

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risks	Assessment without Mitigation	Management Plan or Measures	Assessment with Mitigation
Weak institutional and staff capacities to implement the project in compliance with ADB requirements for project administration, financial management, and procurement	High	<p>Training of government staff is provided for project management and implementation (financial administration, financial management, M&E, and procurement);</p> <p>Consultants are recruited to support government staff in project management, financial management, and procurement</p> <p>Monitored and reported by the PMUs with support from consultants, supervised by review missions throughout the project</p>	Medium
Weak staff capacities (quantity and quality) to conduct technical project activities (including at provincial level)	Medium/high	<p>Consultants will provide technical expertise and formal and on-the-job training activities in all subcomponents</p> <p>Consultants will assist technical agencies to conduct specialized tasks</p> <p>Monitored and reported by the PMUs with support from consultants, supervised by review missions throughout the project</p>	Small/medium
Weak interagency cooperation, especially in Cambodia	High	<p>Components and implementation tasks designed within individual agencies as much as possible</p> <p>Monitored by the PMUs with support from implementing agencies and reviewed by the inception and review missions</p>	Medium
Delays in the start-up of project activities caused by lengthy consultant recruitment and procurement processes	High	<p>Support for advance action for recruitment of consultants, especially for supporting of the PMUs</p> <p>Use of recruitment methods such as CQS and FBS, which are likely to draw interest from specialized entities for business services and university upgrading</p> <p>Procurement and management consultants to support the PMUs in the recruitment and procurement process</p> <p>Implemented by the PMUs with support from consultants, reviewed by the inception missions</p>	Medium
Insufficient interest among consultancy firms to bid for contracts	Medium	<p>During advance action, conduct market sounding among consulting firms and SPS specialists, with the aim of assessing the potential availability of consultants (and effective ways to reach potential consultants once the procurement starts)</p> <p>Promote transparency in the recruitment process</p> <p>Implemented by the PMUs with support from consultants and reviewed by the inception and review missions</p>	Low

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Lack of interest among some suppliers of advanced laboratory equipment to participate in bidding	Medium/high	Preparation of homogeneous packages or lots in the tender documents Implemented by the PMUs with support from TA consultants, reviewed by the inception and review missions	Low
Lack of sustainability of project achievements because of insufficient government budget for operational cost and system maintenance	High	Awareness raising among policy makers about the importance of operational funding for using and maintaining laboratory and surveillance capacities Establishment of annual work programs with clear (recurrent) budget requirements Monitored and reported by the PMUs with support from consultants, supervised by review missions throughout the project	Medium/low
Lack of staff to ensure sustainability of the project outcome	Medium	Project increases national supplies of SPS specialists from universities through provision of scholarships and technical training Monitored and reported by the PMUs with support from implementing agencies and consultants, supervised by review missions throughout the project	Low
Insufficient focus on regional harmonization and coordination	Medium	Regional TA with focus on transnational SPS issues Regional cooperation included in all technical components Similar component and/or activity composition in Cambodia and the Lao PDR Monitored and reported by the PMUs with support from implementing agencies and consultants, supervised by review missions throughout the project	Low
Coordination of subproject implementation and management	Medium	Project organization will include the project and project steering committees as described in the PAM sections on the project management arrangements Coordinated and managed by the executing agencies and functioning reported in M&E by the PMUs	Low

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Project funds flow complexity due to high volume of small project expenditures at CIU level, including out-of-pocket expenses (such as travel cost and per diem for fieldwork)	Medium	<p>PMUs, procurement, and financial management specialists to monitor out-of-pocket expenses throughout project implementation.</p> <p>Training required for procedures of out-of-pocket expense claims.</p> <p>To minimize cash handling at CIU level, one dedicated project account will be established at each CIU to receive small advances on a transaction basis, supported by documentation and/or invoices for claims of small project expenses. Each CIU account will not exceed \$5,000 at one time.</p> <p>Coordinated and managed by the executing agencies and functioning reported in M&E by the PMUs</p>	Low
Fiduciary risk	Substantial	<p>Public disclosure of audited project financial reports and procurement information is conducted through a project website established and maintained at least during project implementation</p> <p>Strengthened project financial management capacity</p> <p>Coordinated and managed by the executing agencies and functioning reported in M&E by the PMUs</p>	Medium
Government-centered project implementation	Medium	<p>Awareness raising and consultation have been identified and budgets targeted at the level of implementing agencies and the PMUs for involvement of the private sector and civil society</p> <p>Coordinated and managed by the executing agencies, the implementing agencies and PMUs and functioning reported in M&E by the PMUs</p>	Low
Overall	Medium/high		Low/medium

ADB = Asian Development Bank, CIU = component implementation unit, CQS = Consultants Qualifications Selection, FBS = Fix Budget Selection, Lao PDR = Lao People's Democratic Republic, M&E = monitoring and evaluation, PAM = project administration manual, PMU = project management unit, SPS = sanitary and phytosanitary, TA = technical assistance.

Source: Asian Development Bank