

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Rating	Mitigation Measures	Responsibility
1. Volatile security in project area	H	Civil works will be procured in small and medium-sized packages to involve local contractors. The contractors are allowed to make their own security arrangements. The community development works will create a sense of ownership and gain support from local communities for the project. As requested by the community, an open communication strategy will develop to provide all project related information to the community in time.	MOT, National Security Council, contractors
2. Financial sustainability of O&M	S	In the short and medium term, ADB's Road Asset Management Project will provide maintenance for selected major highways and develop an asset management system to help the government prioritize O&M works. In the long term, USAID's Road Sector Sustainability Program is supporting road sector reform by establishing a road authority and road fund that will help develop and allocate O&M resources.	Government, development partners
3. Corruption	S	Establishment of the NPA has significantly improved transparency of public procurement. The PMO's capacity was strengthened, especially in financial management and contract management, and has substantially mitigated corruption at the operational level.	Government, development partners
4. Unsustainable implementing capacity	M	ADB, through the ongoing projects, will continue to provide support to further strengthen the capacity of the PMO and MOT. This will alleviate the staff's concerns on job security and hence mitigate staff turnover.	MOT, ADB
5. Contractual risks	L	Civil works will be contracted in 4 small or medium-sized packages so as to distribute the contractual risks and increase competition.	MOT, ADB
6. Lack of support of local communities	M	The community development works will involve the local communities and hence gain their support for the project. Also, continues communication and meaningful consultation will be undertaken during the project cycle.	MOT, PMO, local authorities
7. Procurement risks	L	Establishment of the NPA has significantly improved transparency of public procurement. AFRM's procurement capacity has been strengthened procurement specialists. The single-stage-one-envelope bidding procedure will be used to minimize bid evaluation time.	NPA, MPW, PMO, ADB

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

ADB = Asian Development Bank, AFRM = Afghanistan Resident Mission, MPW = Ministry of Public Works, NPA = National Procurement Authority, O&M = operation and maintenance, OSFMD = Operations Services and Financial Management Department, PMO = Program Management Office, USAID = United States Agency for International Development.

Source: Asian Development Bank.