

## RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
<b>Governance</b>		
Project effectiveness could suffer because of the lack of sufficient human resources for project management and implementation.	Medium	The project includes project implementation support and capacity building (PISCB) consultant services that will provide the necessary support and on-the-job training for staff of the Project Management Unit and Project Implementation Units for project management, design, and construction supervision works. The executing agency will recruit additional staff when needed to support the project and post-project activities.
Irregularities in procurement and financial management	Medium	Relevant provisions of ADB's Anticorruption Policy (1998, as amended to date) are incorporated into loan and grant agreements and bidding documents. The executing agency is required to take necessary measures to disclose contract awards and the use of loan proceeds. Procurement and financial management experts will assist the PCU during implementation under the PISCB consultancy. Cambodia's anticorruption law adopted in April 2010 provides sanctions against conflicts of interest.
<b>Public Financial Management</b>		
Financial sustainability of the project's sanitation investments in Kampot and solid-waste management investments in both Kampot and Sihanoukville could be adversely affected by the lack of financial management skills and insufficient tariff adjustments.	High	The PISCB consultants will provide training and capacity development in sustainable operation and maintenance (O&M) of the new facilities as well as on tariff setting and financial management. While tariffs will be adjusted over time to cover O&M costs, the provincial governments will cover any funding gap if revenues from tariffs are insufficient.
<b>Procurement</b>		
Requirements of government and ADB procurement processes may result in delays in the recruitment of consultants and the procurement of civil works and goods.	Medium	The PMU in the Ministry of Public Works and Transport has experience in implementing donor-financed projects including those of ADB. ADB will provide an individual start-up procurement advisor to help in the selection of the PISCB and to provide training on ADB's processes for project administration and implementation.
<b>Other</b>		
The project could damage the environment through poor management of wastewater treatment plants and solid-waste management.	Low	Environmental safeguards measures will be integrated into the project design and planning stages and monitored during the implementation. PISCB consultants will provide training on operation and management of the new facilities.

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The potential presence of unexploded ordnance (UXO) could cause safety issues and/or delay project implementation.	Medium	Geophysical surveys to identify UXO contamination and any necessary clearance and decontamination will be undertaken by a specialized contractor, managed by the PMU and PIUs. A clearance certificate and appropriate supporting documentation must be submitted to the government and ADB before any works start in areas where UXO is suspected.
Potential archaeological finds could result in delays to project implementation and possibly changes in design.	Medium	Appropriate measures and recommendations are identified in the relevant initial environmental examinations and due diligence reports to minimize any potential impact on the progress of construction work.
<b>Overall</b>	<b>Medium</b>	
Source: Asian Development Bank		