

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Rating	Mitigation Measures	Responsibility
Country-Specific			
Limited capacity of vaccine suppliers to meet global demand may lead to delays in delivering vaccines to Nepal.	S	<ul style="list-style-type: none"> Government has signed a contract for 2 million doses with SII. Government will continue to engage with different vaccine manufacturers, applied for the self-financing facility from COVAX, and procure through UNICEF. ADB and World Bank will support advance financing that may be used to secure vaccines. ADB will facilitate exploration of vaccine manufacturers/suppliers and facilitation of negotiations. 	ADB, MOHP, COVAX, UNICEF, World Bank
Sector-Specific			
Ambitious vaccination target of up to 22 million Nepali may impact other essential health services, including routine immunization.	M	<ul style="list-style-type: none"> There are more than 8,000 trained vaccinators in Nepal who conduct regular immunization sessions. 10 walk-in-coolers will be deployed with support from GAVI at federal and provincial levels by July 2021 to fulfill gaps in cold chain capacity. Surge capacity of 69.5 m³ estimated for vaccine requiring 2°C–8°C temperature, including 20 m³ from private sector institution Yeti Chem. The current system can accommodate up to 4 million vaccines. 	MOHP, COVAX, SNGs, Private Institutions
Project-Specific			
Vaccine hesitancy in rural and hard-to-reach areas where awareness and case detection are low.	S	<ul style="list-style-type: none"> MOHP is implementing a demand generation and risk communication plan, and engaging with health workers and community organizations, supported by the development partners. ADB will support UNICEF for vaccine communication, including in rural and hard-to-reach areas. 	MOHP, MOFAGA, SNG, development partners, UNICEF
Timely implementation affected by operational constraints such as logistics and staffing.	S	<ul style="list-style-type: none"> Strong in-country capacity at national and sub-national levels is tapped in introducing and implementing new vaccine programs under the existing National Immunization Program system. Adequate cold chain storage equipment is available at district and subcenter levels. Plans for expansion of storage capacity at federal and provincial levels are in place. More than 8,000 trained and experienced vaccinators who conduct regular immunization sessions are being leveraged for COVID-19 vaccination campaign. World Bank financing includes operational cost, other development partners indicated to provide additional resources, and the government is 	MOF, MOHP, SNG, COVAX, WHO, UNICEF, World Bank

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		committed to provide sufficient resources. <ul style="list-style-type: none"> IT-based monitoring systems will be strengthened to facilitate troubleshooting. 	
Lack of national identification document and online pre-registration for phase one of vaccination	S	<ul style="list-style-type: none"> Line listing of health care and frontline workers has been undertaken through their respective institutions. Additionally, line listing of age-specific target beneficiaries is being undertaken via voter lists and census databases. An online pre-registration system has been launched on 12 May 2021 and will be used for pre-registration of vaccination, creation of a unique digital ID, timeslot designation, vaccination follow-up and notification. 	MOHP, SNG, MOFE, ADB, RCCE-cluster, UNICEF, WHO, World Bank, GIZ
Challenges in monitoring inventory due to partial rollout of inventory management system to SNGs.	S	<ul style="list-style-type: none"> Rollout of existing e-LMIS inventory system at SNGs is targeted on or before July 2021 as outlined in the Nepal Health Sector Reform Program. Internal audit scope will include inventory management and the monitoring of procured goods and services. 	MOF, MOHP, SNGs
Public Financial Management/Governance			
Nepal made great progress on improving the PFM system, though institutional capacity at the sub-national level remains weak.	S	<ul style="list-style-type: none"> The government initiated various PFM reforms and is now on the second phase of the PFM reform (PFMRP II 2016–2025). Significant capacity development support provided by development partners both in health and PFM sectors. 	MOF, SNGs, FCGO, development partners
Weak governance, and challenges to control corruption.	S	<ul style="list-style-type: none"> Strong oversight and development partner coordination mechanisms are in place. Assignment of qualified and experienced staff on project implementation, monitoring and supervision. Scrutiny of ADB's complete sanctions list during bid/proposals evaluation will be done prior to shortlisting, contract awards, and contract variations, extensions or modifications to confirm that no bidder, contractor, supplier, individual consultant, consulting firm, and its team members are currently subject to ADB sanctions. ADB's technical assistance on integrity. TA 9703-REG^a will conduct integrity knowledge management session/s for MOF, DOHS, MOHP and other project stakeholders to increase their awareness of Anticorruption and Integrity Risks, prevention and detection and compliance with ADB's Anticorruption Policy. 	ADB, World Bank, Development Partners, MOHS, FCGO, SNGs

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		<ul style="list-style-type: none"> • The project website will be established with information about the project in English including project procurement and disbursements. • Procurement and financial management capacity will be closely monitored during project review missions. • Robust monitoring of vaccine rollout will be done using the electronic logistic management information system. 	
Funding			
<p>Significant financing requirement is needed to deploy the COVID-19 vaccine to the target population. Inability of the Government to secure funding may lead to delay in COVID-19 vaccine deployment to target population.</p>	S	<ul style="list-style-type: none"> • MOF and MOHP will regularly coordinate on financing plans for the COVID-19 vaccination program. • MOF will ensure timely allocation of adequate budget for the COVID-19 vaccination program and creation of budget sub-head. • Several development partners are ready to provide additional financial support. 	MOF, MOHP, development partners
Staffing, Accounting, and Reporting			
<p>Constrained financial management capacity to oversee financial management arrangements and limited experience with ADB projects.</p>	S	<ul style="list-style-type: none"> • MOHP will coordinate with Financial Comptroller General office for adequate finance staffs. • The project will follow the existing country systems including financial management procedures and processes. • MOHP will utilize its existing capacity to implement the project in line with the sector-wide approach. • MOHP will maximize the benefit of the recently implemented new integrated budget and accounting system. • Training on ADB's financial management, disbursement, and procurement processes and procedures will be provided. • Tri-annual progress report including status of internal and external audit findings will be submitted to ADB. • If required, financial management consultant will be recruited to support and the terms of reference of FM staff shall include oversight functions on anticorruption and integrity risks related to FM and disbursement activities. • Integrity knowledge management sessions through TA 9703-REG will be provided to FM staff involved to increase their awareness of Anticorruption and Integrity risks, prevention and detection and compliance with ADB's Anticorruption Policy. 	MOHP, ADB
Internal Audit			
<p>Low capacity of internal audit function may result to control weaknesses not being identified.</p>	S	<ul style="list-style-type: none"> • Qualified staff from the internal audit unit at FCGO will be appointed to conduct periodic internal audit 	FCGO, MOHP

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		<p>throughout the project life. Internal audit will be conducted in accordance with Fiscal Procedure and Financial Accountability Act, 2019.</p> <ul style="list-style-type: none"> Internal audit scope will include identification and assessment of anticorruption and integrity risks relating to procurement, financial management and asset management. 	
External Audit			
Weak enforcement of corrective measures against flagged irregularities and recommendations of the OAG may undermine the value of independent oversight.	S	<ul style="list-style-type: none"> OAG will conduct annual audit of project financial statements. MOHP will address the findings of OAG and implement the recommended measures. OAG will also conduct performance audit on the effectiveness and efficiency of vaccine deployment. Auditor's findings and update on status of actions taken will be included as part of the joint tri-annual progress reports submitted to ADB and other development partners. 	MOHP, OAG, ADB, World Bank
Procurement Sector			
MOHP's limited procurement capacity; limited familiarity with ADB procurement policies and guidelines, limited knowledge in procurement of vaccines.	S	<ul style="list-style-type: none"> ADB and World Bank will assist with vaccine procurement by advising on the volatile market and associated procurement related risks, reviewing, and providing inputs on contracts under bilateral agreements, assisting with price validation, and supporting the negotiation process. 	ADB, World Bank, MOHP
Prolonged decision-making process undermines national vaccine plan.	S	<ul style="list-style-type: none"> Prior engagement with likely partners (UNICEF and SCO), parallel discussions with ADB management on implementation strategy and early engagement with MOHP to streamline Nepal approvals will be done. 	MOHP, ADB
Vaccines not meeting APVAX qualification criteria.	M	<ul style="list-style-type: none"> An experienced procurement agent with understanding of APVAX criteria may be engaged. ADB project leads will provide education on qualification requirements. 	MOHP, ADB

ADB = Asian Development Bank, APVAX = Asia Pacific Vaccine Access Facility, COVAX = COVID-19 Vaccines Global Access, COVID-19 = coronavirus disease, e-LMIS = online logistic management information system, FCGO = Financial Comptroller General Office, GAVI = Gavi, The Vaccine Alliance, GIZ = Deutsche Gesellschaft für Internationale Zusammenarbeit, IT = information technology, m³ = cubic meter, M = moderate, MOF = Ministry of Finance, MOFAGA = Ministry of Federal Affairs and General Administration, MOFE = Ministry of Forest and Environment, MOHP = Ministry of Health and Population, OAG = Office of Auditor General, PFM = public financial management, RCCE = risk communication and community engagement, RETA = regional technical assistance, S = substantial, SCO = Sehatmandi Coordination Office, SII = Serum Institute of India, SNG = subnational government (provincial or local level), UNICEF = United Nations Children's Fund, WHO = World Health Organization.

^a ADB. 2018. [Technical Assistance on Capacity Building on Integrity](#) (TA 9703-REG).

Source: Asian Development Bank.