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Risk Register for the GCF Enhanced Direct Access (EDA) project

Project Title:

Integrated physical adaptation and community resilience through an enhanced direct access pilot in the public, private, and civil society sectors of three Eastern Caribbean small island developing states

With support from the Green Climate Fund

Background on Project Design

The project titled, *Demonstrating Enhanced Direct Access in the public, private, and civil society sectors of Antigua and Barbuda, Dominica, and Grenada in the Eastern Caribbean*, was prepared in response to a request for proposals (RfP) issued by the Green Climate Fund (GCF) and is designed to meet the objectives of the RFP – to promote country ownership through the enhanced direct access modality. Enhanced direct access (EDA) is being piloted by the GCF for devolving decision making at the country and stakeholder level, thereby allowing greater involvement and input from impacted stakeholders.

The EDA project is designed to provide an opportunity for the direct access entity in Antigua and Barbuda to work with executing entities in Dominica and Grenada and the Commission of the Organization of Eastern Caribbean States (OECS) to move beyond the financing of individual projects towards a more comprehensive and transformational stakeholder driven approach, which is based on transparent criteria that are aligned with the GCF's investment criteria and results management framework.

Methodology

The Risk Register lists all identified risks that may affect the project. The project risk register was compiled using the following baseline documents and records:

- Pre-Feasibility Studies for EDA project implementation in Antigua and Barbuda, Dominica and Grenada, and the OECS Commission M&E Unit
- Consultations with project partners between April 2016 and June 2017 (four in-person consultations, several phone calls, and circulation of project update briefs)
- Environmental and Social Impact Assessments for similar activities, including the seed pilot in Antigua and Barbuda
- Financial model and feasibility analysis of the Revolving Fund Programme for Adaptation in Antigua and Barbuda
- IPCC AR5 (2014) and its recommendations for Small Island Developing States

The register is also based on the historical knowledge of the culture and socio-political history of the pilot countries. The risks identified within the studies and consultations are listed within the table. There are risks that may not have been identified during the research and community engagement. The project staff, consultants, the Accredited Entity and project partners will maintain continued monitoring and evaluation of the implementation of the project to identify new or latent risks. Further, the audit plan for the project will include detailed assessment of identified risks to track assumptions as the project is implemented.

The Project Manager with oversight by the Project Management Committee and the Audit Committee, the Legal Unit of the Accredited Entity and the respective national decision-making committees will provide necessary technical support. Detailed risk studies will be conducted by independent consultants hired by the project during implementation. Mitigation measures will be implemented by the Project Coordinator and the Project Management Unit.

Primary Assumptions in Assessing Risks Related to Project Impact

The major underlying risk assumptions for the Risk Register of the EDA project are:

- Not all Environmental, Social and Gender Principles are equally relevant to the project; therefore risk mitigation actions will be tailored to the scale (impact and probability) of the risk;
- The project is designed to address environmental and social issues related to the impacts of climate change;
- The Risk Register is designed to ensure that the actions and outputs of the project do not further exacerbated existing social and environmental problems; there are pre-existing social and environmental factors that may not be solved by the project design and its implementation;
- The Accredited Entity is a Government Agency that, along with project partners, has access to the best nationally available technical expertise in all fields required by the project, including environmental and social safeguards, gender, community development, and the project can access these HR resources through partnerships with relevant agencies and individuals; and
- Risks related to the Revolving Fund may need to be transferred to another entity, for example through a Government guarantee. This will allow for the component to be financially feasible and sustainable. If this is the case, the risk will be

assumed by the respective Ministry of Finance in the pilot country pending the relevant approvals and permissions are secured.

The risks and mitigation measures are therefore based on the above-mentioned assumptions along with the cultural and environmental knowledge of the three pilot small island states.

Table of Contents

| | |
|--|-----------|
| Table 1. How to score risks in the Risk Register – level of risk probability, impact and overall threat | 5 |
| Table 2. Risk Register for the GCF Enhanced Direct Access project | 6 |
| 1. Strategic risk | 6 |
| 2. Reputational risk | 7 |
| 3. Operational risk | 8 |
| 4. Legal risk | 10 |
| 5. Compliance risk | 10 |
| 6. Performance risk | 11 |
| 7. Funding risk | 12 |
| 8. Market risk | 12 |
| Table 3. ESS and Gender Risks for EDA Component 1 | 14 |
| Table 3. ESS and Gender Risks for EDA Component 2 | 17 |
| Table 4. ESS and Gender Risks for EDA Component 3 | 20 |
| Table 4. ESS and Gender Risks for EDA Component 4 | 22 |

Risk Register document information

| | |
|------------------------|--|
| Code: | DOE-GCF-EDA-Risk Register |
| Version: | 0.0 |
| Date of version: | January 2017 |
| Created by: | Director |
| Approved by: | <i>To be approved by the Project Management Committee (PMC) during project inception phase</i> |
| Confidentiality level: | Low |

Risk Register Change History

| Date | Version | Edited by | Description of change |
|-------------|----------------|-----------------------------------|---------------------------------------|
| June 2017 | 0.0 | Lia Nicholson, Project Consultant | Revised risks and mitigation measures |
| | | | |
| | | | |

AF Risk Register Reference Information

Table 1. How to score risks in the Risk Register – level of risk probability, impact and overall threat

Source: DOE’s Risk Management Policy

| PROBABILITY (P) | IMPACT (I) | SERIOUSNESS (OVERALL RISK) LEVEL) |
|---|---|--|
| <p>When assessing likelihood, a combination of the future probability and the frequency of past occurrences is considered.</p> <p>Very unlikely (1): The event has never happened or is very unlikely to happen (e.g. more than once in 20 years).</p> <p>Unlikely (2): The event has only happened once in the last 5–10 years or is unlikely to happen in the next ten years.</p> <p>Likely (3): The event has happened once in the last 2–4 years or is likely to happen in the next 2–4 years.</p> | <p>When assessing the potential impact of a risk, DOE’s ability to deliver, continuity of operations, financial losses, resource losses and credibility are considered.</p> <p>Low/nonexistent (1): DOE can still achieve its objectives with limited constraints.</p> <p>Minor (2): DOE can still achieve its objectives, but not fully or in timely manner.</p> <p>Moderate (3): The event hinders DOE’s or the project’s objectives or systems.</p> | <p>The seriousness rating is calculated by multiplying the impact risk ranking and the likelihood risk ranking:</p> <p>Composite score: Low = 1 – 3 Medium = 4 – 6 High = 7 – 9</p> |

Based on the risk categorization screening in the Environmental and Social Management Plan (ESMP), three out of four project activities will be Component C, whereas Component 2 (adaptation in the public sector) has Category B risks. Risks identified for Component 2 have potential adverse impacts that are fewer in number, smaller in scale, less widespread, reversible or easily mitigated. The project is overall therefore a Category B risk level.

Table 2. Risk Register for the GCF Enhanced Direct Access project

| Risk code ¹ | Description of risk | Triggers | Mitigation measures ² | Update as of [DATE] | Probability & impact (1–3) | Threat (H/M/L) |
|--------------------------|--|---|--|---------------------|----------------------------|----------------|
| 1. Strategic risk | | | | | | |
| 1.1 | Failure to achieve country ownership in the pilot SIDS | <ul style="list-style-type: none"> Lack of in-country absorption capacity Bureaucratic and slow procedures are not “customer-friendly” or tailored to local circumstances | <ul style="list-style-type: none"> Streamline procedures, e.g. using ICT solutions to make field work more efficient Reduce duplication in approvals and decision-making processes Clearly define roles and responsibilities, and maintain open communication with staff and consultants Operationalize a sub-regional fund Establish transparent procedures for re-allocating budget lines between countries | | P = 2 I = 3 | Medium (6) |

¹ Risk categories include: Strategic, Reputational, Operational, ESS, Legal, Compliance, Performance, Funding, Market

² The DOE responds to risks in four ways: Acceptance, Control, Avoidance and Transfer.

| Risk code ¹ | Description of risk | Triggers | Mitigation measures ² | Update as of [DATE] | Probability & impact (1-3) | Threat (H/M/L) |
|-----------------------------|--|---|---|---------------------|----------------------------|----------------|
| 1.2 | Project funding does not reach the most vulnerable populations | <ul style="list-style-type: none"> Decision-making processes are not transparent Decision-making criteria does not adequately reflect vulnerabilities | <ul style="list-style-type: none"> Public, private and NGO representation on national decision-making bodies Publicly available approval process and selection criteria for the activities Continuously sensitize stakeholders about available national and sub-regional complaints mechanisms | | P = 1 I = 3 | Low (3) |
| 1.3 | Project funding does not build resilience in beneficiaries | <ul style="list-style-type: none"> Insufficient technical knowledge on climate impacts and adaptation Funds are not spent on approved adaptation activities | <ul style="list-style-type: none"> Develop knowledge products that reach a wide audience and clearly communicate adaptation goals Invest upfront in a strong M&E framework via the OECS M&E Unit Partner with the GCF Independent Evaluation Unit (concept note is currently being prepared) | | P = 1 I = 3 | Low (3) |
| 2. Reputational risk | | | | | | |
| 2.1 | Bad publicity undermines political and public buy-in | <ul style="list-style-type: none"> Fraud or implementation failure Partisan buy-in if elections change the ruling party | <ul style="list-style-type: none"> Communications strategy to disseminate processes and results through various channels Proactive disclosure of planned project activities Bi-partisan consultative processes, and results in representative areas | | P = 1 I = 3 | Low (3) |

| Risk code ¹ | Description of risk | Triggers | Mitigation measures ² | Update as of [DATE] | Probability & impact (1-3) | Threat (H/M/L) |
|----------------------------|---------------------------|--|---|---------------------|----------------------------|----------------|
| 2.2 | Failure to meet standards | <ul style="list-style-type: none"> Failure of due diligence of EEs and other partners Lack of disclosure of relevant information | <ul style="list-style-type: none"> Comprehensive EE assessments under Component 1 Targeted capacity building for any gaps | | P = 1 I = 2 | Low (2) |
| 3. Operational risk | | | | | | |
| 3.1 | Scope creep | <ul style="list-style-type: none"> Scope creep results in overruns of time and/or money | <ul style="list-style-type: none"> Project scope is limited to demonstrating devolved decision-making (e.g. not addressing policy and legal changes) Limit the types (sectors) of adaptation interventions and programs (ecosystem-based adaptation in waterways and watersheds, private buildings, and community buildings) Build on existing systems and where necessary strengthen accountability and transparency within the systems | | P = 3 I = 2 | Medium (6) |
| 3.2 | Staff and HR capacity | <ul style="list-style-type: none"> Failure in recruitment, retention, succession planning, integrity and morale among project staff | <ul style="list-style-type: none"> Use Government secondment to supplement capacity and expertise in established project management units Use existing institutions and decision-making processes in each of the pilot countries | | P = 2 I = 3 | High (6) |

| Risk code ¹ | Description of risk | Triggers | Mitigation measures ² | Update as of [DATE] | Probability & impact (1-3) | Threat (H/M/L) |
|------------------------|----------------------|---|---|---------------------|----------------------------|----------------|
| | | | (do not establish new units or committees) <ul style="list-style-type: none"> Promote learning opportunities and empower implementers | | | |
| 3.3 | Fiduciary compliance | <ul style="list-style-type: none"> Political interference or pressure Failure of internal controls in administrative and operational procedures Failure to effectively monitor risks and follow procedures | <ul style="list-style-type: none"> Disclose accountability provisions, GCF step-in rights and GCF legal recourse to politicians Comprehensive and regular training on AML CFT³ procurement, environmental and social safeguards, gender policies and financial management Engage a reputable Audit firm for yearly audits Periodic reviews, including spot checks, of EEs and project partners | | P = 1 I = 3 | Low (3) |
| 3.4 | Knowledge management | <ul style="list-style-type: none"> Failure of backup systems/server Lack of data and information management results in duplication and inefficient use of resources | <ul style="list-style-type: none"> ICT solutions for information sharing Research cloud-based project management software solutions (e.g. Smartsheet) Synchronize systems across pilot countries and the OECS Commission | | P = 2 I = 2 | Medium (4) |

³ AML CTF: anti-money laundering/countering the financing of terrorism

| Risk code ¹ | Description of risk | Triggers | Mitigation measures ² | Update as of [DATE] | Probability & impact (1-3) | Threat (H/M/L) |
|---------------------------|--|---|---|---------------------|----------------------------|----------------|
| 4. Legal risk | | | | | | |
| 4.1 | Gaps in contracts result in disputes or losses | <ul style="list-style-type: none"> Improper drafting of legal contracts Improper monitoring or execution of contracts | <ul style="list-style-type: none"> Ensure adequate capacity in the Legal Unit Use easy flowcharts to communicate procedures for contract review/approval Use of Attorney General's office for contract review or approval | | P = 2 I = 2 | Medium (4) |
| 4.2 | Project activities do not get required approvals | <ul style="list-style-type: none"> Activities do not receive Cabinet approval Activities do not receive Physical Planning approvals | <ul style="list-style-type: none"> Proactive engagement of the respective national Cabinets and Parliaments in each pilot country Request approval from the OECS Parliament for the project implementation plan Annually present EDA activities to the OECS Council of Ministers for Environment | | P = 1 I = 3 | Low (3) |
| 5. Compliance risk | | | | | | |
| 5.1 | Uncertainty regarding laws/regulations/policies in different pilot countries | <ul style="list-style-type: none"> Failure to comply with the applicable established laws, regulations, policies | <ul style="list-style-type: none"> Consult OECS Legal Unit on provisions required in the respective countries | | P = 1 I = 2 | Low (2) |
| 5.2 | Failure to comply with non-contractual law | <ul style="list-style-type: none"> Code of conduct/conflict of interest policies are not followed | <ul style="list-style-type: none"> All staff, consultants, committees, etc., are required to sign the Code of Conduct and Ethics | | P = 2 I = 1 | Low (2) |

| Risk code ¹ | Description of risk | Triggers | Mitigation measures ² | Update as of [DATE] | Probability & impact (1-3) | Threat (H/M/L) |
|----------------------------|--|--|--|---------------------|----------------------------|----------------|
| | | <ul style="list-style-type: none"> Infringement of third-party intellectual property rights Ineffective/inefficient staff to monitor compliance | <ul style="list-style-type: none"> Early identification of potential breaches or risks and proactive response | | | |
| 6. Performance risk | | | | | | |
| 6.1 | Timing mismatch between the cash inflows and cash outflows | <ul style="list-style-type: none"> Accredited Entity is unable to on-grant or on-lend to recipients Loss of confidence due to disbursement delays Budget over-runs as staff are paid but activities are delayed | <ul style="list-style-type: none"> Reduce the number of disbursements to facilitate the enhanced direct access approach Establish responsive on-lending on-granting systems that are responsive to decision-making Request large upfront disbursement from the GCF | | P = 2 I = 3 | Medium (6) |
| 6.2 | Significant default on repayments to the Revolving Loan Fund and therefore the facility does not "Revolve" | <ul style="list-style-type: none"> Extreme hurricane impacts affect large share of borrowers who are not able to repay Over subscription of different debt by borrowers | <ul style="list-style-type: none"> Automatic wage deduction for borrowers who are employed (e.g. civil servants) Property lien associated with the beneficiary facility, registered at Inland Revenue Department A strong collections platform that communicates and reinforces the value of the financing and the interventions that they facilitate | | P = 1 I = 2 | Low (2) |

| Risk code ¹ | Description of risk | Triggers | Mitigation measures ² | Update as of [DATE] | Probability & impact (1-3) | Threat (H/M/L) |
|------------------------|----------------------------|---|--|---------------------|----------------------------|----------------|
| | | | <ul style="list-style-type: none"> Maximizing the value to the borrowers, including through tax exemption of purchased materials, and promoting the registration and review of contractors so that beneficiaries get the best value for their loan Could consider mandatory workshops Strong and independent M&E framework to analyze data and make recommendations for policy interventions that increase repayment but do not trigger ESS risks | | | |
| 7. Funding risk | | | | | | |
| 7.1 | USD to ECD conversion loss | <ul style="list-style-type: none"> ECD is un-pegged to the USD (highly unlikely) USD is bought at Eastern Caribbean (ECD) 2.67 but sold at ECD 2.71 – this will result in a total project budget conversion loss of USD 800,000 | <ul style="list-style-type: none"> Report conversion loss in the financial audits Minimize loss by avoiding multiple conversions Account for conversion loss in all signed contracts, on-granting and on-lending transfers | | P = 3 I = 3 | High (9) |
| 8. Market risk | | | | | | |
| 8.1 | Price fluctuations of | <ul style="list-style-type: none"> Distorted cost of construction materials | <ul style="list-style-type: none"> Develop a Sustainable Procurement policy for bulk procurement to lower the | | P = 2 I = 2 | Medium (4) |

| Risk code ¹ | Description of risk | Triggers | Mitigation measures ² | Update as of [DATE] | Probability & impact (1-3) | Threat (H/M/L) |
|------------------------|---------------------------|--|---|---------------------|----------------------------|----------------|
| | goods, works and services | (concrete, sand, wood, quarry rocks) <ul style="list-style-type: none"> • Higher demand for limited supply of services in SIDS pushes prices up | cost of construction materials for adaptation activities <ul style="list-style-type: none"> • Conduct training on joint proposal development and on tendering processes • Publish procurement plans online to promote advance planning • Raise profile of Tender opportunities | | | |

ESS and Gender Risks for EDA Component 1

Component 1. Building openness, transparency and stakeholder participation for enhanced direct access. Pre-feasibility studies in the pilot countries identified existing Committees and executing entities that would benefit from targeted capacity-building and some structural changes, namely appointment of non-governmental observers, for the EDA project. This component will build capacity in each country and at the sub-regional level for transparent decision-making bodies for the EDA. The outcome of the EDA will enable the Executing Entities to become accredited to the GCF. This component will also design a Sustainable Procurement system for EDA implementation, to reduce the impact of adaptation inputs (construction material, sand, wood, etc.) and to support bulk procurement to lower the cost of individual island procurements.

The OECS Commission will operationalize the project's M&E framework, to support ongoing M&E throughout implementation. The GCF Independent Evaluation Unit will provide technical assistance to the EDA as a pilot for improving knowledge management and learning opportunities, given the critical role of M&E in the Request for Proposals issued by the GCF.

Table 3. ESS and Gender Risks for EDA Component 1

| Performance Standard | Risk | Description | Triggers | Mitigation measures ⁴ | Committee or Audit Recommendation (date) | Probability & impact (1–3) |
|---|--|--|--|--|--|---|
| PS 1: Environmental and Social Risks and Impacts | Transparency of national decision-making processes | All of the pilot countries have established oversight and decision-making functions, however these arrangements have different levels of transparency and accountability. The EDA project will strengthen these functions to promote a stakeholder-driven programmatic | <ul style="list-style-type: none"> Loss of confidence in the objectivity of the EDA decision-making processes | <ul style="list-style-type: none"> Establish a Grievance Mechanism at the sub-regional level and in Grenada and Dominica Improve the transparency of the national decision-making processes in each country by including NGO and Private Sector representation (currently not all Committees have participatory involvement) | | <p>P = 1 I = 3</p> <p>Overall rank: Low (3)</p> |

⁴ The DOE responds to risks in four ways: Acceptance, Control, Avoidance and Transfer.

| Performance Standard | Risk | Description | Triggers | Mitigation measures ⁴ | Committee or Audit Recommendation (date) | Probability & impact (1–3) |
|---|---------------------------------|--|--|--|--|---|
| | | approach based on transparent criteria. This will promote good governance beyond the EDA project and have lasting benefits. | | <ul style="list-style-type: none"> Identify national websites for regularly posting project information, as well as the OECS Commission website (add a M&E project page) Outcomes of the funding decisions of National Committees shall be available online Strengthen oversight functions with Readiness support Track the gender representation on project Committees and decision-making bodies | | |
| PS 2: Labor and Working Conditions | Discriminatory hiring practices | <p>Biased procurement would undermine the goals of the EDA project to promote sustainable and equitable resilience to climate change.</p> <p>The project will seek to leverage its works and services contracts to actively promote non-discrimination and equal opportunity hiring practices.</p> | <ul style="list-style-type: none"> Biased procurement processes Most competitive candidates are not selected due to other (unfair) factors | <ul style="list-style-type: none"> Balanced representation of women and men on all Tender evaluation committees All Request for Proposals and Tender documents issued under the EDA shall include a clause that states that: the tender process uses non-discrimination and equal opportunity hiring practices, and that persons with different abilities are encouraged to apply. | | <p>P = 2 I = 1</p> <p>Overall rank: Low (2)</p> |

| Performance Standard | Risk | Description | Triggers | Mitigation measures ⁴ | Committee or Audit Recommendation (date) | Probability & impact (1–3) |
|---|---|--|---|--|--|--|
| PS 3: Resource Efficiency and Pollution Prevention | Construction inputs for adaptation | Concrete adaptation activities can require inputs such as sand, wood, and stone, which can have a negative impact on natural resources if not sustainably sourced. | <ul style="list-style-type: none"> • Ad hoc and rushed procurement does not adequately follow sustainability criteria • Negative impacts to natural resources | <ul style="list-style-type: none"> • Design and implement a Sustainable Procurement strategy • The Sustainable Procurement strategy should also lower the cost through bulk sourcing of inputs from sustainable sources • Training on sustainable procurement | | <p>P = 2 I = 2</p> <p>Overall rank: Medium (4)</p> |
| PS 7: Indigenous Peoples | Opportunity for representation of Kalinago in decision-making or oversight bodies | Residents of the Territory are among the poorest in Dominica; the risk is that the project is not able to overcome barriers and engage in project decision-making. | <ul style="list-style-type: none"> • Lack of representation of Kalinago interests | <ul style="list-style-type: none"> • Targeted outreach via local Territory governance⁵ • Procedures for Free, Prior, and Informed Consent (FPIC) of Affected Communities of Indigenous Peoples | | <p>P = 1 I = 3</p> <p>Overall rank: Low (3)</p> |

⁵ Kalinago Territory website: <http://kalinagoterritory.com/contact-us/>

ESS and Gender Risks for EDA Component 2

Component 2. Enhancing direct access for the public sector – concrete community-based adaptation flood prevention in waterways. This component will solicit priority adaptation interventions in the public sector in each of the pilot countries, and national committees will evaluate the proposals using pre-determined criteria. The pilot countries were all involved in the sub-regional OECS Global Climate Change Alliance (GCCA), which hired consultants to identify adaptation projects in each of the countries. There were insufficient funds under the GCCA to implement the actions identified. Complementing the GCCA, the EDA will identify GCCA concepts and pilots that could be scaled up with funding from the GCCA. The GCCF physical adaptation pilot concepts are provided below as indicative activities to be scaled-up under the EDA.

ESS and Gender risks specific to Component 2 are listed below.

Table 3. ESS and Gender Risks for EDA Component 2

| Performance Standard | Risk | Description | Triggers | Mitigation measures ⁶ | Committee or Audit Recommendation (date) | Probability & impact (1–3) |
|---|----------------------------|--|--|--|--|--|
| PS 1: Environmental and Social Risks and Impacts | Minimizing ESS risks | National physical planning approval requires EIAs but may not adequately address climate-related risks | <ul style="list-style-type: none"> Negative impacts to the Affected Communities | <ul style="list-style-type: none"> Environmental Impact Assessments (EIAs) for public sector interventions will be developed covering all 8 Performance Standards All activities under this Component are to receive physical planning approvals | | <p>P = 2 I = 2</p> <p>Overall rank: Medium (2)</p> |
| PS 4: Community | Ecosystem-based adaptation | Land use changes or loss of natural buffer | <ul style="list-style-type: none"> Interventions do not adequately | <ul style="list-style-type: none"> Designs use ecosystem-based | | <p>P = 1 I = 2</p> |

⁶ The DOE responds to risks in four ways: Acceptance, Control, Avoidance and Transfer.

| Performance Standard | Risk | Description | Triggers | Mitigation measures ⁶ | Committee or Audit Recommendation (date) | Probability & impact (1-3) |
|---|---|---|---|---|--|--|
| Health, Safety, and Security | | areas could result in increased vulnerability and community safety-related risks and impacts | protect communities | adaptation strategies where possible | | Overall rank: Low (2) |
| PS 4: Community Health, Safety, and Security | Emergency preparedness and response | Project activities should have plans in place for, e.g. a Category 5 hurricane | <ul style="list-style-type: none"> • Preparations are not adequate for e.g. a Category 5 hurricane | <ul style="list-style-type: none"> • Compliance with national emergency preparedness policies | | P = 1 I = 2 Overall rank: Low (2) |
| PS 5: Land Acquisition and Involuntary Resettlement | Physical or economic involuntary resettlement | Physical or economic involuntary resettlement can negatively and disproportionately impact affected communities | <ul style="list-style-type: none"> • Economic (livelihoods) and physical involuntary displacement leaves communities disenfranchised | <ul style="list-style-type: none"> • Activities that result in involuntary resettlement (whether economic or physical displacement) are ineligible for funding • Training and sensitization on identifying involuntary resettlement risks | | P = 1 I = 3 Overall rank: Low (3) |
| PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources | Introduction or spread of invasive species | New invasive species could be introduced or project activities could lead to a spread in local invasives | <ul style="list-style-type: none"> • Border protection failure • Locally invasive species undermine project benefits | <ul style="list-style-type: none"> • Sustainable Procurement strategy includes biodiversity protection • Local invasives are identified and their spread is contained | | P = 1 I = 2 Overall rank: Low (2) |

| Performance Standard | Risk | Description | Triggers | Mitigation measures ⁶ | Committee or Audit Recommendation (date) | Probability & impact (1–3) |
|---------------------------------|--|---|--|--|--|--|
| PS 7: Indigenous Peoples | Involvement of indigenous people in the Kalinago Territory of Dominica | Residents of the Territory are among the poorest in Dominica; the risk is that the project is not able to overcome barriers and benefit from opportunities. | <ul style="list-style-type: none"> Negative impacts to Kalinago | <ul style="list-style-type: none"> Targeted outreach via local Territory governance⁷ EIAs for activities in proximity to Kalinago Territory address potential impacts Free, Prior, and Informed Consent (FPIC) of Affected Communities of Indigenous Peoples | | <p>P = 2 I = 2</p> <p>Overall rank: Medium (4)</p> |
| PS 8: Cultural Heritage | Risks to cultural heritage | Environmental Impact Assessments do not adequately consider risks to cultural heritage | <ul style="list-style-type: none"> Loss of cultural heritage Complaints from communities of impacts to cultural heritage | <ul style="list-style-type: none"> EIA process includes potential impacts to cultural heritage Follow good international standards under the Convention of Biological Diversity. | | <p>P = 1 I = 2</p> <p>Overall rank: Low (2)</p> |

⁷ Kalinago Territory website: <http://kalinagoterritory.com/contact-us/>

ESS and Gender Risks for EDA Component 3

Component 3. Enhancing direct access for NGOs – small grants for adaptation in community buildings for resilience to droughts, flooding and hurricanes. This component will benefit from the GEF Small Grants Programme, which has been operational in the Eastern Caribbean for over ten years, and has built capacity at the community level to develop and implement projects. The EDA project will issue a call for proposals for community adaptation projects (<\$75,000), which will be evaluated using pre-determined criteria. Successful applicants will receive a small (<\$5,000) preparation grant to develop the proposal, and communities will implement adaptation projects with tangible benefits.

ESS and Gender risks specific to Component 3 are listed below.

Table 4. ESS and Gender Risks for EDA Component 3

| Performance Standard | Risk | Description | Triggers | Mitigation measures⁸ | Committee or Audit Recommendation (date) | Probability & impact (1–3) |
|---|--|---|---|--|---|--|
| PS 4: Community Health, Safety, and Security | Ecosystem-based adaptation | Land use changes or loss of natural buffer areas could result in increased vulnerability and community safety-related risks and impacts | <ul style="list-style-type: none"> Interventions do not adequately protect communities | <ul style="list-style-type: none"> Designs use ecosystem-based adaptation strategies where possible | | P = 1 I = 2 Overall rank: Low (1) |
| PS 7: Indigenous Peoples | Involvement of indigenous people in the Kalinago Territory of Dominica | Residents of the Territory are among the poorest in Dominica; the risk is that the | <ul style="list-style-type: none"> Lack of proposals from the Kalinago community | <ul style="list-style-type: none"> Translations into local languages for Community RFPs | | P = 2 I = 2 Overall rank: Medium (4) |

⁸ The DOE responds to risks in four ways: Acceptance, Control, Avoidance and Transfer.

| Performance Standard | Risk | Description | Triggers | Mitigation measures ⁸ | Committee or Audit Recommendation (date) | Probability & impact (1-3) |
|----------------------|------|---|----------|--|--|----------------------------|
| | | project is not able to overcome barriers and provide opportunities. | | <ul style="list-style-type: none"> Targeted outreach via local Territory governance⁹ | | |

⁹ Kalinago Territory website: <http://kalinagoterritory.com/contact-us/>

ESS and Gender Risks for EDA Component 4

Component 4. Enhancing direct access in the private sector – revolving loans for resilience in buildings (homes and businesses). The private sector Revolving Fund loan programme for adaptation in buildings is currently being launch in Antigua and Barbuda. This component of the EDA project will scale up the initiative via launch calls for applications in all three pilot countries. Several institutions have been identified to manage the Revolving Fund in the pilot countries. These institutions will be validated at EDA inception, using capacity assessment checklists covering fiduciary standards, environmental and social safeguards, and gender criteria. Once evaluated, the project will finance adaptation in buildings and manage reflows into the Revolving Fund.

ESS and Gender risks specific to Component 4 are listed below.

Table 4. ESS and Gender Risks for EDA Component 4

| Performance Standard | Risk | Description | Triggers | Mitigation measures ¹⁰ | Committee or Audit Recommendation (date) | Probability & impact (1–3) |
|---|---|--|--|--|--|---|
| PS 3: Resource Efficiency and Pollution Prevention | Discarded appliances and efficiency of new appliances | The purchase of energy efficient appliances under the Revolving Fund programme may result in pollution if discarded appliances are not adequately disposed of. | <ul style="list-style-type: none"> • Increase in solid waste disposal of appliances • Pollution in the environment | <ul style="list-style-type: none"> • ISO standard for Environmental Management Systems (EMS) in buildings • Revolving Fund purchases shall use Energy Star and other efficiency ratings • Partner with local E-waste businesses to properly dispose of appliances | | <p>P = 2 I = 1</p> <p>Overall rank: Low (2)</p> |
| PS 7: Indigenous Peoples | Involvement of indigenous people in the Kalinago | Residents of the Territory are among the | <ul style="list-style-type: none"> • Lack of applications for | <ul style="list-style-type: none"> • Translations into local languages for | | <p>P = 2 I = 2</p> |

¹⁰ The DOE responds to risks in four ways: Acceptance, Control, Avoidance and Transfer.

| Performance Standard | Risk | Description | Triggers | Mitigation measures ¹⁰ | Committee or Audit Recommendation (date) | Probability & impact (1–3) |
|----------------------|-----------------------|---|--|---|--|----------------------------|
| | Territory of Dominica | poorest in Dominica; the risk is that the project is not able to overcome barriers and provide opportunities. | concessional loans from the Kalinago community | Revolving Loans opportunities <ul style="list-style-type: none"> • Targeted outreach via local Territory governance¹¹ | | Overall rank: Medium (4) |

¹¹ Kalinago Territoy website: <http://kalinagoterritory.com/contact-us/>