

Simplified Approval Process

Annex 7: Risk assessment and management



RISK ASSESSMENT AND MANAGEMENT

1. Risk factors and mitigations measures (max. 2 pages)		
For probability: High has significant probability, Medium has moderate probability, Low has negligible probability. For impact: High has significant impact, Medium has moderate impact, Low has negligible impact.		
Selected Risk Factor 1 Limited institutional and political buy in for the implementation of project activities		
Category	Probability	Impact
Governance	Low	Medium
Description		
Limited political buy-in from relevant provincial and district authorities and agencies where they are not in support of, or actively engaged in, project activities, mainly those under outputs 1 and 2, results in limited coordination and delays in implementation.		
Mitigation Measure(s)		
<p>Provincial and district authorities were consulted throughout the development of the project to ensure ownership of activities and the interventions are aligned and coherent with the national and provincial policy framework (sections B.1 and D.5 of the funding proposal). LuxDev has had a strong presence in TT Hue, with a very well-developed network, which will be a major strength for ensuring ownership. There is full alignment and ownership.</p> <p>In addition, the TAO will undertake the following measures to ensure continuous ownership of the project and mitigate this risk:</p> <ul style="list-style-type: none"> it will support the provincial CC to assess the current EWSs at all levels and use the key findings to advocate and consult concerned provincial and district agencies on the development of a long-term masterplan. it will also support district CCs to organise necessary activities to advocate for the establishment of CBEWS in target communes with district PCs. work closely with district PCs to ensure staff of concerned district agencies and commune authorities actively participate in the project capacity-building activities. in close consultation with DONRE, the TAO will carry out necessary activities to advocate for the institutionalisation of the existing M&E system at the provincial level. 		
Selected Risk Factor 2 – limited existing skills and capacities on climate change adaptation in the province		
Category	Probability	Impact
Technical and operational	Low	Medium
Description		
It may be challenging to recruit qualified service providers to provide technical support for project activities on a timely manner, due to the limited source of experts on climate change adaptation in the province, which can lead to sub-optimal quality of delivered technical assistance.		
Mitigation Measure(s)		
<p>To mitigate this risk, the TAO will undertake the following mitigation measures.</p> <ul style="list-style-type: none"> will apply open tendering to recruit qualified external service providers. technical advisors will strictly supervise and evaluate the performance of external service providers and counterpart experts as well as strictly supervise implementation of project activities in the field. mobilise its networks to ensure that there is adequate technical capacity to support project activities. 		
Selected Risk Factor 3 – extreme weather events and pest and diseases		
Category	Probability	Impact
Technical and operational	Medium	Medium
Description		
Extreme weather events and/or an increase in pests and diseases can limit the effectiveness of project activities under outputs 3 and 4		

Mitigation Measure(s)		
<ul style="list-style-type: none"> For coastal forest restoration, extreme weather events such as typhoons making landfall in NCC-VN could jeopardize restoration areas and project activities - especially if such events occur before planted seedlings have stabilized. Under activity 3.1, the magnitude of potential damage will be mitigated through proper management and timing. Silvicultural studies and site-specific planning will elicit and evaluate all feasible options for proactively minimizing these risks and, to the extent possible. In component 4, the project will work with climate-resilient varieties and will provide training and capacity building on practices to enhance climate resilience (such as change crops, delay crops, use of varieties and species tolerant/resilient to diseases and harsh climate). 		
Selected Risk Factor 4 limited interest from private sector actors & offtakers to work with farmers in key value chains		
Category	Probability	Impact
Technical and operational	Medium	Medium
Description		
Off-takers, private enterprises are not willing to link with farmers in the value chains prioritised by the project		
Mitigation Measure(s)		
<ul style="list-style-type: none"> Under Sub-Activity 3.1.2, provide training in the form of supporting local communities in working with buyers, demand trends, and pricing information that can help farmers understand the market better, develop value chains, and provide training and capacity building to farmers on cultivation, post-harvesting handling, and marketing. During the development of the project, private sector enterprises were consulted and expressed interest in the project. Additional engagement with private sector companies will be carried when planning and implementing project activities (Sub-Activity 4.1.2). The project will also facilitate linkages of farmers and private enterprises, by working with cooperatives that are the intermediary entity of the linkages; 		
Category	Probability	Impact
Technical and operational	Low	Medium
Description		
Mitigation Measure(s)		
2. AML/CFT* and Prohibited Practices compliance due diligence assessment (max. 1 page)		
Category	Probability**	Impact***
<p>*Anti-Money Laundering/Countering the Financing of Terrorism</p> <p>**H: High (has significant probability), M: Medium (has moderate probability), L: Low (has negligible probability)</p> <p>*** H: High (has significant impact), M: Medium (has moderate impact), L: Low (has negligible impact)</p> <p>¹ Money Laundering/Terrorist Financing</p> <p>² Sanction prohibitions of the United Nations, or other relevant sanctioning authorities (including the World Bank Debarred List)</p> <p>³ In the context of Money Laundering/Terrorist Financing and Prohibited Practices</p> <p>⁴ Abuse, Conflict of Interest, Corrupt, Retaliation against Whistleblowers or Witnesses, as well as Fraudulent, Coercive, Collusive, and Obstructive Practices</p>		
<ul style="list-style-type: none"> No person or organisation under any type of UN Sanction will be involved in any manner or capacity in the implementation of the project or any of its activities. 		

- None of the activities under the project will be implemented in a jurisdiction that is subject to any sanctions from the UN Security Council.
- LuxDev as AE and EE will manage funds according to its own processes, including procurement guidelines and code of integrity, that have been assessed by the GCF as part of LuxDev's accreditation process. For procurement, the minimum procurement standards are outlined in the project's procurement plan.
- The project has developed a grievance and redress mechanism, which is outlined on the project's ESAP (Annex 12).

3. Other potential risks in the horizon

Please describe other potential issues which will be monitored as "emerging risks" during the life of the projects (i.e., issues that have not yet raised to the level of "risk factor" but which will need monitoring). This could include issues related to external stakeholders such as project beneficiaries or the pool of potential contractors.