

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Rating	Mitigation Measures	Responsibility
Extreme Weather and Climate Events			
1. Significant potential risks from extreme weather and climate events could adversely affect the project delivery and safe use of the project roads.	H	A contingency period, assuming that the civil works could be delayed by extreme weather and climate events, is added to the project implementation period. Climate risk and adaptation assessment and quality review of designs were made to mitigate the risks.	PWRD
COVID-19			
2. Prolonged impact of COVID-19 on movement restrictions of goods and people, and COVID-19 infections of project staff, could delay completion of the project.	M	A social safety plan will be prepared for the PWRD, consultants, contractors, and suppliers. A safety management plan will be prepared by contractors and approved by the PWRD.	PWRD
Funding Source			
3. Insufficient funding for road maintenance could reduce project sustainability.	S	Civil works contracts include 5-year performance-based maintenance under the responsibility of the contractors, and the road maintenance contracts will be funded by the PWRD. The Government of Assam has covenanted in the loan agreement to allocate maintenance funding for the project roads during implementation and after completion of the project. The project will support upgrading the RAMS with a climate change and disaster risk management module.	GOA, PWRD
4. Counterpart funds may not be released in a timely manner, and land acquisition, resettlement and civil works could be delayed.	M	The availability of government counterpart funds was confirmed with the GOA during the project processing. The necessary amount of counterpart funds will be estimated before each fiscal year, and the PWRD will request the GOA to allocate the state budget for the project.	GOA, PWRD
Project Implementation Capacity			
5. The PWRD's lack of experience in ADB's latest procurement policy and regulations could	S	The PMU has taken advance procurement actions and land acquisition to enhance the project	PWRD

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results in implementation delays during the initial phase.		readiness. The project will provide implementation support through the construction supervision consultant. Sufficient number engineers and supporting staff with project experience, particularly under a World Bank-funded project, have been mobilized for the PMU.	
6. Slow progress of LAR could delay the road improvement works.	S	Nodal staff have been appointed at the PMU district offices to coordinate LAR with the project districts. The PMU will engage a resettlement plan implementation consultant to support the nodal staff and monitor the progress of LAR.	PWRD
7. Weak financial management capacity of the PWRD could negatively impact the quality of financial management. The key financial management risks identified are (i) lack of experience of the PMU in implementing ADB-funded projects; (ii) delays in the submission of APFSs of existing projects; (iii) the absence of the internal audit function; and (iv) a project financial management manual requiring updates.	S	<p>The PWRD will implement a financial management action plan to address the identified weaknesses.</p> <p>A financial management consultant will be engaged to (i) train PWRD accounting staff and support PMU accounting staff; (ii) ensure the submission of APFSs on a timely basis; and (iii) prepare an accounting and financial management manual and support its implementation.</p> <p>Internal audits of the project will be outsourced to a firm of chartered accountants and conducted semiannually throughout the project implementation period. The firm engaged will also be tasked to develop and enhance the internal capacity of the PWRD.</p>	PWRD
8. Frequent rotation of PMU staff could impede efficient implementation of the project activities.	M	Assurances are included in the loan agreement requiring the government to (i) appoint PMU staff for at least 3 years and (ii) not transfer them unless there is a pressing need.	GOA, PWRD

ADB = Asian Development Bank, APFS = audited project financial statement, COVID-19 = coronavirus disease, GOA = Government of Assam, H = high, LAR = land acquisition and resettlement, M = moderate, PMU = project management unit, PWRD = Public Works (Roads) Department, RAMS = road asset management system, S = substantial.

Source: Asian Development Bank.