

VCS non-permanence risk assessments

Chaco-Pantanal – REDD/APD component risk ratings

Risk	Rating	Score	Notes
<i>Project risks of:</i>			
Unclear land tenure/dispute potential	Low	2	Clear tenure under co-ownership with low dispute potential
Financial failure	Low	2	Finance assured by strong institution
Technical failure	Low	2	Non-technical approach
Management failure	Low	2	Conservation NGO manager with proven track-record
<i>Economic risk of:</i>			
Rising land opportunity costs	Low	2	Risk averted by formal easement attached to land-title
<i>Regulatory or social risk of:</i>			
Political instability	Medium	3	Default score
Social instability	Medium	3	Default score
<i>Natural disturbance risk of:</i>			
Devastating fire	Medium	2	High forest not fire-prone (but savannah systems are).
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>	Very Low	1	Owned by conservation NGO with good enforcement record
<i>Technical capability of implementer</i>	Very Low	1	Implementer with proven capacity for project design/implementation
<i>Net returns to all stakeholders</i>	Low	2	Conservation group as implementer/developer
<i>Infrastructure/resources</i>	Medium	3	High likelihood of infrastructural developments in general project area
<i>Population trends in area</i>	Very Low	1	Populations rising but density very low
<i>Incidence of crop failures in area</i>	Low	2	Droughts frequent but not tending to provoke population movements
<i>Project financial plan</i>	Very Low	1	Credible financial strategy, legal conservation easement on land-title
Totals		35	

Summary of overall risk and buffer allocations

Project component	Possible ratings	Actual rating	Default buffers	Buffer applied
Chaco-Pantanal REDD/APD	18-31 = Very Low 32-44 = Low 45-58 = Medium 59-72 = High	35 = Low	Low = 10% Medium = 10-20% High = 20-30%	10%