

Simplified Approval Process

Annex 7: Risk assessment and management



RISK ASSESSMENT AND MANAGEMENT

1. Risk factors and mitigations measures (max. 2 pages)		
<p>Please describe financial, technical and operational, social and environmental and other risks that may prevent the project/programme objectives from being achieved. Also describe the proposed risk mitigation measures.</p> <p>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</p>		
Selected Risk Factor 1 Insufficient capacity of NGOs/ contractors hired for implementation		
Category	Probability	Impact
Technical and operational	Medium	Medium
Description		
<p>NGOs/ contractors selected for implementation of Activities 1.1.1, 1.2.1, and 2.1.1 may have less experiences in implementation of similar activities in the past. In particular, PLUP and CCVA, as well as the follow-up capacity enhancement of Activity 1.2.1 require a thorough understanding of the process and procedures for those activities for effective and smooth implementation. Less understanding of the works would cause delay in the implementation of the Activities. In the worst possible scenario, the project may face difficulties in achieving its expected outputs, namely i) reduction of deforestation and forest degradation through enhancement of community-based NRM and ii) increase of local livelihoods through hands-on training.</p>		
Mitigation Measure(s)		
<p><u>Selection of NGOs/ contractors which have experiences and/or sufficient capacity to implement the Activities:</u> In the selection of NGOs/ contractors, the potential bidders should be pre-qualified or short-listed based on the work experiences of the organizations. Furthermore, the QCBS or QBS method should be adopted for selection of bidders so that NGOs/ contractors technically viable could be selected as implementers. JICA-Technical Expert Team (TET) will provide technical assistance in shortlisting, evaluating and selecting NGOs/ contractors capable to implement the respective Activities.</p>		
Selected Risk Factor 2 Lack of coordination/ collaboration between NGOs / contractors hired for the same and/or different components		
Category	Probability	Impact
Technical and operational	Medium	Medium
Description		
<p>Different NGOs/ contractors may be hired for the respective Activities and in the respective locations, which may cause communication issues. It is, however, important to closely communicate and collaborate with each other, as the Activities interrelate with one another. For instance, the results of PLUP and CCVA are the basis for the subsequent Activities, namely Activities 1.2.1 and 2.1.1.</p> <p>Information exchange between/ among the NGOs/ contractors hired for the same Activity but in the different watersheds is also quite critical for standardization of the methodologies, ensuring of the quality of the works, and smooth implementation of the Activities.</p> <p>Insufficient collaboration or coordination between/ among the NGOs/ contractors may affect the progress and results of the works.</p>		
Mitigation Measure(s)		
<p><u>Packaging of Project Activities and Sub-activities:</u> Implementation of Activities 1.1.1 and 1.2.1 in one watershed should be packaged as one contract so that the Sub-activities could be carried out seamlessly, and most importantly, the experiences in Activity 1.1.1 could be fully incorporated into Activity 1.2.1.</p> <p><u>Arrangement of coordination meetings:</u> In order to standardize the methodologies and facilitate communication and collaboration between/ among NGOs/ contractors hired for implementation of the Activities, the following meetings should be arranged and held by JICA-TET over the course of the implementation.</p>		

<ul style="list-style-type: none"> - Orientation of the methodologies - Inception meeting - Progress meetings on a quarterly basis - Annual review of the project activities <p>In the orientation and inception meetings, full guidance on the procedures and methodologies for implementing the Activities will be given to the selected NGOs/ contractors, while they could exchange their experiences and lessons with each other in the progress and annual review meetings.</p>		
Selected Risk Factor 3 Limited communities' participation in hands-on training or adoption of demonstrated techniques		
Category	Probability	Impact
Technical and operational	Medium	Medium
Description		
Due to a lack of understanding, some local communities may be reluctant to participate in a series of hands-on training activities as well as OJT at demonstration plots, which would affect their field application of climate change adaptation techniques demonstrated in the training courses. Less application of the adaptation techniques would result in lowering the positive effect in strengthening local climate resilience against climate variability.		
Mitigation Measure(s)		
<u>Awareness raising of the effect of the project activities through the consultation/ preparatory process:</u> Prior to the conduct of the main activities of Activities 1.1.1 and 2.1.1, consultation meetings and exposure visits will be organized with participation of local communities so that they could be fully aware of the project activities as well as their effects. In particular, the exposure visits, where local communities will visit one of the CBNRM villages and learn about the project activities from the predecessors, would be effective in enhancing their understanding of the project.		
Selected Risk Factor 4 Limited experience of DGFCIP and relevant MAF offices concerned in project management and operation		
Category	Probability	Impact
Technical and operational	High	Medium
Description		
DGFCIP and its national directorates as well as MAF municipal offices has limited experiences in managing and operating a large-scale project like the proposed one. Hence it would not easy for DGFCIP and other relevant MAF offices to manage and operate the project without any operational and technical difficulties.		
Mitigation Measure(s)		
<u>Direct management of the project by JICA:</u> JICA should have the leading role in operations and management of the project with technical assistance from JICA-TET as well as FAO TCP. DGFCIP, its national directorates, and MAF municipal offices concerned should play an important role in monitoring the project activities with JICA-TET. By doing such arrangements, the risk of delay in implementation could be minimized.		
Selected Risk Factor 5 Lack of MAF officials' participation in the project activities		
Category	Probability	Impact
Technical and operational	Medium	Low
Description		
MAF officials, particularly extension officials, often engage in multiple MAF DPs' projects along with the MAF's activities at the same time. It may not be always easy for MAF officials to participate in the project activities. Limited participation in the project activities, particularly those of training for the officers, would affect the sustainability of the project effects, as the MAF officers at both municipal and field levels should be the main players in continuous follow-ups in the target villages.		
Mitigation Measure(s)		

<u>Joint planning of the project activities:</u> JICA-TET should develop a quarterly work plan of the project activities in the respective target watersheds by consolidating the work plans of the respective Activities. The plans should be shared with MAF municipal offices concerned every three months, so that MAF offices could arrange and allocate their staff to the project activities. In addition to the quarterly work plan, JICA-TET and MAF municipal offices should have a regular meeting at the beginning of every month to adjust the schedule of the project activities, so as to ensure the participation of MAF officials in the activities.		
Selected Risk Factor 6 Insufficient financial support by the GoTL for project monitoring		
Category	Probability	Impact
Governance	Medium	Medium
Description		
MAF monitoring teams at central and municipal levels will monitor the project activities in the field with technical assistance from JICA-TET. DGFCIP and its national directorates, particularly NDFWM, and MAF municipal offices concerned need to allocate enough budgets for operations of the monitoring teams. Delay in passing the budget or squeezing the proposed budget would affect the monitoring works of the GoTL.		
Mitigation Measure(s)		
<u>Preparation of rational work and budget plan:</u> JICA-TET should support DGFCIP and its national directorates and MAF municipal offices concerns in the preparation of a rationale work and budget plan/proposal so that they could convince the higher authority of MAF and the Ministry of Finance of the necessity of securing the proposed budget for effective implementation of the project.		
Selected Risk Factor 7 Delay in procurement of NGOs/ contractors		
Category	Probability	Impact
Technical and operational	High	Medium
Description		
NGOs or contractors will be procured for implementation of almost all the field activities as described in Chapter 9 of this report. They will be selected and procured through the competitive bidding according to the procurement guidelines of GCF as well as JICA. If the process of procurement of NGOs or contractors for the Activities takes longer than expected, it would affect the schedule of the project. In fact, one of the on-going donor-funded projects took more than year for procurement of contractors, which caused significant delay in the implementation.		
Mitigation Measure(s)		
<u>Advance preparation for the bidding of NGOs/ contractors:</u> JICA should prepare a set of bid documents required for selection of NGOs/ contractors for the respective Activities in advance. The documents required for pre-qualification and bidding of NGOs/ contractors are the ones to be prepared in advance. If time allows, the process of pre-qualification of candidate organizations for Activities 1.1.1 and 1.2.1 should start one or a half year before the commencement of the project.		
Selected Risk Factor 8 Occurrence of extreme climate events, such as high heats, long drought, and long-strong rains		
Category	Probability	Impact
Technical and operational	Low	Low
Description		
Extreme climate events, such as high heats, long drought, and strong rains, would also significantly affect the results of the Activities. For instance, high heats and long drought may lead to wild/ forest fires, which would accelerate forest degradation and deforestation. Long drought and long-strong rains would adversely affect crop production even under climate resilient agriculture, although the application of climate resilient agriculture practices would lessen crop failure		

damage. If such climate adverse events happen consecutively, people may over-exploit forest resources for their livelihoods.		
Mitigation Measure(s)		
<p><u>Enhancement of people's preparedness against extreme climate events:</u></p> <p>NGOs/ contractors hired for Activities 1.1.1 ~ 1.2.1, and 2.1.1 with technical assistance from JICA-TET should help local communities enhance the adaptability against extreme climate events by bringing people's attention to wildfire in the dry season and advising them to plant several types of crop in their farms to secure production of food crops even under extreme weather conditions. Awareness raising and capacity building on climate-resilient participatory land use planning and natural resource management will ensure local villagers aware of climate risks and risk-reduction measures.</p> <p>In the case that climate resilient agriculture is selected as the topics of hands-on training of Activity 2.1.1, NGOs should measure crop yields in the demonstration plots to evaluate the effect of the demonstrated techniques as compared to those in non-members' farms.</p>		
Selected Risk Factor 9 Environmental damage to natural habitats		
Category	Probability	Impact
Technical and operational	Low	Low
Description		
Some existing and proposed protected areas located in and adjacent to the target watersheds may be affected by local communities' activities, in case the community-based NRM regulations would not be in line with the government regulations on protected area management (Decree Law 05/2016).		
Mitigation Measure(s)		
<p><u>Due attention to rules and regulations on protected area management in PLUP (Activity 1.1.1) and follow-up meetings for capacity enhancement of village leaders (Activity 1.2.1):</u></p> <p>Due attention should be paid to the rules on protected area management in the discussions on village regulations in PLUP in villages located in and adjacent to the existing and proposed protected areas. By raising the awareness of the protected area and its management, local communities would develop a future land use plan considering the protected area and incorporate its management rules and regulations into the village regulations. Through implementing and monitoring the village regulation developed with consideration to the protected area, it would enhance local villager's capacity to not just maintain, but preserve the protected areas.</p> <p>Moreover, in the monthly monitoring meetings will be held in Activity 1.2.1, people's compliance to the rules on ecosystem management could also be monitored and reviewed.</p>		
Selected Risk Factor 10 Conflict among local communities		
Category	Probability	Impact
Governance	Low	Low
Description		
Activity 2.1.1 will directly benefit 120 families per village during the project, which is approximately 30~90% of the total families in a village. Those who are not engaged in Activity 2.1.1 may have a feeling of inequity, which may result in negative actions against other project activities, particularly the future land use plans and village regulations developed in Activity 1.1.1.		
Mitigation Measure(s)		
<p><u>Due attention to rules and regulations on protected area management in PLUP (Activity 1.1.1) and follow-up Ensuring of additional benefits to be shared with villagers who are not engaged in the project activities:</u></p> <p>During the project period, benefit sharing mechanisms, such as village seed bank, carbon offsetting, and small-scale enterprise development, which could benefit various communities in a village, should be developed in close consultations with local communities.</p> <p>The capacity of MAF field officials, namely extension officers, would be enhanced to effectively conduct extension activities similar in nature to those of Activity 2.1.1, so that the remaining villagers could have similar support from MAF extension officers even after the end of the project.</p>		

In the case where any person feels discriminated against or has concerns/conflicts related to the project, they are able to access the project's grievance redress mechanism.		
2. AML/CFT* and Prohibited Practices compliance due diligence assessment (max. 1 page)		
Category	Probability**	Impact***
ML/TF	Low	LOW (<5% OF PROJECT VALUE)
Prohibited Practices	Low	LOW (<5% OF PROJECT VALUE)
Select	Select	SELECT
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>		
<ul style="list-style-type: none"> ➤ JICA, as the AE, carries out various preventive measures against fraud and corruption in Japan's ODA projects by closely cooperating with partner countries' government, executing agencies, and companies. Any risks of AML/CFT* and Prohibited Practices are not foreseen in the course of the project implementation, as the project budget will be directly managed by JICA HQ and TL offices under JICA's strict compliance policy, anti-corruption guidance, and relevant rules and measures against fraud and corruption. ➤ JICA's measures for compliance and anti-corruption are published on JICA's web-site (https://www.jica.go.jp/english/our_work/compliance/index.html) including: ➤ The "Anti-Corruption Policy Guidance" (https://www.jica.go.jp/english/our_work/compliance/c8h0vm00009ulm1i-att/anti_corruption_guidance_en.pdf) (Please see especially article 5 <JICA's Measures against Fraud and Corruption>). ➤ JICA's measures for compliance and anti-corruption also includes "JICA Rules on Measures to Suspend Eligibility for Participation in Tenders for Contracts (Provisional Translation)" (https://www.jica.go.jp/english/our_work/types_of_assistance/rule02.html), as a measure of preventing the corrupt or fraudulent practices in connecting with any of the contracts to which JICA is a party (Please see especially article 3 <Measures>). ➤ JICA also provide a consultation services for information related to fraud and corruption in JICA's projects. JICA has established a section in case of anti-corruption within JICA to respond to information on fraud and corruption with the participation of external experts (lawyers and certified public accountants). 		
3. Other potential risks in the horizon		
No other potential risk is foreseen at the time when this proposal is prepared.		