

## Attachment A

### TSSP Risk Management Matrix

#### 1.1 Likelihood and Consequence Rating

LIKELIHOOD			CONSEQUENCE		
5	<b>Almost Certain</b>	Expected to occur in most circumstances	5	<b>Severe</b>	Would stop achievement of functional goals and objectives
4	<b>Likely</b>	Will probably occur in most circumstances	4	<b>Major</b>	Would threaten goals and objectives; requires close management
3	<b>Possible</b>	Might occur at some time	3	<b>Moderate</b>	Would necessitate significant adjustment to the overall function
2	<b>Unlikely</b>	Could occur at some time	2	<b>Minor</b>	Would threaten an element of the function
1	<b>Rare</b>	May occur only in exceptional circumstances	1	<b>Negligible</b>	Routine procedures sufficient to deal with the consequences

#### 1.2 Risk Level

LIKELIHOOD		CONSEQUENCE				
		Negligible	Minor	Moderate	Major	Severe
		1	2	3	4	5
Almost Certain	5	H	H	E	E	E
Likely	4	M	H	H	E	E
Possible	3	L	M	H	E	E
Unlikely	2	L	L	M	H	E
Rare	1	L	L	M	H	H

##### Tolerances

<span style="color: blue;">■</span>	Preferred
<span style="color: yellow;">■</span>	Acceptable
<span style="color: orange;">■</span>	Undesirable
<span style="color: red;">■</span>	Unacceptable

<b>Extreme Risk</b>	E	Most likely to occur and prevent achievement of objectives; causing unacceptable cost overruns or schedule slippages
<b>High Risk</b>	H	Could substantially delay the project schedule or significantly affect technical performance or costs and requires a plan to handle
<b>Medium Risk</b>	M	Requires identification and control of all contributing factors by monitoring conditions and reassessment at program milestones
<b>Low Risk</b>	L	Normal control and monitoring measures sufficient

L	M	H	E
LOW Risk	MEDIUM Risk	HIGH Risk	EXTREME Risk

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### 1.3 Risks

#### 1.3.1 Governance

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility <sup>1</sup>
G1.	Cessation or failure of public sector reform in PNG	Cessation of GoPNG reform in relation to enabling environment. No focus on infrastructure maintenance	3	4	E	<ul style="list-style-type: none"> <li>Monitor changes to reform efforts</li> <li>Communication program to ensure political leaders kept informed of TSSP activities and their importance</li> <li>Monitoring by TSSP specialist staff</li> </ul>	PD (TSCMIC)
G2.	Policy and planning skills/capacity in provinces is low	Difficult to implement and achieve results in those provinces	4	4	E	<ul style="list-style-type: none"> <li>Initial focus on selected provinces</li> <li>Move to other provinces as supported by capacity building programs at provincial level</li> </ul>	PSMS
G3.	GoPNG funding directed to new infrastructure projects of low economic priority	Weakens GoPNG's ability to fund contribute to TSSP and fund priority maintenance	3	4	E	<ul style="list-style-type: none"> <li>Mentoring of senior agency personnel;</li> <li>Sound communication strategy to inform leaders</li> <li>Prioritisation approach to be adopted and embedded in budgeting and planning system</li> <li>Link donor funding to GoPNG expenditure according to policy and plan</li> </ul>	PSMS
G4.	Ability to get agencies to work as a coherent sector <ul style="list-style-type: none"> <li>Lack of formal committees</li> </ul>	Impacts on long term goal of moving towards a Sector Wide Approach (SWaP)  TSCMIC becomes battleground for control of resources	3	4	E	<ul style="list-style-type: none"> <li>Continue to develop capacity of TSCMIC to operate at a strategic and whole of sector level</li> <li>Criteria for use of TSSP resources to be clearly articulated</li> <li>Ensure TSSP supports decision making with sound policy rationale</li> <li>Establish working groups/committees</li> </ul>	PD (PM)
G5.	External economic factors such as commodity price declines impact on PNG financial resources to support maintenance in the Sector	Reduced ability of GoPNG to contribute to infrastructure maintenance	3	4	E	<ul style="list-style-type: none"> <li>Renegotiate contributions to maintenance of GoPNG and TSSP</li> <li>Collaborate with other donors to contribute more to infrastructure maintenance</li> </ul>	PD
G6.	Changes in political circumstances or policies of either the Government of Australia or GoPNG preclude placements of staff	Significant impact on program delivery; lack of continuity	2	4	H	<ul style="list-style-type: none"> <li>Liaison with AusAID, GoPNG &amp; In-country Managers</li> <li>Monitoring of political developments in PNG and Australia</li> </ul>	PD (PM)
G7.	Political interference in work packages selection	Low priority works included in the workplan over higher priority works.  Reduces program efficiencies and reduces value for money  Delays in disbursement of counterpart funds due to reallocation of monies to fund election	3	3	H	<ul style="list-style-type: none"> <li>Maintain transparency in project modelling and prioritisation data; agree on priorities</li> <li>Field data checks by senior personnel to identify inconsistencies of data and levels of priority against actual field conditions</li> <li>Ensure advocacy and ownership and engage with appropriate decision makers to ensure ongoing prioritisation of the Program</li> </ul>	PD (TSCMIC)

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ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility <sup>1</sup>
		promises				<ul style="list-style-type: none"> <li>Maintenance packages were selected by NRRSP and NRBMP together with DoW prior to closure of those projects; tenders have been called via CSTB. Thus most packages are already selected on priority basis and are fixed</li> </ul>	
G8.	Lack of co-ordination with other donors	Overlap or gaps resulting in waste or lack of maintenance	3	3	H	<ul style="list-style-type: none"> <li>Form a co-ordination group chaired by DoW</li> <li>TSCMIC has established Sub-Committee on Aid effectiveness</li> </ul>	PD
G9.	Other donor or lender agencies decide not to contribute to TSSP	Reduces effectiveness of TSSP to provide benefits long term Opportunities for harmonization and synergy lost	3	3	H	<ul style="list-style-type: none"> <li>Develop donor harmonisation</li> <li>Meetings arranged</li> </ul>	PD
G10.	Corporate Plans do not reflect national priorities and policies	Impacts on capacity of Program to assist agencies in better aligning their plans and activities with GoPNG policies and practices	3	3	H	<ul style="list-style-type: none"> <li>Provide support to assist agencies better align Corporate Plans which reflect GoPNG policies and practices</li> </ul>	PSMS (DoT Senior Adviser)
G11.	Lack of capacity of Agency staff/resources/systems for management	Poor contract administration, claims control, cost overruns, disputes	3	3	H	<ul style="list-style-type: none"> <li>Place clear contractual responsibility on PMC for contract administration</li> <li>High quality documents</li> <li>Review systems to ensure integration with PMC</li> <li>Audit performances of PMC and PWMs</li> <li>Clearly define roles and relationship between PMC and PWMs in the PMC contract</li> </ul>	RMS Specialist
G12.	Lack of capacity for project design/documents	Poor quality documents leading to delays, cost variations and claims	3	3	H	<ul style="list-style-type: none"> <li>Include document review in PMC contracts</li> <li>Propose engaging contract and design Technical Advisors for review/advice</li> </ul>	RMS Specialist
G13.	Capacity of contracting industry – over extended	Increased costs; poor quality; claims; time overruns	3	3	H	<ul style="list-style-type: none"> <li>Co-ordinate with other donors, tax credit</li> <li>Communicate with contractors</li> <li>Letting of tenders is being programmed to match capacity</li> </ul>	RMS Specialist
G14.	Delays in tendering/procurement process	Delays, cost increases, claims by PMC	3	3	H	<ul style="list-style-type: none"> <li>Agree on procurement rules with DoW and CSTB and rigidly follow these</li> <li>A line of communication has been established with CSTB chairman</li> <li>Tenders already received for nine packages.</li> </ul>	RMS Specialist
G15.	PMC performance is not satisfactory	Disputes, delays, poor quality, possible fraud, loss of value for money	3	3	H	<ul style="list-style-type: none"> <li>Pre bid briefing conducted</li> <li>High quality documents and selection procedures (QCBS)</li> <li>Identify and monitor performance indicators</li> </ul>	RMS Specialist
G16.	Maintenance performance. Maintenance not carried out in compliance with drawings and specifications	Quality of maintenance suffers. The design expectation will not be achieved and maintenance costs will increase	4	3	H	<ul style="list-style-type: none"> <li>Maintenance contractor to meet responsibilities</li> <li>PMC undertakes responsibilities in monitoring and administering contract as per approved design</li> <li>Propose to appoint (two) full time roving technical Advisers to</li> </ul>	RMS Specialist

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ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility <sup>1</sup>
						audit quality and mentor/train PMC and PWO staff.	
G17.	Tender evaluation process not transparent and competent	Possibility of fraud and delays due to disputes/objections	3	3	H	<ul style="list-style-type: none"> <li>▪ Ensure that processes are correct, understood and rigidly applied</li> <li>▪ AusAID NOL policy is maintained.</li> <li>▪ Transparency to be continued for establishment of contracts and selection of PMCs – through CSTB systems and processes</li> </ul>	RMS Specialist
G18.	PNG's Medium Term Development Strategy and/or the NTDP is changed to reduce the priority of transport infrastructure maintenance	Reduction in resources for infrastructure maintenance; reduced sustainability of TSSP activities	3	3	H	<ul style="list-style-type: none"> <li>▪ Mentoring of senior public service personnel</li> <li>▪ Sound communication strategy to inform political and other leaders</li> </ul>	PD
G19.	Unpredictable and frequent changes in personnel in PNG's transport sector agencies	TSSP implementation slowed; commitment to program lowered Agencies commitment to anti-fraud and corruption strategies weakened	3	3	H	<ul style="list-style-type: none"> <li>▪ Focus on organisational capacity building and strategies <ul style="list-style-type: none"> <li>○ To enhance performance and job satisfaction</li> </ul> </li> <li>▪ Ensure program manuals are available and clear</li> <li>▪ Ensure that anti-fraud and corruption prevention strategy document is distributed to agencies</li> <li>▪ Repeat training programs</li> <li>▪ Continued mentoring of agency management staff</li> </ul>	PSMS/FMS (Agency Specialist/Senior Adviser)
G20.	Funding for infrastructure maintenance projects withdrawn when donor funds known to be available	Inhibits sustainability and ownership Pressure on use of donor funds Projects under funded	3	3	H	<ul style="list-style-type: none"> <li>▪ Key criterion for TSSP support is GoPNG budget allocation</li> <li>▪ Implementation of robust performance management and monitoring systems</li> </ul>	PD (PM)
G21.	Political interference and/or instability leads to non-transparent tendering and decisions about which infrastructure activities receive support	Inefficient use of program resources; diversion of effort to lower priorities; fragmented program	3	3	H	<ul style="list-style-type: none"> <li>▪ Program to strengthen tendering systems</li> <li>▪ Communication Plan to inform senior public sector staff and politicians about TSSP and the criteria for prioritising activities</li> </ul>	PM
G22.	Unresolved disagreements over the priorities for maintenance between transport sub-sectors and lack of on-ground cooperation between agencies	Reduced focus on sector and program approach; inefficient resource use on low priority activities	3	3	H	<ul style="list-style-type: none"> <li>▪ Clear criteria for use of TSSP resources</li> <li>▪ Mentoring of counterpart staff by TSSP technical specialists and assistance</li> </ul>	PM (RMS Specialist)
G23.	TSSP increases management inputs in sub-sector agencies to support program implementation rather than increasing provincial management capacity	Existing institutional weaknesses not addressed and long-term maintenance management remains weak	3	3	H	<ul style="list-style-type: none"> <li>▪ Capacity needs assessments undertaken in all agencies in Year 1 and capacity building strategies identified and implemented</li> <li>▪ Engage Technical Assistance/ in areas where limited capacity exists</li> <li>▪ Technical Assistance trained/supported in implementing staged capacity building model</li> </ul>	PSMS
G24.	Lack of strategy in prioritisation of projects	Low priority works included, reduced value for money	4	3	H	<ul style="list-style-type: none"> <li>▪ Maximise use of Road Asset Management System (RAMS)</li> <li>▪ Agree on procedures for selection</li> <li>▪ Majority of packages have been selected thus</li> </ul>	RMS Specialist

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ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility <sup>1</sup>
G25.	Pace too fast to move to a Sector Wide Approach (SWAp) impacts on the sector and TSSP effectiveness	Inadequate focus and sector discipline Poor performance indicators and measures will be chosen	3	2	M	<ul style="list-style-type: none"> <li>Monitoring and Evaluation framework being introduced</li> <li>Appropriate indicators being developed</li> <li>Ensure move to SWAp - controlled and graduate</li> </ul>	M & E Specialist (PSMS)
G26.	Commitment of senior management within agencies	Changed model may exacerbate poor practices	3	2	M	<ul style="list-style-type: none"> <li>Provide clear instructions re responsibilities</li> <li>Maintain strong communications links and continue training</li> </ul>	PM (PSMS/Agency Specialists)
G27.	Sub-sector agencies do not commit strongly to the TSSP and/or are unable to provide appropriate counterpart support	Low levels of local ownership, commitment and support; reduced project impacts	2	3	M	<ul style="list-style-type: none"> <li>Management and communication structures and strategies support active involvement of counterpart agencies</li> <li>Regular management meetings</li> <li>Regular monitoring of Technical Assistance performance and progress</li> </ul>	PSMS
G28.	Institutional changes in Agencies (e.g. large reorganizations) render TSSP unviable	Widespread changes occur to quickly and create uncertainty in Agency	2	3	M	<ul style="list-style-type: none"> <li>TSSP is cross sector not individual Agency focused</li> <li>TSSP encourages gradual, incremental change</li> <li>Allocation of TAs within Agencies – provide consistency of TSSP approach</li> </ul>	PSMS
G29.	Increased project costs due to fuel cost increases, material and labour shortages	Delays; increased costs; project indicators not achieved	3	2	L	<ul style="list-style-type: none"> <li>Co-ordination with other donors and contractors</li> <li>Contingency plan for reduced km of road maintenance</li> <li>Engineers' estimates factors into account</li> <li>Tenders already received approximate the estimates</li> </ul>	DoW Specialist

### 1.3.2 Legal

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility <sup>2</sup>
L1.	Myriad of Acts in various state of legislation <ul style="list-style-type: none"> <li>What is applicable ACT to agencies</li> <li>Agencies</li> <li>Public entities</li> <li>privatisation</li> </ul>	Difficulty in establishing functional responsibilities	3	3	H	<ul style="list-style-type: none"> <li>Engage a Legal Adviser to review governing and subsidiary Legislation across the whole sector to clarify roles/functions</li> <li>Identify areas of conflict</li> <li>Draft amendments</li> <li>TA role identified</li> </ul>	DoT Senior Adviser
L2.	Lack of regulation & compliance in Transport industry <ul style="list-style-type: none"> <li>Shipping &amp; freight rates</li> </ul>	Inconsistent and unfair advantages	3	3	H	<ul style="list-style-type: none"> <li>Identify problem areas</li> <li>Identify proposed amendments</li> </ul>	DoT Senior Adviser

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### 1.3.3 Financial - General

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility <sup>3</sup>
F1.	Existing Imprest accounts cannot be reconciled – lack of details	Delays and disputes; possible fraud	5	3	E	<ul style="list-style-type: none"> <li>Previous AMCs instructed to provide full details</li> <li>Investigate with DoW</li> <li>TSSP has offered to pick up cost of 4 Reconciliation clerks in DoW – outcome to be decided</li> </ul>	FMS
F2.	Delay in establishment of new Imprest account due to lack of availability of Finance personnel	Delay and disputes	4	3	H	<ul style="list-style-type: none"> <li>DoW management to support Finance personnel</li> <li>Assist improved liaison between DoW and DoF</li> </ul>	FMS
F3.	Applications for CFF competitive grants focus on private benefits rather than public goods	CFF funds used ineffectively; public good outcomes not achieved	4	3	H	<ul style="list-style-type: none"> <li>Development of clear criteria and transparent processes; consistent application of criteria</li> </ul>	FMS
F4.	AusAID could change policy on overhead funds leading to potential misappropriation of these funds	Possibility of fraud and delays due to disputes/objections	3	2	M	<ul style="list-style-type: none"> <li>Propose to appoint (two) full time roving Technical Advisers to assist with verification of overhead payments</li> <li>Engage financial TA to perform reconciliation/clean up of all allocated funding dating back over the last five years</li> </ul>	FMS

### 1.3.4 Financial – Anti-Fraud and Anti-Corruption Control

These risks are as documented in the Probity (Anti-Fraud and Anti-Corruption) Strategy and will be managed as part of that strategy, they are included here for a complete view from a risk management perspective.

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility
F5.	Adherence to GoPNG systems and procedures poor	Probability of fraudulent and corrupt activities increased Probability of such activities being detected reduced	4	4	E	<ul style="list-style-type: none"> <li>Focus on capacity building with emphasis on systems and procedures</li> <li>Initiate or advise strict application of sanctions when fraudulent and corrupt activities are detected</li> </ul>	FMS
F6.	Poor financial management	Non-accountable use of funds Financial losses Reduced program outcomes	4	4	E	<ul style="list-style-type: none"> <li>Training of local personnel</li> <li>Documented guidelines for use and access of funds</li> <li>Strict application of available sanctions</li> </ul>	FMS
F7.	Fraudulent and corrupt use of trust funds	Non-accountable use of funds Financial losses Reduced program outcomes	4	4	E	<ul style="list-style-type: none"> <li>TA assistance to strengthen internal audit capacity within agencies</li> <li>Financial management capacity building</li> <li>TSSP monitoring of transactions to detect non-adherence to documented procedures or evidence of fraud and /or corruption</li> <li>Strict application of available sanctions</li> </ul>	FMS

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ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility
F8.	Non-transparent decision making	Sub-optimal decision making Loss in confidence in TSSP among stakeholders Financial losses Reduced program outcomes	4	4	E	<ul style="list-style-type: none"> <li>Capacity building</li> <li>Documented guidelines re decision making transparency</li> </ul>	FMS
F9.	Failure to declare conflicts of interest	Sub-optimal decision making Inefficient use of program resources Reduced program outcomes Loss of confidence in TSSP among stakeholders	3	4	E	<ul style="list-style-type: none"> <li>Monitoring adherence to documented procurement and contracting procedures</li> <li>Procurement and contracting capacity building</li> <li>Strict application of available sanctions</li> </ul>	FMS
F10.	Political interference and/or instability leading to non-transparent tendering and/or decisions about which infrastructure activities to support	Inefficient use of programs resources Diversion of effort to lower priorities Fragmented program	4	3	H	<ul style="list-style-type: none"> <li>TA support to strengthen tendering systems</li> <li>Communications program to inform senior public servants and politicians about TSSP and the criteria for prioritising activities</li> </ul>	FMS

### 1.3.5 Program - General

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility <sup>4</sup>
P1.	Difficult relationship between ISP and PD, and/or increased bureaucracy with ISP/PD structure constrains program	Retard Program implementation, program efficiency and effectiveness	3	3	H	<ul style="list-style-type: none"> <li>Clear statements of responsibilities for Program Manager and PD agreed and documented in Inception Phase</li> <li>Agreed management/ decision processes implemented</li> <li>Communications Plan under development</li> </ul>	PM
P2.	Difficulty in gaining support and cooperation of other development partners, coordinating sector activities	Program approach and eventual move to SWAp threatened; competition for contractor and institutional resources	3	3	H	<ul style="list-style-type: none"> <li>Maintenance of coordination with other donors with support from AusAID; regular briefings to key donors about TSSP and ongoing activities</li> <li>Make use of Paris Declaration by reminding GoPNG and donors of commitments made</li> </ul>	PM (AusAID/PD)
P3.	Environmental issues. Negative environmental impacts leading to construction delays	Construction delays resulting in construction prolongation claims Community disputes	3	3	H	<ul style="list-style-type: none"> <li>Environmental conditions included in contract documents</li> <li>Approved Environmental Specialist to assess compliance with guidelines</li> </ul>	DoT Senior Adviser
P4.	Program management planning and control is not effectively implemented	Uncontrolled scope creep and changes implemented without appropriate control, resource and cost management Schedule Impacts due to delays in developing and approving changed requirements	2	2	L	<ul style="list-style-type: none"> <li>Dedicated program director and program manager in place.</li> <li>Realistic and achievable activity schedule and workplans in place</li> <li>Risk management plan drafted</li> </ul>	PM

<sup>4</sup> Responsibility for a risk is assigned to single owner, even if several people work to mitigate it

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### 1.3.6 Program – Communications - Reporting

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility <sup>5</sup>
P5.	Ongoing AusAID activities outside TSSP means that project focus undermines move to TSSP program focus	Confusion for GoPNG and contractors trying to work to different sets of rules; competition for resources between TSSP and projects	3	3	H	<ul style="list-style-type: none"> <li>Communication strategy to include consultation/briefings with AMCs involved in other infrastructure projects, and with local contractors undertaking infrastructure work</li> </ul>	PM
P6.	Lack of consistent communication leads to areas of confusion both internal and external to the program	Confused/inconsistent messages to agencies and TSSP personnel	3	2	M	<ul style="list-style-type: none"> <li>Communications Plan under development</li> <li>TSSP Web presence under development</li> </ul>	PM
P7.	Required number of reports and timing of the reports may impact on the program manager's ability to manage the program	Prioritisation of work load required Commitment to reporting may cause conflict with other deliverables	3	2	M	<ul style="list-style-type: none"> <li>Agree reporting requirements and schedule</li> <li>Review end 4Q07</li> </ul>	PM
P8.	Ad hoc reporting and meeting requirements received from local AusAID office	PM distracted with 'external' reporting requests	3	2	M	<ul style="list-style-type: none"> <li>Agreed reporting mechanism and framework in place with AusAID</li> </ul>	PM (PD)

### 1.3.7 Program – People

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility
P9.	Span of control for TAs as large numbers come on board	Lack of management and monitoring of TA's performance Commitment of TA to TSSP	4	3	H	<ul style="list-style-type: none"> <li>Organisational structure with TAs reporting to Agency Specialist or Senior Adviser under development</li> <li>Induction program under development</li> <li>Work plans to be put in place with all TAs</li> </ul>	PM
P10.	Lack of consistent and clear communication to TAs	Confused messages to TA Confused messages by TA to Agency	3	3	H	<ul style="list-style-type: none"> <li>Communications Plan under development</li> <li>Induction program for all TAs under development</li> </ul>	PM
P11.	Lack of skills transfer, coaching and mentoring by TA to Agency staff	TA just completes work No capacity building occurs	3	3	H	<ul style="list-style-type: none"> <li>ToR's with skills transfer requirement being developed for all TA requirements</li> <li>Workplans and performance management to be implemented for all TAs</li> <li>Regular feedback from Agencies will be sought</li> </ul>	
P12.	Major external event effects capacity to operate throughout PNG or in key geographic areas – <b>Avian Influenza</b>	Loss of staff Loss of continuity of project	2	4	H	<ul style="list-style-type: none"> <li>Safety, Security and Emergency Plan (deals with this type of situation) – in place and reviewed regularly</li> </ul>	PM
P13.	Major external event effects capacity to operate throughout PNG or in key geographic areas - <b>Terrorism</b>	Loss of staff Loss of continuity of project	2	4	H	<ul style="list-style-type: none"> <li>Safety, Security and Emergency Plan (deals with this type of situation) – in place and reviewed regularly</li> </ul>	PM

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ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility
P14.	Delays in recruitment process <ul style="list-style-type: none"> <li>Numbers to be recruited</li> <li>Process itself</li> </ul>	Technical assistance needs of agencies not addressed in a timely manner	3	3	H	<ul style="list-style-type: none"> <li>Develop recruitment priorities/plan</li> <li>Communicate anticipated timing of technical assistance support to agencies</li> </ul>	PM
P15.	Inability to attract high caliber TAs	Delays in program	3	4	H	<ul style="list-style-type: none"> <li>Recruitment Strategy in place</li> <li>ToR's defined</li> <li>Extensive recruitment plan</li> </ul>	PM
P16.	Loss of significant staff - Program Manager, specified personnel or key local staff	Delays in program Loss of continuity	2	3	M	<ul style="list-style-type: none"> <li>Performance management system</li> <li>Organisational development plan (succession planning)</li> <li>Recruiting processes in place</li> </ul>	PM

### 1.3.8 Program – Monitoring & Evaluation

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility
P17.	<ul style="list-style-type: none"> <li>TSSP resource developing ISP performance measurement framework</li> </ul>	Lack of transparency and subjectivity	3	3	H	<ul style="list-style-type: none"> <li>External review</li> <li>Group assessment</li> </ul>	M&E Specialist
P18.	Lack of understanding and acceptance of M & E by agencies	Unable to plan/report	3	3	H	<ul style="list-style-type: none"> <li>Capacity building</li> <li>Placement of advisors</li> </ul>	M&E Specialist
P19.	Linkage between Corporate Plan KPIs and M&E	Inability to measure performance effectively	3	3	H	<ul style="list-style-type: none"> <li>Capacity building</li> <li>Placement of advisors</li> </ul>	M&E Specialist
P20.	Lack of baseline data	Inability to measure impact of program	3	3	H	<ul style="list-style-type: none"> <li>Use external baseline study</li> </ul>	M&E Specialist
P21.	Planned to be staged process <ul style="list-style-type: none"> <li>Expectation risk – (immediate results/outcomes)</li> </ul>	Difficulty in defining specific outcomes and targets	3	3	H	<ul style="list-style-type: none"> <li>Flexible M&amp;E framework with annual targets</li> </ul>	M&E Specialist

### 1.3.9 Program – Social

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility
P22.	Social issues. Negative social impacts during construction	Community disputes will occur which will delay construction and result in cost increases through prolongation claims	4	3	H	<ul style="list-style-type: none"> <li>Relevant Agencies ensure ongoing community consultations are undertaken during construction to identify and resolve issues in timely manner.</li> <li>Documents to reflect this</li> <li>HIV/AIDS Policy and Implementation Plan to be developed</li> </ul>	HIV/AIDS Specialist
P23.	Health issues if HIV/AIDS not addressed	Construction sites promulgate spread of HIV to local communities Program delays if Agency staff affected	3	3	H	<ul style="list-style-type: none"> <li>HIV prevention provisions have been included in Construction contracts.</li> <li>Enforce these via contract payments</li> <li>Risk</li> </ul>	HIV/AIDS Specialist
P24.	Continued expansion of HIV/AIDS	Staff losses reduce institutional capacities:	3	3	H	<ul style="list-style-type: none"> <li>TA support: capacity building/training for participating agencies</li> </ul>	HIV/AIDS

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ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility
	contributes to epidemic	TSSP leads to greater spread				involved in HIV/AIDS programs	Specialist
P25.	Social issues. Gender and vulnerable group issues inadequately addressed	Demand is driven disproportionately from a male-oriented perspective. Activities do not adequately address the demands of women, girls and vulnerable groups. Civil discontent is exacerbated	3	2	M	<ul style="list-style-type: none"> <li>Ensure an integrated approach to the inclusion of gender policies and issues.</li> <li>Each consultant will be responsible for this integration in areas such as training and community consultation</li> <li>Engage Gender Specialist to undertake Gender or other social impact analysis into M&amp;E frameworks</li> </ul>	Gender Specialist

### 1.3.10 Program – Roads Maintenance

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility
P26.	Health/accidents/safety. Poor construction and safety management	Delays to traffic. Road users become impatient thus interrupting and delaying works. Risk to road users and workers	3	3	H	<ul style="list-style-type: none"> <li>Investigate and identify areas of concern</li> <li>Document places responsibility on Contractors, Safety plan require by documents.</li> <li>Supervise closely to ensure proper management.</li> <li><b>Risk level reduced</b></li> </ul>	DoW Specialist
P27.	Quality of contractual problems detected in current contracts (including Village contracts	Contract disputes and delays, design expectations not achieved, increased maintenance	4	3	H	<ul style="list-style-type: none"> <li>Employ TAs to assess the situation and drive and agree solutions with DoW.</li> <li>Consider appointment of contracts expert TA</li> </ul>	DoW Specialist
P28.	Low capacities of private sector contractors, including ability to bid for and manage work, meet financial commitments and remain viable	Loss of funds and cessation of specific activities; few opportunities for smaller companies; poor quality work	4	3	H	<ul style="list-style-type: none"> <li>Information for contractors, including workshops and information sessions</li> <li>Capacity building support, e.g. in preparing and managing bids</li> <li>TA support</li> </ul>	
P29.	Shortage of construction materials	Construction will be delayed and construction costs may increase Tenderers source materials off site, with higher cost of work	2	3	M	<ul style="list-style-type: none"> <li>Site investigation during design phase checked the availability and sources of construction materials that meet specification</li> <li>Identify sources of construction material by Contractor</li> <li>Contingency plan to reduce extent of work</li> <li>Risk</li> </ul>	DoW Specialist

### 1.3.11 Program – Security

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility
P30.	Security issues. PNG remains susceptible to social unrest Community issues, elections, displaced populations, costs may generate social unrest in the region	Social unrest creates insecurity for Program staff and Program viability	3	3	H	<ul style="list-style-type: none"> <li>Remain abreast of social and security issues relating to conflict through communication with local governments, communities and AusAID</li> <li>PWMs to take responsibility for local community issues</li> </ul>	PM