



Annex 4: OFFLINE RISK LOG
(see Deliverable Description for the Risk Log regarding its purpose and use)

Project Title: Strengthening Pacific Public Financial Management and Governance | **Award ID:** 00101901, Project #: 00104154 | **Date:** 18 September 2019

#	Description	Type	Impact & Probability	Countermeasures / Mngt response
1	Enter a brief description of the risk <i>(In Atlas, use the Description field. Note: This field cannot be modified after first data entry)</i>	Environmental Financial Operational Organizational Political Regulatory Strategic Other Subcategories for each risk type should be consulted to understand each risk type (see Deliverable Description for more information) <i>(In Atlas, select from list)</i>	Describe the potential effect on the project if this risk were to occur Enter probability on a scale from 1 (low) to 5 (high) P = Enter impact on a scale from 1 (low) to 5 (high) I = <i>(In Atlas, use the Management Response box. Check "critical" if the impact and probability are high)</i>	What actions have been taken/will be taken to counter this risk <i>(In Atlas, use the Management Response box. This field can be modified at any time. Create separate boxes as necessary using "x", for instance to record updates at different times)</i>
2	Limited capacity of some parliaments and CSOs to effectively engage in national budget processes	Other - Capacity	Text P = 3 I = 3	Identification of countries where support can generate enhanced parliament and CSO involvement in budget process, as well as development of detailed strategies during the inception phase
3	Some parliaments and SAIs may not be ready to engage in an intensive strengthening process;	Political Strategic	Text P = 3 I = 3	In the inception phase the project will discuss with and assess readiness of parliaments within the region and will select seven parliaments that agree to participate in the project and allocate staff resources; PASAI will do the same with national SAIs.
4	Inter-institutional collaboration limited between government, parliament, and SAIs, restricting effective parliamentary and citizen / CSO engagement in PFM enhancement	Political Strategic	P = 2 I = 3	Engagement of government officials in project activities; collaboration with PFTAC support to government, engagement in PIFS coordination approach.
5	Some parliaments and SAIs may be reticent to share details of their scrutiny and oversight processes which are needed to establish a baseline and measure improvements in Parliament/SAI PFM;	Political Strategic	P = 2 I = 3	A guided self-assessment methodology will be developed in conjunction with parliaments and SAIs, with national institutions retaining the right to release assessment details, as with PEFA.

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6	Weak or absent Right to Information / Freedom of Information legislation making external scrutiny difficult	Political Strategic	P = 3 I = 3	Support to CSO-led initiatives to strengthen RTI/FOI frameworks.
7	Civil society organizations that are capacitated to work on PFM public engagement issues may not be present in all countries;	Operational Organisational	P = 3 I = 3	In the inception phase the project will assess CSO capacities in potential focus countries. Existence of citizen organizations enabled to foster citizen engagement in budget processes and to support parliamentary transparency will be one of the factors considered in selection of the focus countries.
8	Parliaments from outside the region may not be willing or able to loan staff to support the rapid budget analyses in all three years of the project implementation;	Strategic Organisational	P = 4 I = 3	UNDP has already developed strong working relationships with several parliaments outside the region, and has mobilised staff from four different parliaments in Europe and Australasia. Providing long lead time is important in securing external parliamentary expertise and discussions have already begun on availability to support this project. The project has also identified several further parliaments that may be able to contribute expertise. Finally, the project design is built on enhancing regional capacity and it is anticipated that by the last year of the project, the rapid budget analysis teams will be operating effectively with parliamentary staff entirely from the region.
9	Difficulty engaging women and disadvantaged groups within the project activities, including training opportunities as well as civil society engagement;	Strategic Organisational	P = 3 I = 3	Maintenance of gender disaggregated records of participation in project activities, thus identifying areas where greater attention is required to assure equitable participation. Gender focus mainstreamed through project activities including in budget analysis and in oversight. Gender to be main focus of at least one mini-grant within the initiative supporting civil society budget execution scrutiny.
10.	The micro assessment ⁽¹⁾ review outlines that there are some key risks and significant areas of concerns in relation to PASAI's financial management capacity to manage Output 2 of the project (i.e. governance framework, internal controls, accounting systems, reporting and monitoring, programme management and procurement system)	Strategic Organisational	P = 3 I = 4	The UNDP HACT policy and implementation guidelines will apply. Therefore, the overall risk assessment rating will determine the cash transfer modalities to be adopted for PASAI. There are four transfer of cash modalities: Direct Cash Transfer, Reimbursements, Direct Payments and Direct Agencies Implementation. The overall risk assessment rating will also determine the frequency of spot checks, programmatic monitoring and special audits to ensure that PASAI is able to execute Output 2 in accordance with the Grant Agreement. The project board will be required to take any necessary steps should it become apparent that PASAI is unable to adequately fulfill its commitment as outlined in a

⁽¹⁾ The micro assessment is part of the requirements under the Harmonized Approach to Cash Transfers (HACT) Framework. The HACT framework represents a common operational framework for UN agencies' transfer of cash to government and non-governmental implementing partners. The micro-assessment provides an overall assessment of the Implementing Partner's programme, financial and operations management policies, procedures, systems and internal controls.

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					UNDP-PASAI grant agreement.

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