

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
CCA and DRM efforts are not coordinated and the support for DRM is not shared at all levels	Low	The Project will support the Joint National Action Plan for Climate Change Adaptation and Disaster Risk Management Technical Working Group which includes representatives from key line ministries including MFNP, MOI, MAFFF etc. MFNP as executing agency and co-chair of the Project Steering Committee will ensure coordination among ministries.
Implementation delays with Government of Tonga	High	The PMU housed in MLECCNR will oversee overall project implementation. Any potential delays are to be reported in a timely manner with recommended remedial actions. The PMU reports directly to the project director (Head of climate change division of MLECCNR), which will engage other implementing agencies PIUs at a senior level. Each PIU will appoint a senior staff member to be responsible for project management in identifying, monitoring, and reporting on critical government activities.
Civil disorder (national government elections in 2014 [probably November]) could delay delivery of project benefits to the people	Low	MLECCNR is to implement an awareness program, assisted by the PMU, to ensure stakeholders and beneficiaries in the project area understand the project benefits.
Delays in procurement of PMU consultants. National PMU consultants cannot be government staff, which limits availability	Medium	Advance action to be taken to procure consultants. Ensure consultant packages are competitive with government and other development partner salaries over a 5-year period including leave and retirement fund entitlements. Implement all actions required under the good governance framework. Ensure close coordination between the MFNP and MLECCNR on the procurement process. Offer 2-year contracts to PMU appointees with a possible extension depending on performance.
Scholarship recipients likely to be affected by change in culture in training institutions.	Low	Additional support to MET to provide initial orientational programs prior to departure.
Professionals are not interested in taking study courses in addition to current workload	Low	The EA and IA involved in project implementation will provide study time for those undertaking professional training courses. Professional training program have been designed to be flexible so it can be tailored to the needs of the individual. Depending on the workload and family commitments, professionals can opt for e-learning courses, short training courses abroad or works placements.
The CCTF is not managed consistent with fiduciary responsibilities	High	CCTF is managed by MFNP, whose financial management and procurement capacities ADB is supporting. CCTF accounts will be audited and posted, with other CCTF information on the project web page to increase transparency and stakeholder participation. The CCTF board includes a resident development partner representative.
No applications from communities to the trust fund or poor quality applications	Low	The project will (i) develop an operational manual for the CCTF, (ii) train civil society organizations and communities, and (iii) support communities in preparing applications. Currently organizations are undertaking climate change adaptation and disaster risk reduction community plans that can be submitted to the CCTF.
MOI and MLECCNR do not maintain and operate the technical equipment	High	Budget allocations for operation and maintenance of equipment are included in the covenants. Regional organizations will continue to provide assistance for operation and maintenance of core meteorology stations.
Start-up delays due to	Low	A package of climate proofing infrastructure projects is already

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works contractors, procurement delays, work progress delays, or extreme climatic and/or natural events occurring during execution of the works		<p>at the prefeasibility stage to allow for early detailed design process.</p> <p>Other project start-up activities required to identify initial packages of subprojects within 3 months to enable timely detailed design, preparation of bid documents, and tendering and award of contracts.</p> <p>Consider less than three bidders in circumstances where the PMU and MLECCNR consider additional bidders to be unavailable and where bidding is considered to be transparent and fair.</p>
Payment delays to contractors (impacts on private sector confidence and desire to bid for projects)	Low	Training of MFNP staff together with contractors to ensure documentation is properly completed and all are aware of requirements.
Capability and capacity of contractors from Tonga (especially its outer islands) poses significant difficulties in transport logistics, materials availability, and availability of skilled labor	Medium	<p>Financial and technical capacities of bidders to be confirmed (by evaluation according to explicit criteria) before contract award. If any material deviation is noted in satisfying the technical and financial qualification criteria, the bidder will not be considered for award of contract.</p> <p>Quality plans to be prepared by each contractor for acceptance by the PMU engineer, then contractor compliance to be effectively monitored (with assistance of construction observers where necessary).</p> <p>Supervision consultant team includes a quality assurance specialist to be responsible for overall quality assurance for the project.</p> <p>On-the-job training to be provided to the PIUs and contractors in preparation and execution of quality plans and construction methodologies and skills required.</p>
Corruption is potentially associated with: (i) Procurement of consultants and works contracts; (ii) certification of materials and work quality to contract specifications; and (ii) measurement and certification of work quantity.	Medium	<p>Implement good governance framework to strengthen internal controls</p> <p>The PMU and PIUs include a procurement, contracts, quality assurance specialist to participate in, monitor, and audit quality control.</p> <p>Project procurement decisions reviewed by the Project Procurement Committee chaired by the MFNP.</p>
Inadequate due diligence may be a problem in the PMU and PIUs when staff have insufficient understanding of the requirements or are insufficiently motivated to ensure compliance. This project is category B under the Asian Development Bank's Safeguard Policy Statement (2009).	Medium	<p>All PIU staff are to receive training on due diligence aspects of the project at commencement of activities.</p> <p>The PMU has specialist staff responsible for monitoring and advising on all due diligence aspects.</p>
Overall	Medium	

ADB = Asian Development Bank; EA = executing agency; IA = implementing agency; MET = Ministry of Education and Training; MAFFF = Ministry of Agriculture, Forestry, Food and Fisheries; MFNP = Ministry of Finance and National Planning; MLECCNR = Ministry of Land, Environment, Climate Change and Natural Resources; MOI = Ministry of Infrastructure; PIU = project implementation unit; PMU = project management unit
Source: Asian Development Bank