**Risk assessment and management**

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| 1. **Risk factors and mitigations measures (max. 2 pages)** | | |
| *Please describe financial, technical and operational, social and environmental and other risks that might prevent the project/programme objectives from being achieved. Also describe the proposed risk mitigation measures.*  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** | | |
| Category | Probability | Impact |
| Governance | Low | Medium |
| Description | | |
| *Please describe the risk to the best of your knowledge at this point in time.*  The impact-based forecast early warning system is not properly implemented by the LGUs and adopted by the community in accordance with the established policies, protocols or SOPs resulting to damages and losses arising from the hazard/event. Project implementers are not able to generate the support from all the stakeholders due to large number of agencies involved and/or insufficient knowledge/capacity or awareness to implement the project. | | |
| Mitigation Measure(s) | | |
| *Please describe how the identified risk will be mitigated or managed. Do the mitigation measures lower the probability of risk occurring? If so, to what level?*  The implementation process will be designed to reduce this risk by establishing operational partnerships with stakeholders to ensure capacity building and generate support. In the early stages of concept note development, the stakeholders have been involved in project planning to promote ownership and inclusivity. Capacity and awareness building activities like training/seminar and development of IEC materials will be conducted. Additionally, policies and procedures on succession planning and continuity will be included in the operating policy guidelines to ensure the effectiveness and sustainability of the project and its benefits. | | |
| **Selected Risk Factor 2** | | |
| Category | Probability | Impact |
| Reputational | Low | Medium |
| Description | | |
| *Please describe the risk to the best of your knowledge at this point in time.*  The impact-based forecast early warning system is not as effective as expected. The warning given is different from the actual impact of the event which may result in non-compliance to SOPs in the succeeding unwanted events. | | |
| Mitigation Measure(s) | | |
| *Please describe how the identified risk will be mitigated or managed. Do the mitigation measures lower the probability of risk occurring? If so, to what level?*  The risk will be mitigated by continual improvement of the system through monitoring and assessment of results after an event has happened. An effective feedback mechanism will also be put in place to facilitate the necessary improvement / adjustment to the system to become more effective and responsive to the needs of the target beneficiaries. | | |
| **Selected Risk Factor 3** | | |
| Category | Probability | Impact |
| Technical and operational | Low | Medium |
| Description | | |
| *Please describe the risk to the best of your knowledge at this point in time.*  High  The radio frequency signal from the cell site is weak which would cause delay in the transmission of the early warning message to the community. | | |
| Mitigation Measure(s) | | |
| *Please describe how the identified risk will be mitigated or managed. Do the mitigation measures lower the probability of risk occurring? If so, to what level?*  During the testing of the EWS, the transmission time will be recorded to determine the speed of the delivery of service. Part of the SOPs will include the acknowledgment of message received by the recipient to ensure that the early warning is disseminated to all stakeholders. | | |
| **2. AML/CFT\* and Prohibited Practices compliance due diligence assessment (max. 1 page)** | | |
| Category | Probability\*\* | Impact\*\*\* |
| Prohibited Practices | Low | **High (>20% of project value)** |
| \*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 | | |
| *Describe each risk identified which should be derived from the AML/CFT integrity due diligence assessment as well as the prohibited practices due diligence assessment. This includes corruption, fraud, abuse, retaliation against whistleblowers and any other coercive, collusive or obstructive practice. Also provide the controls and measures to mitigate each identified risk.*  No ML/FT risks identified for PAGASA project. Procurement for project activities on the level of PAGASA (refer to Output 1 and Output 2) will require an approved Procurement Plan. Related project activities on the level of concerned local government units, or LGUs (refer to Output 3 and Output 4), mainly involve capacity building and information dissemination activities, which are far removed from ML/FT risks. However, it should be noted that the Bank has its Money Laundering and Terrorist Financing Prevention Program (MLPP) in place to address any ML/FT risks or issues that may occur.  Risk of Prohibited Practices may occur in the implementation of the various project activities. However, it should be noted LANDBANK and PAGASA, as well as the concerned LGUs, are each a government entity/agency, and are thus covered/guided by the following Philippine laws/regulations pertaining to anti-bribery, graft and corruption:   * Republic Act 3019 (RA 3019) – Anti-Graft and Corrupt Practices Act; * RA 6713 – An Act Establishing a Code of Conduct and Ethical Standards for Public Officials and Employees; * RA 9485 – An Act to Improve Efficiency in the Delivery of Government Service to the Public by Reducing Bureaucratic Red Tape and Preventing Graft and Corruption, and Providing penalties Therefor; * Civil Service Commission (CSC) Resolution No. 060538, date April 4, 2006 – Rules on Administrative Offense on Dishonesty; * CSC Resolution No. 1101502, dated November 18, 2011 – Revised Rules on Administrative Cases in the Civil Service.   Partners, contractors and suppliers in the private sector will be required to open an account with LANDBANK, through which releases will be made. As the Bank’s clients, they shall be subjected to the provisions and regulations of the MLPP.  In addition to the previously mentioned laws/regulations, LANDBANK has also institutionalized preventive measures against bribery, graft and corrupt practices by establishing and implementing internal policies/guidelines incorporating pertinent provisions of the aforementioned laws, rules and regulations of the Philippines and CSC, as follows:   * Code of Conduct for LANDBANK Employees; * Executive Order (EO) No. 022 series of 2010 – Guidelines on Conflict of Interest; * EO No. 043 s. 2010 – Guidelines on Internal Whistleblowing and Reporting; * EO No. 064 s. 2012 – Guidelines on the Implementation of the Ethics Hotline; * EO No. 064 s. 2013 – Revised Rules on Administrative Disciplinary Cases; * EO No. 041 s. 2014 – LBP No Gift Policy.   *If the Executing Entity is different from the Accredited Entity, please include an annex providing further KYC details, e.g. on the beneficial ownership/control structure, and exposure to Politically Exposed Persons (PEPs) etc.*  See attached Credit Information Report for PAGASA, which is the Executing Entity for the MH-IBF-EWS project. | | |
| 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.*   * Non-delivery, or sub-par delivery, of outputs by consultants * Delays in procurement process | | |