

ANNEX 7

Risk assessment and management

**BUILDING RESILIENT AND
HEALTHY COOK ISLANDS
COMMUNITIES**

**AKAMATUTU'ANGA TO TATOOU ORA'ANGA
MEITAKI (ATOM)**

BUILDING RESILIENT AND HEALTHY COOK ISLANDS COMMUNITIES

Annex 7 – Risk assessment and management

Version0.1

Date 28 March 2023

RISK ASSESSMENT AND MANAGEMENT

1. Risk factors and mitigations measures (max. 2 pages)		
Selected Risk Factor 1		
Category	Probability	Impact
Technical and operational	High	Medium
Description		
<p>Lack of skills in data analysis and integration. While TMO staff has experience in data collection and management, skills are lacking for data mining, interrogation, reporting and much less on correlation and integration with external data. This risk affects ability to fully utilise the augmented HIS.</p>		
Mitigation Measure(s)		
<p>The project will fund a data analyst to assess CSHR needs of TMO and design data collection, integration and analysis system to generate intelligence that integrates with staff operational processes and minimise administrative burden. This will be institutionalised via documentation (manuals, video) and training of super user/s or training of trainers.</p>		
Selected Risk Factor 2		
Category	Probability	Impact
Technical and operational	Medium	Medium
Description		
<p>Retention of staff due to low levels of remuneration relative to other sectors/professions and overseas opportunities. This risks loss of experience in use of augmented HIS and loss of CSHR good practices knowledge gained from training. For example, the starting salary for nurses is NZ\$25,000, rising to NZ\$42,000 for a charge nurse. Trainee Health Protection Officers receive NZ\$16,000, less than the basic wage received by workers such as car groomers (Health Public Expenditure Review).</p>		
Mitigation Measure(s)		
<p>Institutionalise training to address staff turnover with a resource library (operations manuals, training videos) and training of trainers.</p> <p>TMO focal points and selected health workers in the Pa Enua will be released by TMO to work one day per week for the project at a rate of remuneration of a national consultant. This will provide a financial incentive to remain with TMO for the duration of the project.</p> <p>Note: A job sizing exercise is underway which will develop appropriate payrates for the workforce. We recommend an initial salary uplift focused on currently vacant Medical Specialist roles, followed by further salary uplifts for other key staff such as nurses.</p>		
Selected Risk Factor 3		
Category	Probability	Impact
Technical and operational	Medium	Medium
Description		
<p>Understaffed health centres due to lack of qualified labour pool resulting in overworked staff. This risks the ability of staff to attend CSHR trainings and input data into or generate reports from augmented HIS.</p>		
Mitigation Measure(s)		
<p>Productivity enhancement tools will free up time of staff. This involves minimisation of manual systems (e.g. email traffic, dispersed Excel files) and replacement by coordinated information systems that avoid duplication and errors.</p>		
Selected Risk Factor 4		
Category	Probability	Impact
Technical and operational	Medium	Medium

Description		
Lack of coordinated effort of TMO staff to support the project implementation – competing interests of staff doing their own jobs and see the project as extra work.		
Mitigation Measure(s)		
Project activities have TMO staff identified as focal points and are included in their terms of reference and job description. Focal points are released by TMO and then part-time contracted by the project to support commitment and retention. Project manager needs to monitor local staff input into the project.		
Selected Risk Factor 5		
Category	Probability	Impact
Governance	Low	Medium
Description		
Change of political leadership leading to diminished priority for climate change impact in health policy.		
Mitigation Measure(s)		
Knowledge products from this project demonstrating value of CSHR outcomes shall be disseminated to all political parties in Parliament.		
Selected Risk Factor 6		
Category	Probability	Impact
Governance	Low	Medium
Description		
Change of TMO top management leadership leading to divergent strategy under-utilising CSHR tools.		
Mitigation Measure(s)		
Institutionalising CSHR into policy, plans and standard practices of TMO.		
Selected Risk Factor 7		
Category	Probability	Impact
Technical and operational	Medium	Low
Description		
Poor and unreliable internet connectivity or access infrastructure in the Pa Enua hindering telehealth and CPE/CME training.		
Mitigation Measure(s)		
Coordinate with OPM Satellite Internet Project providing reliable internet connectivity to the Pa Enua.		
Selected Risk Factor 8		
Category	Probability	Impact
Technical and operational	Medium	Medium
Description		
Domestic shipping challenges for procured goods may delay projected timelines.		
Mitigation Measure(s)		
Ensure that freight component is included as a requirement in the procurement plan. This will assist in anticipating shipping timelines and implementation. This can reduce the risk probability with more secure freight booking in advance.		

2. AML/CFT* and Prohibited Practices compliance due diligence assessment (max. 1 page)		
Category	Probability**	Impact***
ML/TF	Low	LOW (<5% OF PROJECT VALUE)
Sanctions	Low	LOW (<5% OF PROJECT VALUE)
Prohibited Practices	Low	MEDIUM (5.1-20% OF PROJECT VALUE)
Select	Select	SELECT
<p>*Anti-Money Laundering/Countering the Financing of Terrorism **H: High (has significant probability), M: Medium (has moderate probability), L: Low (has negligible probability) *** H: High (has significant impact), M: Medium (has moderate impact), L: Low (has negligible impact) ¹ Money Laundering/Terrorist Financing ² Sanction prohibitions of the United Nations, or other relevant sanctioning authorities (including the World Bank Debarred List) ³ In the context of Money Laundering/Terrorist Financing and Prohibited Practices ⁴ Abuse, Conflict of Interest, Corrupt, Retaliation against Whistleblowers or Witnesses, as well as Fraudulent, Coercive, Collusive, and Obstructive Practices</p>		
<p>MFEM, the accredited entity, has a Policy on AML/CFT, Antifraud and Anticorruption Policy and Whistleblowing Procedures, which has been reviewed by GCF as part of the accreditation process. As statutory government bodies, MFEM and the executing entities are required to undertake annual account audits to ensure accountability and transparency. It is anticipated that the relevant checks and balances are in place to minimize any risk that may arise.</p> <p>The executing entities TMO and CIIC are statutory bodies established by an Act of Parliament and fully managed by the State.</p> <p>The Cook Islands is a member of Asia/Pacific Group on Money Laundering (APG). Its most recent Mutual Evaluation Report was published in 2018¹, with the first key finding of “the Cook Islands has established a well-functioning framework to conduct risk assessments, translate the findings into legislative and policy decisions and raise awareness across agencies and the private sector”. The identified risks related to ML/FT have since been addressed by the Government.</p> <p>In the context of this project, the risks related to ML/FT are minimal since all sources of financing are from public entities and the executing entities are public entities as well. All procurement for the project will be managed through the government procurement system.</p>		
3. Other potential risks in the horizon		
<p>As the COVID-19 pandemic has shown, the health system may be confronted with a major public health emergency, which is impossible to predict in terms of nature, severity and timing. If such an event were to occur, then the impact on the project is unknown but likely to be significant. On the other hand, the implementation of the project will strengthen the capacity of TMO and other actors to deal with such an emergency.</p>		

¹ <https://www.fatf-gafi.org/en/publications/Mutualevaluations/Mer-cook-islands-2018.html>