

Annex 7: Risk Assessment and Management

Risk Factors and Mitigation Measures			
Selected Risk Factor 1			
Description	Risk category	Level of impact	Probability of risk occurring
Timely implementation of the planned intervention	Operational risk	Low	Low
Mitigation Measure(s)			
(i) Capacity building of newly recruited project staffs (ii) Prepare quarterly activity plan and budget forecast and (iii) Revise the implementation plan (if required) etc.			
Selected Risk Factor 2			
Description	Risk category	Level of Impact	Probability of risk occurring
Capacity building and technology transfer activities represent 31% of total GCF funding requested and may not result in realizing expected results.	Operational	Low	Low
Mitigation measure(s)			
i) Stakeholder consultations have already been carried out and will be continue during implementation of the project. ii) The high percentage of GCF grant (i.e. 31%) is mainly due to establishment of MAR. PKSf will engage technical experts from the University of Rajshahi and DASCOH so that this activity is properly done.			
Risk factor 3			
Description	Risk category	Level of impact	Probability of risk occurring
Execution delays could occur during implementation and hence possibly lead to potential change(s) in the future under GCF Policy on Restructuring and Cancellation	Low	Low	Low
Mitigation measures			
i) There is very limited possibility of executing delays. Once, the FAA is effective, PKSf will take necessary steps to start the execution of the project.			
Risk factor 4			
Description	Description	Risk category	Level of impact
Market fluctuation of commodities and rate of labour wage for implementing the activities	Financial risk	Low	Low
Mitigation Measure(s)			
(i) Provision of intra-component budget revision; (ii) Priority will be given on selection of location to maximize the coverage and (iii) Number of activities may be revised etc.			
Selected Risk Factor 5			
Description	Description	Risk category	Level of impact

Conflict ownership of pond for re-excavation	Operational	Low	low
Mitigation Measure(s)			
(i) Before selection of pond make the community consultation with local peoples, (ii) Tri-party agreement with pond owners, community groups and IE, (iii) Check the ownership of pond from land office.			
Selected Risk Factor 6			
Description	Description	Risk Category	Level impacts
Lack of access to khas (government owned) canals	Operational	low	low
Mitigation measures			
Advocacy and make strong communication with BMDA, land offices of districts and sub-districts etc.			
Selected Risk Factor 7			
Description	Description	Risk category	Level of impact
Un availability of quality seed in the project areas	Technical	Low	Low
Mitigation Measure(s)			
(i) Production of seed by the project participants, (ii) Linkage with govt. agricultural departments, such as DAE and BADC (iii) Linkage with private seed sector company and (iv) Seed storage facility increased by the beneficiaries.			
Selected Risk Factor 8			
Description	Description	Risk category	Level of impact
Contamination of drinking water source	Operational	Low	Low
Mitigation Measure(s)			
(i) Collect information from Department of Public Health and Engineering about safe water layer, (ii) Maintained distance from toilet and tube-well water source, (iii) Construction of concrete tube-well platform (iv) construct soak well for waste water management and (v) Ensure quality of water by lab-test by Barind Multipurpose Development Authority (BMDA).			
Selected Risk Factor 9			
Description	Description	Risk category	Level of impact
Environmental pollution to use of pesticide and chemical fertilizer	Operation	Medium	Medium
Mitigation Measure(s)			
(i) Use organic manure and or vermi-compost for soil fertility, (ii) Use organic pesticide, (iv) Use pest/disease tolerant crops/vegetables variety, (v) Promote Integrated Pest Management (IPM)/Integrated Disease Management (IDM)			
Selected Risk Factor 10			
Description	Description	Risk category	Level of impact
Gender discrimination.	Other	Low	Low
Mitigation Measure(s)			
(ii) (i) The project will promote the rights of women. In addition, motivational work to bring gender harmony in the community will be carried out by the IE staffs while selecting beneficiaries. Specific selection criteria have been established to remove any discrimination and/or bias. PKSF's Social Management Framework (SMF) will be followed for any grievance. The Grievance Redress Mechanism (GRM) has further been designed in consideration of the specific local context and draws on existing processes and procedures for the resolution of complaints and grievances in Bangladesh.			

Selected Risk Factor 11			
Description	Description	Risk category	Level of impact
Targeted beneficiaries may be reduced/increased in the event of high local inflation and major fall in exchange rate (US\$ to Bangladeshi Taka).	Financial	High	Medium
Mitigation Measure(s)			
<p>(i) The materials to be used in the project are locally available. It seems that inflation would affect the project interventions. But the monetary policy of the central bank mainly adjusts the inflation by devaluing the Bangladeshi Taka (BDT) against the dollar. We expect that the project would receive adjusted amount if any unpredictable inflation occurred.</p> <p>(ii) The project will monitor exchange and inflation trends that might affect planned coverage of beneficiaries. In case of this financial situation, the project will adjust its resources in order to reduce impact on the coverage and quality of investment. These mitigation steps will lower the probability of risk. The risk reduction level will be high.</p> <p>(iii) The project has factored in 0.5% of gain/loss from exchange rate in the project budget. Additionally, to mitigate risks caused by exchange rate loss at operational level, PKSf has in place requirement to report on project expenditures on a quarterly basis, in addition to year-end reporting. That said, actual project expenditures would be reported within three months. This will close the gap of difference in exchange rate fluctuation at the point of actual disbursement and at the point of reporting.</p> <p>(iv) PKSf will communicate with the GCF in case of a higher impact (gain or loss from the exchange rate) for the revision of the budget and financing plan in such a way that it can cover all the targeted beneficiaries. However, we expect a gain from the exchange rate, and the number of beneficiaries may be increased.</p>			
Selected Risk Factor 12			
Description	Description	Risk category	Level of impact
Remoteness of the project areas	Physical	Low	Low
Mitigation Measure(s)			
<ul style="list-style-type: none"> Remoteness will be solved by local carrying of the materials Partners will be selected based on the establishment in the project areas 			
Selected Risk Factor 13			
Description	Description	Risk category	Level of impact
Excessive drought occurring suddenly	Environmental	Medium	Medium
Mitigation Measure(s)			
<p>(i) Drought escape/tolerant variety crops cultivation ii) Establishment of alternative water sources for irrigation facilities iii) More tree sapling plantation iv) Water reserve facilities increased v) Awareness on early warning will be increased in the community (iii) Properly disseminate drought forecasting and early warning information among the peoples of drought prone areas.</p>			
Selected Risk Factor 14			
Description	Description	Risk category	Level of impact
Political influence	Social	Low	Low
Mitigation Measure(s)			
<p>(i) Mechanism & motivation will be given to recover the operational cost from contingency fund</p> <p>(ii) Disclosure project related information within the community and all stakeholders.</p>			
Other Potential Risks in the Horizon			