

Annexe 2A: VCS non-permanence risk assessments - La Amistad – REDD/APD.

Risk	Rating	Score	Notes
<i>Project risks of:</i>			
Unclear land tenure/dispute potential	High	4	Occupiers not necessarily registered land-holder; internal social divisions
Financial failure	Low	2	Funding secure
Technical failure	Low	2	Techniques well-established, practiced in area
Management failure	Medium	3	Conservative default value
<i>Economic risk of:</i>			
Rising land opportunity costs	Medium	3	Unlikely in this area due to poor soils, access.
<i>Regulatory or social risk of:</i>			
Political instability	Medium	3	Default – political instability unlikely to affect project area
Social instability	Medium	3	Default – social instability unlikely to affect project area (though a high likelihood in the reference region).
<i>Natural disturbance risk of:</i>			
Devastating fire	Low	2	High forest (as against regeneration areas) not fire-prone
Pest or disease attack	Low	2	Natural forest, hence robust
Extreme weather events	Low	2	Unlikely in project life-time, robust natural system
Geological risk	Low	2	Geologically stable area
<i>Land ownership/management type</i>	Medium	3	Land effectively tenant-operated (INDERT is technically land-owner).
<i>Technical capability of implementer</i>	Low	2	Proven project management capacity of GP/WLT
<i>Net returns to all stakeholders</i>	Low	2	Project developer is conservation group. Incomes higher than pre-project.
<i>Infrastructure/resources</i>	Very low	1	No infrastructural developments likely in area
<i>Population trends in area</i>	Medium	3	Population at c. 500/sq km and rising
<i>Incidence of crop failures in area</i>	Very low	1	Infrequent droughts
<i>Project financial plan</i>	Low	2	Credible long-term financial strategy in place
Totals		41	

Summary of overall risk and buffer allocations

Project component	Possible ratings	Actual rating	Default buffers	Buffer applied
La Amistad REDD/APD	18-31 = Very Low 32-44 = Low 45-58 = Medium 59-72 = High	41 = Low	Low = 10% Medium = 10-20% High = 20-30%	20%, raised from 10% in view of tenure/dispute potential issues.