

Annex K: UNDP Risk Log (2022 Q1-Q2)

#	Description	Date Identified	Risk Category	Impact & Probability	Risk Treatment / Management Measures	Risk Owner	Status
1	If COVID-19 pandemic measures continue to limit the number of participants to capacity building, travel, rehabilitation program and other activities	(Prodoc)	<i>OPERATIONAL</i> <i>3.11. OPERATIONAL: Occupational safety, health and well-being</i>	Delivery concerns. There are still COVID-19 restrictions depending on the number of cases. L = 4 I = 3 Risk: Moderate	To update periodically a contingency plan considering the latest information available and the government measures putted in place. Mitigations measures will include teleworking, new technologies to monitor PBPA (O1), capacity building to enable stakeholders to fully engage in the processes virtually and develop new biosecurity protocols.	PMU	ongoing
2	If the budget for the Independent Assessor is insufficient due to the large number of eligible activities and related indicators &/or the large geographic coverage leading to over-expensive field assessment missions	(Prodoc)	<i>Financial</i> <i>2.2 Value for money</i>	Delays or flawed results from Independent Assessor and the Performance-based Payment request may not be adequately assessed. L = 3 I = 3 Risk: Moderate	The contracting of the IA follows LTA modality which will be activated only annually in order to reduce costs. Using this modality, a budget will be requested from the IA based on Government reporting (volume, type and location of results) each time the LTA is activated. In case the budget is too high, discussions will be organized	PMU and procurement unit	ongoing

					with the Government to present results foreseen less costly (e.g. reducing the geographic spread, esp from areas particularly remote or difficult, or results with limited potential for payments, etc)		
3	If government's commitment (political, financial, etc) to forest preservation, the sustainable management of forests and climate change mitigation and adaptation in the forest sector is reduced	(Prodoc)	<i>POLITICAL</i> <i>5.1. POLITICAL: Government commitment</i>	The economic crisis due to the COVID-19 pandemic may undermine environmental objectives. Key priority programmes such as Social Forestry, FMUs, etc receive less support and pre-financing, there will be less performance to claim PBP L = 2 I = 4 Risk: Moderate	During the implementation of the project, emphasize communications about the positive impacts of (i) REDD+ and the success in receiving REDD+ RBPs from multiple sources, (ii) the various priority programmes and their socio-economic contributions, and as a good example of green, equitable recovery from COVID-19	PMU	ongoing
3	If the implementation of the Social forestry & FMU programmes, and related investments, is inconsistent with their objectives of sustainable forest	(Prodoc)	<i>SOCIAL AND ENVIRONMENTAL</i> <i>1.3. SOCIAL AND ENVIRONMENTAL: Biodiversity and use of natural resources</i>	The social forestry and FMUs programmes have to manage a delicate balance between forest conservation, sustainable management, livelihoods and economic objectives, which can be difficult to	Activities to strengthen the M&E systems (incl the use of new technologies) and capacity for the various priority programmes relevant to O2 (PBPs) have been included in O1, to enable MOEF to have a stronger	SES officers and consultants	ongoing

	management, due to reduced political support or lack of adequate monitoring and enforcement			<p>achieve. In addition, if not properly prepared, monitored and managed, providing communities with secured use rights may result in further forest degradation or deforestation</p> <p>L = 2 I = 2 Risk: Low</p>	<p>control over field implementation and quality requirements (incl. safeguards and gender), and enhance the quality of the reporting. During implementation, the use of the PBP modality and related independent assessment of results is foreseen to push for a filtering of results for which assurance over quality is strong enough, and where the IA will provide another quality filter</p>		
5	If IEF is not fully operational and able to effectively coordinate activities with relevant actors at national and subnational levels and report on them adequately	(Prodoc)	<p><i>STRATEGIC</i></p> <p><i>7.3. STRATEGIC: Capacities of the partners</i></p>	<p>IEF is still being operationalized. While progress is swift, fully operationalizing a Fund takes time.</p> <p>L = 3 I = 3 Risk: Moderate</p>	<p>While IEF is new, most of the activities will be implemented by KLHK based on government budget thanks to the use of the PBP modality, which will provide more time for IEF to be fully operational. Also, this project will only make use of IEF's project management function, supported by a PMU, and not its grant-making function which is more complex and</p>	PMU	<p>Completed. By March 2022, IEF is fully operational. The capacity of IEF is adequate to carry out activities.</p>

					takes more time to operationalize. In addition, IEF is receiving coordinated capacity building support from multiple partners (UNDP, World Bank, etc) and more has been budgeted in O1		
6	If the crowding of IEF by multiple sources of RBPs is not properly managed by IEF	(Prodoc)	<i>ORGANIZATIONAL</i> <i>4.1.</i> <i>ORGANIZATIONAL: Governance</i>	Thanks to its success in reducing deforestation, Indonesia has been able to secure funding from GCF, Norway and FCPF, which means high levels of capitalization for a newly created Fund. There is risk of low cost-efficiency due to overlapping L = 3 I = 1 Risk: Low	This is both a risk and an opportunity as this also translates in IEF receiving a lot of coordinated support for operationalization and capacity building	PMU	Ongoing
7	If the PBP modality experience delays or complications, because the government has defined cycles of	(Prodoc)	<i>ORGANIZATIONAL</i> <i>4.11.</i> <i>ORGANIZATIONAL: Innovating, piloting, experimenting,</i>	Resulting in the delivery clustering in one quarter, rather than proportionately distributed throughout the year. There might also be	Early-on capacity building on the PBP modality to the UNDP country office and responsible party, regarding PBP requirements and conditions. Preparation of detailed plans	PMU	Ongoing

	reporting, auditing, and submitting results, the project delivery has to follow government process cycles			delays due to possibly long approval process. L = 2 I = 3 Risk: Moderate	and agreements with IP after the project is approved by GCF, incl enabling & accelerating activities in O1. Dedicated expert on call throughout the duration of the project		
8	If domestic budgets fail to remain sufficient to pre-finance activities covered by the PBP modality. PBP requires performance results before payment. KLHK's budget remains sufficient so far but there remains possibility of budget changes and cuts	(Prodoc)	<i>POLITICAL</i> <i>5.1. POLITICAL: Government commitment</i>	Insufficient domestic budget to fund the pre-finance activities, PBP cannot be fully disbursed L = 2 I = 3 Risk: Moderate	The PBPs disbursed for the eligible results achieved will be reinvested in the various programmes, therefore strengthening government budgets		
9	If government M&E systems do not fully match GCF/UNDP standards in terms of reporting on activities, their results and the respect of safeguards requirements (esp in the context of limited	(Prodoc)	<i>ORGANIZATIONAL</i> <i>4.2. ORGANIZATIONAL: Monitoring</i>	Reporting of activities, results and safeguards is inadequate, causing concerns from donor L = 3 I = 4 Risk: Substantial	Activities to strengthen the M&E systems (incl the use of new technologies) and capacity for the various priority programmes relevant to O2 (PBPs) have been included in O1, to enable MOEF to have a stronger control over field		

	mobility due to the COVID-19 pandemic)				implementation and quality requirements (incl. safeguards and gender), and enhance the quality of the reporting.		
10	If Indonesia is unable to present a sufficient volume of eligible results to enable full disbursement of the GCF proceeds, due to lack of progress &/or issues in meeting safeguards requirements	(Prodoc)	<i>FINANCIAL</i> <i>2.5. FINANCIAL: Delivery</i>	Only partial disbursement of the GCF proceeds for the project duration. L = 2 I = 5 Risk: Substantial	In line with the spirit of REDD+ RBPs, the PBP modality has been designed in a very flexible manner, with many different results eligible for payment attached to different government priority programmes, so that a potential lack of progress or issues with safeguards requirements may be compensated by progress in other thematic areas. In addition, discussions are ongoing regarding the possibility to align the PBP modality with the spirit of REDD+ RBPs.	PMU	Ongoing

Note: * Based on Likelihood and Impact, use the Risk Matrix to identify the Risk Level:

- Low (L)
- Moderate (M)
- Substantial (S), or
- High (H)

UNDP ERM – Risk Matrix

IMPACT	5	M	S	S	H	H
	4	L	M	S	S	H
	3	L	M	M	M	S
	2	L	L	L	M	M
	1	L	L	L	L	L
		1	2	3	4	5
	LIKELIHOOD					