematic backup of accounting and financial documents. The PMCSC's financial management specialists will assist the PIURR in establishing appropriate records and backup systems to guarantee recovery of important documents at all times.
Inadequate procedure for online payments	Medium	The PMCSC's financial management specialists will assist the PIURR in amending the approach used for bank transfers through the online transfer facility for the project bank accounts to ensure that no single person has complete authority to make online payments.
B. Procurement		
Insufficient transparency in procurement	Low	The MOT and ADB will ensure that information is provided to potential bidders by regularly updating their websites and circulating project information through other media.
C. Corruption		
Insufficient awareness of anticorruption and integrity	Medium	The PMCSC and ADB will organize awareness training for MOT and PIURR staff on anticorruption and integrity.
D. Project Implementation		
Insufficient allocation of funds to maintain the project road and facilities	Medium	The government and ADB have agreed on a covenant to ensure that project road and facility maintenance will be timely and adequate. A RAMS will also be progressively developed to assist the MOT in prioritizing its maintenance and financing programs.
Inadequate attention given to road safety on the project road	Medium	The government and ADB have agreed on a covenant to ensure that recommendations identified in road safety audits of the project road are effectively implemented by the works contractor and monitored by PIURR with PMCSC assistance. Guidelines on safe arterial roads will also be developed to foster progressive design practices and enable replication at the sector level.
Lack of acceptance of the project by local authorities, local communities and affected people	Medium	Extensive consultations have been held with project stakeholders and potentially affected people during project preparation on safeguards and physical connectivity issues. The outcomes of these consultations have been reflected in the project LARP, engineering designs, and contract documentation.
Inappropriate maintenance of the household solar power systems	Medium	The contract for the supply of power solar equipment will include a specific maintenance provision. Two energy specialists will be recruited to adequately train local authorities and beneficiaries on

equipment maintenance.

Overall

Medium

ADB = Asian Development Bank, LARP = land acquisition and resettlement plan, MOT = Ministry of Transport, PIURR = project implementation unit for roads rehabilitation, PMCSC = project management and contract supervision consultant, RAMS = road asset management system
Source: Asian Development Bank