

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

| Risk Description | Rating | Mitigation Measures | Responsibility |
|---|--------|---|------------------------------------|
| 1. Insufficient allocation of counterpart funds | H | Close contact with MOT to confirm timely provision of counterpart funds | MOT |
| 2. Delays in land acquisition and resettlement | H | Frequent meetings with PMU2 and PPCs of Lai Chau, Lao Cai, and Yen Bai provinces | Lai Cau, Lao Cai, and Yen Bai PPCs |
| 3. Insufficient budget allocation for operation and maintenance | S | The effective utilization of NRMF is being supported by the World Bank; the provincial road to be improved under the project will be upgraded as a national highway and NRMF will be used for the maintenance | MOT, MOF |
| 4. Lack of experience in implementation of FIDIC-based civil works contracts | M | Provision of training on FIDIC contract management for PMU2 staff, and strong implementation support of ADB's Viet Nam Resident Mission | MOT, ADB |
| 5. Environmental impacts by the civil works on environmentally sensitive areas | M | Provision of environmental management component, and close monitoring of compliance with the approved environmental impact assessment and environmental management plan | PMU2 |
| 6. Delay in approval of grant project to be financed by Government of Australia | L | Close coordination with MOT and DFAT | MOT, DFAT |
| 7. Civil works cost increase caused by slope protection works is higher than the initial estimate | L | Sufficient amount of contingency in the project financing plan | PMU2 |

H = high, S = substantial; M = moderate, L = low.

ADB = Asian Development Bank, DFAT = Department of Foreign Affairs and Trade (Australia), FIDIC = Fédération Internationale Des Ingénieurs-Conseils (International Federation of Consulting Engineers), MOF = Ministry of Finance, MOT = Ministry of Transport, NRMF = National Road Maintenance Fund, PMU2 = Project Management Unit 2; PPC = provincial people's committee.

Source: ADB.