**Annex 7 – FOLUR PIMS 6304 \_UNDP ATLAS Risk Register**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **#** | **Description** | **Risk Category** | **Impact &**  **Probability** | **Risk Treatment / Management Measures** | **Risk Owner** |
| 1 | Project activities are hampered by restrictions as a result of COVID-19 pandemic. Supply chain disruptions, social distancing and related restrictions and lockdowns could disrupt the flow and pace of implementation, and lead to delays in meeting project milestones. In a worst-case scenario, the implementation of the project could expose project stakeholders to infection.  The risks presented by the COVID-19 pandemic and their potential impact on project implementation were also analysed and the measures for addressing them presented in a detail reported – see Annex 9a - COVID-19 Project Response Strategy. | Social  Operational | L = Likely  I = Moderate | It is possible that a vaccine will have become available and widely administered in Ethiopia by late 2021, but even without this, measures can be put in place to enable project implementation to proceed. Social distancing protocol will be followed, with outdoor meetings where possible, face masks and hand sanitizing, wherever the risk profile warrants such measures.  See details in Annex 9a - COVID-19 Project Response Strategy. | EFCCC/**PMU (Project Manager and Safeguards Officer)**  PSC/PB  **Oversight: UNDP CO**  **RTA** |
| 2 | Project interventions to support sustainable intensification of smallholder farming and improvement of coffee yields and quality fail because of the impacts of climate change including higher peak temperatures and an increase in intense rainfall events, with less infiltration and more erosion. Some forest and landscape restoration activities may also be impacted by the long-term impacts of climate change.  For detailed analysis of climate risks and management/mitigation measures, see Annex 9b: *Climate Risk Management Framework* | Environmental | L = Likely  I = Moderate | These risks have been minimized by the selection of project landscapes at high altitude (Afromontane and Moist Forest areas) which will remain suitable for coffee cultivation, even under changing climate conditions, based on projections by experts. These are 8 coffee-producing Zones in the South West and South East coffee sub-regions, which are projected to become more suitable for coffee as the climate changes, and not in the North, Rift and Harar sub-regions which are projected to become increasingly unsuitable.  The impact of climate change will also be mitigated through promoting climate-resilient practices through agro-ecological and regenerative approaches to small-scale farming that optimize shade cover for cooling and productivity and promote soil and water conservation measures. Forest restoration through the project will also promote ecosystem services that support the resilience of agriculture and forest coffee. | EFCCC/**PMU (Project Manager),**  PSC/PB and all project stakeholders. Technical support will be provided by the National Meteorology Agency (NMA)  **Oversight: UNDP CO**  **RTA** |
| 3 | Political challenges and civil conflict spreads beyond the confines of the Tigray region and spurs tensions in the Oromia, Sidama and SNNP regions, resulting in diversion of government prioritization of the project. Movement restrictions, safety and security challenges could disrupt implementation of project activities. | Political  Operational | L = Likely  I = Moderate | The Project Steering Committee/Board will monitor this and guide the PMU on how to adapt the project operations accordingly. | EFCCC/**PMU (Project Manager)** and Project Steering Committee/Board  **Oversight: UNDP CO**  **RTA** |
| 4 | As Ethiopia is an ethnically diverse country, with up to 85 ethnic groups, vulnerable or marginalized groups may be present in the project sites/catchment area.  Individuals, households and groups (e.g. associations and cooperatives) engaged in the coffee value chain, as well as in forest conservation, use and management are key stakeholders in the project, and are targeted as direct and indirect beneficiaries and so may also be negatively affected by the project interventions even if they are designed to generate positive social and environmental outcomes. | Social | L = Likely  I = Moderate | The Environmental and Social Management Framework (ESMF – *Annex 6b to the UNDP Project Document) prepared* during the PPG outlined the process required to screen, scope and develop appropriate plans for implementation and compliance on all issues that are identified as social and environmental risks. The screening of activities will include an assessment of whether ethnic minorities are present at site level and which activities would impact them negatively. In response, appropriate action plans, including potentially an Ethnic Minority Group Plan, will be developed, guided by existing UNDP and GEF Social and Environmental Safeguards Policies. | EFCCC/**PMU (Safeguards Officer)** and Project Steering Committee/Board  **Oversight: UNDP CO**  **RTA** |
| 5 | Women in most societies are not treated equally to men and receive the least benefits from agriculture and other economic activities, and in most cases negatively impacted by decisions on land use more than men. In Ethiopia women are most affected by tenure insecurity and lack of land ownership, in the coffee sector receive the smallest benefits from the coffee value chain and in the agriculture sector in general are not targeted as beneficiaries of training, skills improvements and farming inputs and services. The interventions by the project, while they seek to improve the benefits to all stakeholders, if not implemented well, could inadvertently reproduce or perpetuate some of these discriminations. Furthermore, women in Ethiopia experience a high-level of Gender-based violence (GBV), which may be exacerbated by shifting power dynamics as a result of gender-focused and gender-transformative within the project design and as part of the GAAP. | Social | L = Likely  I = Moderate | A comprehensive Gender Analysis was conducted during the PPG, and is response a strong Gender Action Plan has also been prepared (annexed as separate documents but also integrated into the CEO ER and the PRODOC) and gender-responsive indicators and targets are part of the Project Results Framework and budget. Specific interventions that target women have been included in the project activity workplan (see PRODOC Annex 11 - *Outputs and Activities, with Output-Level Indicators).*  The project has also made budgetary provisions for the recruitment of a full-time Gender Officer as part of the PMU whose role will be to coordinate all gender mainstreaming interventions and ensure the implementation of the Gender Action Plan and associated monitoring and reporting. | EFCCC/**PMU (Project Manager + Gender Officer)** and Project Steering Committee/Board  **Oversight: UNDP CO**  **RTA** |
| 6 | The development of new land use plans at zonal, woreda and kebele levels could result in new and different stakeholder relations and different, potentially conflictual outcomes about land and land use. There is a history of land use conflict in Ethiopia, and particularly so in the Oromo Regional State where the project will be implemented. Some of these conflicts have led to violent protests that have resulted in loss of life. Some of these conflicts have been between communities who felt disenfranchised and excluded from economic opportunities as a result of investment decisions of the businesses operating in the area (including commodities such as coffee). The land use planning processes could potentially trigger these sentiments and result in further perceptions that the new approaches to land use allocations and management could worsen the situation and potentially lead to economic displacement and/or changes to property rights.  Placing under a PFM regime 10 sites located within the Biosphere Reserves and community forests may restrict access to those sites by some families that currently derive part of their livelihoods from the utilization of natural resources present in the affected areas. In addition, potential conflicts over benefit sharing among participants in PFM activities may arise. | Social  Political | L = Likely  I = Moderate | As outlined in the ESMF, prior to the implementation of interventions and activities under these components, a screening process will be undertaken to determine the levels of risks for each of the activities. During the PPG, the risks associated with implementation of land use planning activities under Component 1 were categorized as Moderate. Since this risk and potential impacts would be significant, a Strategic Social and Environmental Assessment (SESA) will be conducted prior to rolling out activities under Component 1.  The project design includes a strong participatory approach to the development of the ILUPs, including consultation with vulnerable and marginalized groups. Where there are potential impacts of communities and land users’ access to some of the livelihood resources as a result of temporary or periodic access restrictions (as if often custom with landscape restoration), the project will support the development of a Livelihoods Action Plan, as outlined and guided by the Livelihood Restoration Framework.  The LRF is the initial management plan that provides guidance on, among other aspects, the timeline and procedures for the preparation of the Livelihood Action Plan (LAP) for the Project, participation of individuals and communities in decisions potentially impacting them and their livelihoods, compensation and rehabilitation assistance, applicable legal framework, and monitoring and evaluation. In addition, it includes the Terms of Reference for the development of the detailed LAP to be prepared during Project implementation. | EFCCC/**PMU (Project Manager)** and Project Steering Committee/Board  **Oversight: UNDP CO**  **RTA** |
| 7 | The Project includes activities in two UNESCO Biosphere Reserves: Kafa and Yayu Forests, which if not well implemented could introduce new threats to biodiversity and ecosystems within the reserves, including the habitat for Coffea Arabica gene pool. | Environmental | L = Likely  I = Moderate | The Project design incorporates the following measures: i) identification and mapping of sites and their condition; ii) conduct of PFM training in 15 to 20 sites, based on traditional and scientific knowledge; iii) development of 15 to 20 site-specific PFM consultations, together with restoration plans and targets; iv) implementation of sustainable forest management practices (e.g. densification with indigenous tree seedlings, etc.); and v) establishment of PFM monitoring and enforcement protocols, and reporting mechanisms.  Detailed mitigation and management measures are outlined in the ESMF. | EFCCC**/PMU (Project Manager) and agroforestry technical staff**  **Oversight: UNDP CO**  **RTA** |
| 8 | Potential contamination of soil and/or water resources due to the anticipated increased use of natural and chemical fertilizers, and higher runoff and waste pulp generation at coffee washing stations because of expected heightened coffee production.  - Generation of non-hazardous solid and liquid domestic wastes during the conduct of activities dealing with commercialization, training and extension, conferences and regional dialogues, as well as due to the provision of new equipment and supplies to land use planning agencies and teams. | Environmental | L = Likely  I = Low | The attached ESMF elaborates on the identified contamination risks and provides prevention, mitigation, management, monitoring and capacity building measures to address those risks. | **EFCCC/PMU (Project Manager) and technical staff and Safeguards Officer**  **Oversight: UNDP CO**  **RTA** |
| 9 | Health and safety risks during the implementation of agricultural practices and PFM activities, and the potential application of chemical pesticides in the cultivation of some crops. | Social  Environmental | L = Likely  I = Low | The Project design includes training in and monitoring of watershed management activities, and sustainable agricultural and PFM practices.  Although the significance of this risk is low, the attached ESMF includes requirements for identification of hazards and provision of training in safe work practices in watershed management, sustainable agricultural, PFM and forest restoration. In addition, the ESMF includes guidelines for Integrated Pest Management (IPM), and safe use of chemical pesticides and monitoring of pesticide use. | **EFCCC/PMU (Project Manager)** **and agroforestry technical staff and Safeguards Officer**  **UNDP CO**  **RTA** |
| 10 | The PFM activities under Component 3 will include the recruitment of Forest Rangers to support implementation of forest restoration activities and enforcement of forest byelaws, regulations and codes of conduct and use by local communities and other users of forest resources, including those agreed at community level as part of the PFM process. The enforcement role of these forest rangers means that in principle they are security personnel, and if not well trained and supervised on how to discharge their duties and how to interact with local communities, their role could pose a risk to the health and safety of communities. | Social | L = Likely  I = High | Prior to deployment, the forest rangers will be trained not on forest conservation and management, monitoring etc., but also on social and environmental safeguards related to participatory forest management. Budgetary provisions have been made for training and continuous monitoring of PFM activities, as all other activities from a social and environmental safeguards perspective, including through the Safeguards Officer and internal project M&E plans, and through the PSC.  As outlined in the ESMF process, the activities under this Component will also be screened for risks and the appropriate risk mitigation tools and plans prepared before activities are undertaken. In this case, an ESMP for PFM activities will be prepared since this intervention is rated as risky (Moderate rating) with potentially serious consequences. As discussed under Risk 5 above, the project will adopt participatory and inclusive processes approaches to conducting all EMSF processes to ensure that decisions that may introduce potential risky and harmful activities are avoid/excluded and those that are necessary are accompanied by appropriate risk mitigation measures (e.g. Livelihoods Action Plan, Ethnic Minority Group Plan). | **EFCCC/ PMU (Project Manager)** **and agroforestry technical staff, Safeguards Officer and PSC/PB**  **UNDP CO**  **RTA** |
| 11 | Enhanced coffee production and quality are achieved but fail to enhance incomes as a result of low global prices, difficulty accessing markets and/or disruption to global supply chains, e.g. through pandemics | Social | L = Likely  I = High | Although the risk of fluctuating and often low global coffee prices will always remain, the project is designed to support the shift from mass coffee to higher priced speciality coffee, facilitating market access through establishment of new regional varietal specialty ‘brands’ and facilitating deals with buyers. The project will also support national scaling up of traceability through blockchain technology, enhancing transparency and enabling higher prices at the farm gate. | **ECTA/ PMU (Project Manager)** |
| 12 | Component 2 of the project which supports the intensification of production in Ethiopia’s coffee zones through work with small-scale farmers and under Component 3 the project which will recruit forest rangers, which carries the risk of violation of ILO standards, including child labour and underpayment. The last ILO survey/study on child labour in Ethiopia seems to have been conducted in 2001/2 and further supported by ILO background note on wages and working conditions in the coffee sector in Ethiopia, made the following conclusions: ‘Child labour is a pervasive problem in Ethiopia. A national Child Labour Survey conducted in 2001 with ILO assistance indicated that 52 per cent of children aged 5 – 17 years were economically active (49 per cent of those aged 5 – 14 years, or 7.4 million). A further 33 per cent were engaged in non-economic housekeeping activities, with half of them not attending school. Overall, 85 per cent of children aged 5 – 17 years were involved in economic or housekeeping activities that prevented or impeded school attendance or performance.’  The definition of a child in Ethiopia refers to ‘a "minor" of either sex who has not attained the full age of 18 years.’  Regarding compensation, minimum wage in Ethiopia is among the worst in Africa, and often below $2 per day although it is estimated that payments and wages in the forestry and natural resources management sector are generally better. | Social | L = Likely  I = High | The project support to recruitment of forest rangers will follow government employment guidelines and target youth and adults only. Youth in Ethiopia are defined as those that have attained 18 years.  The project has also budgeted a minimum wage of $2 for forest rangers (see budget note 19) which reads as follows: $1,200,000 to make cash payments, coordinated with Agroforestry Support Coordinators in the 2 satellite offices and with Forest Rangers - to cover restoration labour costs for Output 3.2 to be disbursed to local villagers in and around PFM sites, at a minimum of $2 per day for 10 sites - $120,000 each could thus cover 60,000 person days. Calculated over 6 years this would be 10,000 person days per year. If 100 people worked in parallel this would mean 100 days of work per person per year.  Furthermore, to supplement the site-level ESMPs prepared as part of the ESMF implementation for the project, a Labour Management Plan will be prepared to mitigate risks around wages and working conditions, with particular monitoring of the use of Child Labour, and accompanying sensitization and mitigation measures.  The project Safeguards Officer, working together with the Agroforestry Support Coordinators, will ensure that the recruitment of forest rangers is well planned in line with the project safeguards plans and UNDP Social and Environmental Standards. The UNDP Risk Long will specifically monitor these risks related to PFM interventions, and the project Safeguards Officer is responsible for reporting on it to the Project Manager as appropriate. | **EFCCC/ PMU (Project Manager)** **and agroforestry technical staff, Safeguards Officer and PSC/PB**  **UNDP CO**  **RTA** |
| 13 | Arabica coffee has been used in Ethiopia as a food and beverage for many hundreds, if not thousands, of years. It has many uses, and these uses differ from region to region and season to season and differ according to ceremonies and traditions, religion and cultural practices of each group. Although coffee drinking is now a very modern practice in Ethiopia, as elsewhere in the world (e.g. similar to Italian versions of espresso and macchiato), these traditional uses of coffee remain, largely because coffee grown and produced in Ethiopia is still largely consumed within Ethiopia (an estimated 60%).  The intangible forms of culture around coffee production and use form key modern commercial and marketing traits for Ethiopian coffee, facilitating access to niche and specialty markets and fetching a higher premium on the global coffee market. | Social  Political | L = Likely  I = Low | While the support under Outputs 2.4 and 2.5 will focus on branding and marketing of coffee as a commercial product, the nature of the work is in fact to promote the uniqueness and characteristics of sustainably-produced coffee (social, economic and environmental), and so will by default be in compliance with the UNDP SES.  As outlined in the ESMF, assessments at activity and site levels will be screened to determine the extent to which they trigger particular risks, and appropriate mitigation and management measures will be put in place in response. The framework referred to under Risk 1 and 2, related specifically to ethnic minorities and associated FPIC, will provide key guidance on how issues related to Standard 4 (Cultural Heritage) should be handled, prior to activities being implemented. The ESMF screening tools include an Exclusion List and activities that fall in this list will be avoided or become ineligible from project support and funding. | **ECTA/ PMU (Project Manager and Safeguards Officer)** |
|  |  |  |  |  |  |