

Simplified Approval Process

Annex 7: Risk assessment and management



RISK ASSESSMENT AND MANAGEMENT

1. Risk factors and mitigations measures (max. 2 pages)		
Selected Risk Factor 1		
Category	Probability	Impact
Technical and operational	Low	Medium
Description		
<p>Security and access constraints: Syria has experienced an extended period of crisis, during which different parts of the country have been affected to varying degrees. While the overall situation has stabilised in many areas and national institutions continue to strengthen essential services, may still face localised security or access constraints. However, Rural Damascus governorate/ Eastern Ghouta have long been stable and are secured through control by the central government. Nevertheless, temporary restrictions could affect staff movement, site access, or sequencing of field activities, including procurement, supervision, or community engagement. These are not expected to compromise overall project viability. .</p>		
Mitigation Measure(s)		
<p>The project will apply a flexible and adaptive implementation approach, building on Acted's extensive operational presence and experience in Syria. Mitigation measures include:</p> <ul style="list-style-type: none"> • Phased and adaptive planning, allowing activities to be rescheduled, re-sequenced, or relocated as needed in response to changing access conditions; • Application of clear site-level go/no-go decision criteria prior to mobilisation, including confirmation of acceptable security conditions and access clearance; • Close and continuous coordination with national, governorate, and local authorities to anticipate access constraints and align implementation modalities accordingly; • Use of decentralised implementation arrangements and local partners to reduce movement requirements where appropriate; • Integration of security and access monitoring into routine project management and reporting, enabling timely adjustments to implementation strategies. 		
Selected Risk Factor 2		
Category	Probability	Impact
Technical and operational	Low	Medium
Description		
<p>Mine/ unexploded ordnance (UXO) contamination at project sites and agricultural land: Syria remains affected by unexploded ordnance (UXO) and other explosive remnants of war as a result of past hostilities. UXO contamination is site-specific and unevenly distributed. The risk does not affect all areas, and the project will be implemented in areas without UXOs.</p> <p>UXO represent a localised safety and access risk that can be effectively managed through established screening, with site selection being dependent on confirmation that the area does not have UXOs. and site selection procedures. As a strict operational principle, the project will not be implemented in areas which are not cleared. In cases where clearance is not feasible within project timelines, the project design allows for substitution of sites or adjustment of intervention modalities. Given the project's flexible site selection approach, UXO contamination at individual locations is not expected to compromise overall project delivery or achievement of outcomes.</p>		
Mitigation Measure(s)		
<p>The project will apply strict UXO risk management procedures in line with national regulations and international best practice. Mitigation measures include:</p> <ul style="list-style-type: none"> • Systematic screening of all proposed sites for UXO risk during planning and prior to mobilisation in close coordination with the relevant national mine action authorities, including Mine Action Working Group and specialized entities, who will advise on site-specific risk levels, clearance status, and any required safety procedures; • Formal verification of clearance status through relevant national mine action authorities 		

<ul style="list-style-type: none"> • Strict enforcement of a “no clearance, no works” policy for all activities involving excavation or soil disturbance; • Flexibility in site selection and activity design, allowing substitution or redesign of interventions where clearance is delayed or not feasible; • Training of project staff and contractors on UXO awareness, prevention, and reporting procedures; • Maintenance of comprehensive documentation of clearance confirmations and site-level risk assessments. 		
Selected Risk Factor 3		
Category	Probability	Impact
Legal	Medium	Medium
Description		
<p>Regulatory and policy change risks: Syria is a country in transition, with public institutions engaged in the gradual establishment, revision, and clarification of laws, regulations, technical guidelines, and administrative procedures. As these frameworks continue to evolve, regulatory or procedural requirements relevant to project implementation, such as those related to land use, water resource management, public works, or administrative approvals, may be updated or refined over the course of the project. These changes are part of a broader institutional transition and do not affect the project’s alignment with national priorities or its legal eligibility.</p> <p>Evolving regulatory or procedural requirements may lead to additional coordination steps, revised documentation, or adjusted approval timelines, which could affect the sequencing or timing of specific activities. In response, certain implementation modalities may need to be adapted to remain consistent with updated requirements. These impacts are expected to be manageable and are not anticipated to compromise overall project delivery or the achievement of intended outcomes.</p>		
Mitigation Measure(s)		
<p>Regulatory and policy risks will be managed through proactive coordination, institutional anchoring, and adaptive management, including:</p> <ul style="list-style-type: none"> • Implementation of the project with and through relevant government institutions, including line ministries such as the Ministry of Local Administration and Environment (MoLAE), Ministry of Energy and Ministry of Agricultural , ensuring alignment with evolving regulatory and policy frameworks; • Maintenance of a formal and continuous dialogue through project governance structures, ensuring that information on pending or newly adopted legislation, regulations, or technical guidelines is shared and assessed in a timely manner; • Use of technical working groups and steering mechanisms to review regulatory changes and, where necessary, adjust technical design specifications, approval processes, or implementation sequencing without disrupting service delivery or community engagement; • Integration of data transparency, climate-informed planning, and institutional strengthening into project implementation, creating an enabling environment for government partners to absorb and operationalise new legal or procedural requirements; • Flexibility in activity design, scheduling, and implementation modalities to accommodate procedural updates while safeguarding project objectives and timelines; • Use of established coordination platforms and formal communication channels to ensure clarity, continuity, and regulatory compliance across all levels of implementation. 		
Selected Risk Factor 4		
Category	Probability	Impact
Technical and operational	Low	Medium
Description		
<p>Diversion of funds or fraud: As with any project involving the management of financial resources and the implementation of activities across multiple locations and stakeholders, there is an inherent risk that project resources could be misused, diverted, or subject to fraudulent practices, including fraud, corruption, or conflicts of interest. Such risks are operational and fiduciary in nature and may arise in implementation environments involving multiple activities, geographic areas, and third parties. This risk is not linked to deficiencies in the project design, but rather reflects the baseline exposure associated with the management of project funds and resources, which requires continuous oversight and adherence to established financial and operational procedures throughout project implementation.</p>		

<p>Diversion or fraudulent practices could result in financial losses, reduced effectiveness of project activities, reputational harm, or reduced confidence among stakeholders and donors. Inadequate management of such risks could also affect the quality, timeliness, or credibility of project outputs, though robust controls are expected to prevent material impacts on overall project objectives.</p>		
Mitigation Measure(s)		
<p>The project will mitigate risks related to diversion and fraud through the application of Acted's established internal control and accountability systems, including:</p> <ul style="list-style-type: none"> • Enforcement of Acted's zero-tolerance policies on fraud, corruption, and conflicts of interest, applicable to all staff, partners, and contractors; • Oversight by Acted's dedicated Transparency, Compliance and Investigation (TCI) Department at HQ and mission level, responsible for prevention, detection, and investigation of fraud and misconduct; • Implementation of a comprehensive internal control framework, including segregation of duties, procurement controls, and financial verification procedures; • Regular internal audits and compliance reviews, with follow-up on recommendations and corrective actions; • External audits of project accounts in accordance with applicable requirements; • Mandatory training and awareness-raising for staff, partners, and suppliers on fraud prevention, ethical conduct, and reporting mechanisms; • Accessible and confidential reporting and whistleblowing mechanisms, including Acted's Transparency Line, to enable timely reporting of suspected misconduct. 		
Selected Risk Factor 5		
Category	Probability	Impact
Forex	Low	Medium
Description		
<p>Ongoing foreign exchange instability and inflation in Syria may increase operational costs and reduce the effectiveness of the available budget, which could limit the ability to implement all planned activities and achieve project objectives. The Syrian pound has recently been redenominated, and new banknotes have been introduced as part of a broader reform aimed at stabilizing the currency and restoring confidence after years of severe depreciation and inflation linked to conflict, sanctions and structural economic challenges. Despite these reforms, uncertainty around the transition to the new currency and persistent volatility in exchange conditions could continue to affect prices for goods and services and create budgetary pressure.</p>		
Mitigation Measure (s)		
<p>Acted's logistics strategy helps reduce this risk through ongoing market monitoring and supplier diversification across different regions of Syria to secure competitive pricing. Acted establishes multiyear framework agreements when feasible to support relative price stability. Acted also provides partners with vetted supplier lists and supports them in procurement processes to ensure transparency and competitiveness. Detailed budget monitoring tools allow for close tracking of cost changes so that inflationary pressure can be identified early. When cost increases occur, mitigation measures such as reallocating internal budget flexibility, requesting formal budget amendments, or adjusting activity plans can be implemented. An annual inflation allowance for local costs is also included in the project budget to anticipate and absorb moderate inflationary effects.</p>		
Selected Risk Factor 6		
Category	Probability	Impact
Technical and operational	Low	Medium
Description		
<p>The project is explicitly designed to address increasing climate risks in the Barada and Awaj basin, particularly recurrent drought, rising temperatures, and chronic water stress. Nevertheless, the occurrence of severe or prolonged drought events, or climate variability exceeding projected scenarios, may place additional pressure on household, agricultural, and institutional coping mechanisms. Under such conditions, water availability, agricultural productivity, and local service delivery capacity may be temporarily constrained, potentially affecting the implementation context of selected agricultural, ecosystem-based adaptation, and water management activities. This risk relates to operational and contextual conditions during implementation, rather than to the relevance, necessity, or effectiveness of the project's climate adaptation objectives.</p>		
Mitigation Measure (s)		
<p>To manage this risk, the project embeds climate risk management within its design and implementation approach. Basin-wide climate and groundwater monitoring, drought indicators, and predictive modelling will be used to inform planning, prioritisation, and sequencing of activities. Real-time and seasonal data will support adaptive decision-</p>		

making, including the adjustment of implementation modalities, targeting, and timelines in response to evolving drought conditions.

Agricultural and water management interventions will be designed and promoted in line with local hydrological conditions and projected climate trends, prioritising drought-resilient practices, efficient water use, demand management, and ecosystem-based measures that enhance soil moisture retention and groundwater recharge. Where extreme conditions arise, implementation will remain flexible, allowing for the temporary rescheduling or reprioritisation of activities to safeguard livelihoods, avoid maladaptation, and maintain the effectiveness of adaptation outcomes.

2. AML/CFT* and Prohibited Practices compliance due diligence assessment (max. 1 page)	Probability**	Impact***
Category	Select	SELECT
ML/TF	Low	LOW (<5% OF PROJECT VALUE)
Sanctions	Low	MEDIUM (5.1-20% OF PROJECT VALUE)
Reputational	Low	LOW (<5% 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

Following recent political and institutional changes, certain international sanctions and restrictive measures affecting Syria have been partially eased. However, several sanctions and compliance requirements remain in force, and the operating environment continues to require enhanced due diligence and robust AML/CFT controls. While the overall trajectory is toward gradual improvement, the project will apply a conservative compliance approach throughout implementation. Failure to adequately manage AML/CFT, fraud, or diversion risks could result in financial losses, reputational damage, non-compliance with GCF fiduciary standards, or exposure to sanctions regimes. Such incidents could lead to delays, corrective actions, or increased oversight requirements. With strong preventive systems in place, these risks are not expected to compromise overall project delivery or outcomes

The project will apply strict AML/CFT and sanctions-compliance measures, building on Acted's established internal control framework and global compliance systems, including:

- Application of Acted's Anti-Terrorism and Anti-Money Laundering Policy, applicable to all staff, partners, contractors, and suppliers;
- Systematic screening of staff, partners, suppliers, and relevant third parties against applicable international sanctions and watchlists using industry-standard automated screening tools (including FinScan);
- Enhanced due diligence procedures for partners, suppliers, and high-risk transactions, in line with Acted's internal compliance standards;
- Oversight by Acted's dedicated Transparency, Compliance and Investigation (TCI) Department at HQ and mission level, responsible for sanctions compliance, investigations, and corrective actions;
- Regular internal compliance reviews and audits of financial and procurement processes, complemented by external audits where required;
- Mandatory training and awareness-raising for staff and relevant third parties on AML/CFT obligations, sanctions compliance, and reporting procedures;
- Clear escalation and reporting mechanisms, including coordination with Acted HQ TCI Department and notification to GCF, where required, following assessment of credible compliance concerns.

Sanctions-related risks are assessed as **low**, reflecting the broader operating context in Syria, where some sectors and entities are subject to international or unilateral sanctions regimes. These risks are mitigated by strict adherence to GCF compliance requirements, partner-level sanctions screening, and the exclusion of any engagement with sanctioned parties, sectors, or restricted procurement channels. The project will work closely with national authorities and follow approved government procedures to ensure that all activities, procurement processes, and institutional

collaborations remain fully compliant with applicable sanctions regulations and GCF policies. All suppliers and subcontractors will undergo screening prior to contracting and periodically during implementation.

Reputational risks are considered **low**, primarily due to the sensitive operating environment and the need to maintain strong credibility, neutrality, and transparency among communities and government counterparts. These risks will be mitigated through proactive communication, inclusive engagement with local stakeholders, and strict compliance with anti-fraud, anti-corruption, and prohibited practices policies. The project will document procurement decisions, provide transparent reporting, and ensure that community-level engagement processes are fair, inclusive, and aligned with government guidance. Regular oversight from the accredited entity, combined with government participation in monitoring and steering structures, provides additional assurance that reputational and integrity-related risks will remain well controlled.

Overall, with the mitigation measures in place and adherence to established AML/CFT and Prohibited Practices procedures, the residual risk across all categories remains low and manageable, with no anticipated material impact on project implementation or results.

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.

Category: Reputational; **Probability:** Low; **Impact:** High

Risk: There is a risk that incidents related to sexual exploitation, abuse and harassment (SEAH) or child protection are not detected, reported, referred or escalated in a timely and appropriate manner. Such gaps could result in insufficient support to affected individuals, prolonged exposure to harm, and reputational, legal and operational consequences, undermining Acted’s zero-tolerance commitment and accountability obligations.

Mitigation:

Acted addresses safeguarding and reputational risks related to sexual exploitation, abuse and harassment (SEAH) and child protection through a framework structured around four operational pillars: Deterrence, Prevention, Identification and Response, applied throughout the project lifecycle.

- **Deterrence**

Acted’s Code of Conduct, Policy on Protection from Sexual Exploitation, Abuse and Harassment, and Child Protection Policy explicitly prohibit sexual exploitation, abuse and harassment and apply to all staff, partners, contractors and suppliers. These standards are embedded in recruitment processes, contractual arrangements and ethical commitments, and are reinforced through regular internal communication of Acted’s zero-tolerance approach.

- **Prevention**

Specific ad hoc training on SEAH and Child Protection is delivered at country level, complemented by mandatory annual refresher training on the Code of Conduct and safeguarding policies for all Acted staff. Targeted briefings are provided to staff, partners, contractors and daily workers, particularly those in direct contact with communities, to strengthen awareness and reduce risk.

- **Identification**

Acted maintains confidential and accessible reporting channels for staff and communities. At staff and partner level, reports can be submitted through the Transparency Line and the dedicated confidential email address (transparency@acted.org), managed by Acted headquarters. At community level, the Acted Feedback Mechanism (AFM) provides multiple entry points, and all stakeholders are systematically informed of available reporting options. Regular community consultations, including with the most vulnerable groups, create safe spaces for dialogue and early identification of potential safeguarding concerns, recognising the risk of underreporting.

- **Response**

All SEAH and child protection reports are managed through survivor-centred and confidential procedures. Investigations and case management are led by Acted headquarters through the Transparency, Compliance and Investigations function, which includes dedicated SEAH investigative capacity and staff trained in recognised investigative standards. At mission level, Acted Syria has designated PSEAH focal points at all bases to support policy implementation, maintain staff awareness, facilitate referrals, and contribute to coordination and information-sharing with other NGO PSEAH focal points. A dedicated internal PSEAH

checklist is used to assess risks, identify gaps and monitor the implementation of targeted safeguarding action plans.