

## **PART I. STATEMENT OF POLICIES**

The National Tobacco Administration shall develop, promote, and implement a comprehensive Risk Management Plan that aims to strengthen its capacity to build the resilience of the organization, including its stakeholders, to institutionalize arrangements and measures for reducing risks in its operations and project implementations, including disasters, projected climate risks, and enhancing preparedness and response capabilities at all levels.

It shall be the policy of the NTA to provide assistance and services to tobacco farmers affected by disaster/s, implement emergency rehabilitation projects to lessen the impact of disaster, and facilitate resumption of normal social and economic activities.

## **PART II. THE NTA RISK MANAGEMENT FUND**

An **NTA Risk Management Fund (RMF)**, in an amount equivalent to **FOUR MILLION PESOS (Php4,000,000.00)**, shall be set aside for CY 2015, to support risk reduction and mitigation, prevention and preparedness activities such as, but not limited to, training of personnel, procurement of equipment, supplies, for pre- and post-risk occurrence activities. It can also be utilized for assistance, recovery, reconstruction/rehabilitation, and other work or services in connection with natural or human induced calamities which may occur during the budget year.

Of the total RMF amount, seventy-five percent (75%) shall be allocated as Quick Response Fund (QRF) or stand-by fund for assistance and recovery programs, in order that the situation of tobacco farmer-beneficiaries of NTA programs who are affected by disasters, calamities, crop infestations/diseases, extraordinary events, during project implementation, may be normalized as quickly as possible. Unexpended RMF shall revert back to the corporate fund.

The Corporate Planning Department, in coordination with the Finance Department, shall monitor and evaluate the use and disbursement of the Fund, based on an Annual Risk Budget, and the Work and Financial Plan approved by the Administrator. CY 2015 Annual Risk Budget is hereto incorporated as Annex A.

## **PART III. GENERAL INFORMATION**

### **A. PURPOSE OF THE PLAN**

A risk is an event or condition that, if it occurs, could have a positive or negative effect on a project's objectives. Risk Management is the process of identifying, assessing, responding to, monitoring and reporting risks.

This RMP defines how risks associated with the NTA's Projects will be identified, analyzed, and managed. It outlines how risk management activities will be performed, recorded, and monitored throughout the lifecycle of the Projects and provides templates and practices for recording and prioritizing risks.

The intended audiences of this document are the Risk Management Committee of the NTA Governing Board, NTA Management, Branch Office Implementers, and the NTA Project Review and Evaluation Committee.

### **B. RISK MANAGEMENT STRATEGY**

#### **1. *Risk Identification Process***

Risk Identification will involve the NTA National Risk Management Committee (NRMT), the Project Risk Manager, the Project Team/Implementers/Coordinators (PT/I/C), appropriate stakeholders, and will include an evaluation of environmental factors (EXTERNAL), organizational culture and the project management plan including the project scope (INTERNAL). Careful attention will be given to the project deliverables, assumptions, constraints, cost estimates, resource plan, and other key project documents.

A Project Risk Manager (PRM) shall be designated for each and every Project of the Agency. The PRM, working with the Department/Branch/Division Implementers, will ensure that risks are actively identified, analyzed, and managed throughout the life of the Project. Risks will be identified as early as possible in the project so as to minimize their impact.

A Risk Management Log will be generated and updated as needed and will be stored electronically. All new risks not included in this Plan shall be uploaded and included in the Risk Log and shall be assigned to a Risk Monitor.

## **2. Risk Evaluation and Prioritization**

All risks identified will be assessed to identify the range of possible project outcomes. Qualification will be used to determine which risks are the top risks to pursue and respond to, and which risks can be ignored.

**2.1 Qualitative Risk Analysis.** The probability and impact of occurrence for each identified risk will be assessed by the PRM, with inputs from the NRMT, PT/I using the following approach:

**Probability:** A score of **1-5**, 5 to the risk that has the highest probability of occurrence; and 1 to the risk that has the lowest probability of occurrence.

**Impact:** A score of **1-5**; 5 to the risk that has the potential to greatly impact on project cost, project schedule, or performance; and 1 to the risk that has relatively little impact on project cost, project schedule, or performance

**2.2 Quantitative Risk Analysis.** Analysis of risk events that have been prioritized using the qualitative risk analysis process and their effect on project activities will be estimated, a numerical rating shall be applied to each risk based on this analysis, and then documented.

## **3. Risk Mitigation Options**

Each major risk, falling within the Top Five (5) risks per Project, will be assigned to a Project Team Member (per Branch) for monitoring purposes to ensure that the risk will not fall through the cracks.

For each major risk, one of the following approaches will be selected to address it:

- Avoid – eliminate the threat by eliminating the cause
- Mitigate – identify ways to reduce the probability or the impact of the risk
- Accept – Nothing will be done
- Transfer – make another party responsible for the risk

For each risk that will be mitigated, the Project Team will identify ways to prevent the risk from occurring or reduce its impact or probability of occurring. This may include adding tasks to the project schedule, adding resources, etc.

For each major risk that is to be mitigated or that is accepted, a course of action will be outlined in the event that the risk materializes, in order to minimize its impact.

**4. Risk Plan Maintenance**

The levels of risks on all NTA Projects will be tracked, monitored and reported throughout each project’s lifecycle.

A “Top 10 Risk List” will be maintained by the Project Team and will be reported as a component of the Project status reporting process for all projects.

All project change requests will be analyzed for their possible impact to the project risks. Management, through the NTA National Risk Management Team (NRMT), will be notified of important changes to risk status as a component to the Project Status Report.

A Risk Register/Log will be maintained by the Project Risk Manager and will be reviewed as a standing agenda item for project review and evaluation meetings.

**5. Risk Management Responsibilities**

<b>Unit/Designation</b>	<b>Responsibilities</b>
Board Risk Management Committee	<ul style="list-style-type: none"> <li>✓ Perform oversight risk management functions, specifically in the areas of managing credit, market, liquidity, operational, legal, reputational and other risks of the NTA, and crisis management, which shall include receiving from NTA Management periodic information on risk exposures and risk management activities;</li> <li>✓ Developing the Risk Management Policy of the NTA, ensuring compliance with the same and ensure that the risk management process and compliance are embedded throughout the operations of the NTA, especially at the Governing Board and Management levels;</li> <li>✓ Providing quarterly reporting and updating the Governing Board on key risk management issues as well as ad hoc reporting and evaluation on investment proposals;</li> <li>✓ Review reports elevated to it by the NRMT and issue policies for Board approval;</li> <li>✓ Issues Project Risk Management policy/ies.</li> </ul>

<p>National Risk Management Team (NRMT)</p>	<ul style="list-style-type: none"> <li>✓ Leads, champions, sponsors, and implements PRM of the all Projects by developing policies for Board review and approval, and maintaining such policies, guidelines, procedures, practices, training and expertise;</li> <li>✓ Provides risk management coordination</li> <li>✓ Reviews all risks designated as “high risk”</li> <li>✓ Ensures consistent application of risk management practices;</li> <li>✓ Facilitates procurement of risk management specialists, resources, as needed;</li> <li>✓ Elevate issues to Management for resolution, as necessary;</li> <li>✓ Take lead role in obtaining sign-offs at accountability checkpoints;</li> </ul>
<p>Project Risk Manager (PRM)</p>	<ul style="list-style-type: none"> <li>✓ Promote and direct risk management for the Project;</li> <li>✓ Ensure proactive response to all risks and opportunities that will impact the successful delivery of the project;</li> <li>✓ Inform the NRMT about risk management results, major issues and concerns;</li> <li>✓ Schedule and conduct project risk meetings;</li> <li>✓ Perform risk monitoring and updating;</li> <li>✓ Ensure quality of the risk data in the Risk Management Register/Log;</li> <li>✓ Document risk response actions;</li> <li>✓ Track and monitor the effectiveness of risk response actions;</li> <li>✓ Report to the NRMT all matters related to risk management, including new risk exposures;</li> <li>✓ Accumulate the lessons learned in the area of risk management;</li> <li>✓ Produce risk management reports for the Board Risk Management Committee;</li> </ul>
<p>Branch Risk Management Coordinator</p>	<ul style="list-style-type: none"> <li>✓ Ensure that PRM is followed</li> <li>✓ Ensure that risks are communicated and signed-off across the entire project lifecycle</li> <li>✓ Identify and assess risks at their level and determine the risk owners;</li> <li>✓ Develop responses to risks</li> <li>✓ Document risk response actions and report to PRM for inclusion in risk management updates;</li> <li>✓ Communicate new risks to the PRM, for immediate action;</li> <li>✓ Retire risks.</li> <li>✓ Assign risk monitor for each major risks identified</li> </ul>

Branch Risk Monitor	<ul style="list-style-type: none"><li>✓ Conduct continuing monitoring of risk assigned;</li><li>✓ Communicate to the Branch PRMC all events/incidents that may impact on project deliverables;</li><li>✓ Facilitate communication and regular reporting to the PRMC, throughout the execution of the risk management process</li><li>✓ Maintain risk register/log, ensuring the update thereof.</li></ul>
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**PART IV. RISK ANALYSES**

**A. PROJECTS BASED RISKS**

1. INTEGRATED FARMING AND OTHER INCOME-GENERATING ACTIVITIES PROJECT (IFOIGAP)
2. AGRIPINOY TOBACCO FARMERS FOOD PROCESSING (AGRIPINOY) PROJECT
3. MULTI-PURPOSE CURING BARN (MPCB) PROJECT AND OTHER POST-HARVEST FACILITIES PROJECT
4. RENEWABLE FUELWOOD ENERGY DEVELOPMENT PROJECT AND RESTORATION OF ECOLOGICAL INTEGRITY (RFEDPREI)
5. TOBACCO DUST PRODUCTION PROJECT (TDPP)
6. ENFORCEMENT OF TOBACCO TRADING RULES AND REGULATIONS

**B. SUPPORT SERVICES RISKS**

7. ADMINISTRATIVE AND FINANCE
8. LEGAL

**C. STRUCTURAL RISKS & CRISIS MANAGEMENT**

*Reference Document:*

The NTA Disaster Management and Preparedness Plan

Implementation Plan: TABAKO 2012

Operation Plan: Virginia 2012 (Earthquake Preparedness)

## 1. INTEGRATED FARMING AND OTHER INCOME-GENERATING ACTIVITIES PROJECT (IFOIGAP)

**Project Components:** TCGS - Tobacco; Rice

### Project Risk Team (PRT):

Project Risk Manager (PRM): Roberto R. Bonoan

#### Branch Risk Mgt. Coordinators (RMCs):

Abra Branch:	<u>Esmeralda G. Valera</u>
Ilocos Norte Branch:	<u>Mario E. Corpuz</u>
Candon Branch:	<u>Estrella G. De Peralta</u>
Vigan Branch:	<u>Faustino O. Taal</u>
La Union Branch:	<u>Giovanni B. Palabay</u>
Pangasinan Branch:	<u>Cesario G. Sambrana</u>
Isabela Branch:	<u>Herman C. Torres</u>
Cagayan Branch:	<u>Corazon R. Riazonda</u>

Branch Risk Monitors: *(to be designated)*

### Project Lifecycle:

#### Tobacco Component:

Virginia	-	September to May (following year)
Burley	-	October to July (following year)
Native	-	October to August (following year)

#### Rice Component

Region I, II, IV-B	-	July to December (rainfed)
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**1.1 RISK ANALYSIS SUMMARY – IFOIGAP PROJECT**

<i>Risk No.</i>	<i>Risk Category</i>	<i>Risk Name</i>	<i>Impact Description</i>	<i>Prob. Of Occurrence</i>	<i>Impact Level</i>	<i>Risk Score</i>	
1.1.1	Nature/Climate/ Environment	Drought, El Niño/extreme hot condition ( <i>Tobacco</i> )	Stunted growth results to low yield, poor quality of tobacco = low income = low collection	4	5	20	
1.1.2		Drought, El Niño/extreme hot condition ( <i>Rice</i> )	Delayed/no planting in rain-fed areas = affect collection efficiency	5	5	25	
1.2.1		La Nina/prolonged rainy season ( <i>Tobacco</i> )	Delayed seedbedding/transplanting = reduction in area and volume = less income	1	1	1	
1.2.2		La Nina/prolonged rainy season ( <i>Rice</i> )	Crop lodging/delayed harvesting and grain drying = poor grain quality = low collection	1	1	1	
1.3.1		Strong typhoon	Low yield = low income = low collection	3	3	9	
1.4.1		Flood ( <i>Tobacco</i> )	Low yield = low income = low collection	3	4	12	
1.4.2		Flood ( <i>Rice</i> )	Low yield = low income = low collection	3	3	9	
1.5.1		Soil erosion/Siltation ( <i>Tobacco</i> )	Reduction of area and volume of production = low collection	2	3	6	
1.5.2		Soil erosion/Siltation ( <i>Rice</i> )	Reduced yield and quality = low collection	3	4	12	
1.6		Freak Rains ( <i>Tobacco</i> )	Reduction of area and volume of production = low collection	3	4	12	
2.1		Inputs	Increase/rising cost of production inputs (fertilizer/pesticide/gas & oil, fuelwood)	Higher cost of production inputs will reduce the margin of profit of tobacco/ rice farmers = low collection of production assistance	3	2	6

<b>Risk No.</b>	<b>Risk Category</b>	<b>Risk Name</b>	<b>Impact Description</b>	<b>Prob. Of Occurrence</b>	<b>Impact Level</b>	<b>Risk Score</b>
2.2.1	Inputs	Non-certified seeds ( <i>Rice</i> )	Results to poor germination, poor tillering, poor crop stand, reduced yield & income = low collection	1	4	4
2.2.2		Deteriorating seed quality/ non-certified seeds( <i>Tobacco</i> )	Seeds becoming susceptible to pests and diseases = less production area and volume = reduced R&R fees	1	4	4
2.3		Supply and availability of fertilizers ( <i>Tobacco</i> )	Delayed application of fertilizer/ delayed transplanting = stunted growth = low yield = low collection	1	4	4
3.1	Farmer-Cooperator	Death/Incapacity/Transfer of residence of FC during project implementation	Low/non-collection of production assistance	1	5	5
3.2		Deteriorating values of FC	Deliberate deviation from the recommended package-of-technology, pole vaulting/ride-on, non-payment of production assistance, availment of multiple loans for production resulting to low collection	3	3	9
3.3		Shift to other crops	Will decrease tobacco area = reduced R&R fees	3	3	9
4.1	Private Sector	Imposition of 1% withholding tax on farmer-cooperators (ULPI)	Reduced gross sales = low income = low collection	3	2	6
5.1	Political/Legal	Intervention by political leaders	Negative intervention of politicians erode NTA credibility and reduce production assistance collections	3	5	15
5.2		LGU ordinances, laws/rules & regulations	LGUs' distribution of inputs/ implements on dole-out/free, result to FCs impression that NTA's prod. Asst. are similar grants = non-payment by FC	3	5	15

**1.2 RISK RESPONSE SUMMARY (TOP RISKS) - IFOIGAP PROJECT**

<i>Risk Priority</i>	<i>Risk Score</i>	<i>Risk Number</i>	<i>Risk Name</i>	<i>Mitigation Action(s)/Option(s)</i>
1	25	1.1.2	Drought, El Niño/extreme hot condition (Rice)	Mitigate: ✓ Supplemental irrigation; ✓ Obtain available weather/ climate advisories from PAGASA ✓ Broadcast advisories thru OMT radio program, reading materials
2	20	1.1.1	Drought, El Niño/extreme hot condition (Tobacco)	Mitigate: ✓ Provide additional irrigation pumps; ✓ Provision of additional budget for supplemental irrigation. Transfer: ✓ Coordinate with NIA & BSWM for the provision of SWIP
3	15	5.2	LGU ordinances, laws/rules & regulations	Mitigate: ✓ Conduct dialogue to resolve issues; ✓ Information dissemination;
3	15	5.1	Intervention by political leaders	Mitigate: ✓ Conduct dialogue to resolve issues; ✓ Information dissemination;
5	12	1.6	Freak Rains (Tobacco)	Accept: If freak rains occur at harvesting period Mitigate: ✓ Provide buffer seeds/seedlings ✓ In case freak rains occur at seedling/ vegetative stage, re-sow

<b>Risk Priority</b>	<b>Risk Score</b>	<b>Risk Number</b>	<b>Risk Name</b>	<b>Mitigation Action(s)/Option(s)</b>
5	12	1.4.1	Flood ( <i>Tobacco</i> )	Mitigate: <ul style="list-style-type: none"> <li>✓ Provide buffer seeds/seedlings;</li> <li>✓ Replant if applicable;</li> <li>✓ Follow remedial measures of curing wet tobacco</li> </ul>
7	9	1.4.2	Flood ( <i>Rice</i> )	Mitigate: <ul style="list-style-type: none"> <li>✓ If at vegetative stage, open drainage canal</li> </ul> Accept, if at harvesting stage
7	9	3.2	Deteriorating values of FC	Mitigate: <ul style="list-style-type: none"> <li>✓ Conduct of values orientation to farmer-cooperators;</li> <li>✓ Conduct of orientations to project implementers</li> <li>✓ Strict screening of Farmer-cooperators</li> </ul>
9	9	3.3	Shift to other crops	Mitigate: <ul style="list-style-type: none"> <li>✓ Information dissemination through OMT, technokomiks, etc. on production technology updates, marketing/grading of tobacco;</li> <li>✓ Continuing monitoring &amp; technical assistance to FCs;</li> </ul>
9	6	1.5.1	Soil erosion/Siltation ( <i>Tobacco</i> )	Accept, if at harvesting period.  Mitigate: <ul style="list-style-type: none"> <li>✓ Provide buffer seeds/seedlings;</li> <li>✓ Replant if applicable;</li> <li>✓ Convert non-usable tobacco as tobacco dust raw materials</li> </ul>

<b>Risk Priority</b>	<b>Risk Score</b>	<b>Risk Number</b>	<b>Risk Name</b>	<b>Mitigation Action(s)/Option(s)</b>
9	6	2.1	Increase/rising cost of production inputs (fertilizer/pesticide/gas & oil, fuelwood)	Mitigate: <ul style="list-style-type: none"> <li>✓ Early projection of input requirements;</li> <li>✓ Bulk purchases by tobacco farmers to lock-in prices</li> </ul>
9	6	4.1	Imposition of 1% withholding tax on farmer-cooperators (ULPI)	Accept & Mitigate: <ul style="list-style-type: none"> <li>✓ Inform affected tobacco farmers of the legal aspect of the imposition</li> </ul>
13	5	3.1	Death/Incapacity/Transfer of residence of FC during project implementation	Accept/Transfer: <ul style="list-style-type: none"> <li>✓ NTA take-over of project</li> </ul> Mitigate: <ul style="list-style-type: none"> <li>✓ File appropriate case</li> </ul>
14	4	2.2.1	Non-certified seeds ( <i>Rice</i> )	Mitigate: <ul style="list-style-type: none"> <li>✓ Provide certified seeds;</li> <li>✓ Conduct technology trainings</li> </ul>
14	4	2.2.2	Deteriorating seed quality/non-certified seeds ( <i>Tobacco</i> )	Mitigate: <ul style="list-style-type: none"> <li>✓ Provide true-to-type certified seeds</li> <li>✓ Provide hybrid seeds</li> </ul>
14	4	2.3	Supply and availability of fertilizers ( <i>Tobacco</i> )	Mitigate: <ul style="list-style-type: none"> <li>✓ Early projection, bulk purchase by tobacco farmer and timely delivery of inputs</li> </ul>

## 2. AGRIPINOY TOBACCO FARMERS FOOD PROCESSING PROJECT

**Project Components:** Raw Materials Production – Hog and Broiler  
 Meat Processing – Fresh and Processed  
 Sales and Marketing

**Project Risk Team (PRT):**

Project Risk Manager (PRM): Minerva P. Mizal

Branch Risk Mgt. Coordinators (RMCs):

Abra Branch:	<u>Esmeralda G. Valera</u>
Ilocos Norte Branch:	<u>Mario E. Corpuz</u>
Candon Branch:	<u>Estrella G. De Peralta</u>
Vigan Branch:	<u>Faustino O. Taal</u>
La Union Branch:	<u>Giovanni B. Palabay</u>
Pangasinan Branch:	<u>Cesario G. Sambrana</u>
Isabela Branch:	<u>Herman C. Torres</u>
Cagayan Branch:	<u>Corazon R. Riazonda</u>
Central Office:	<u>Rex Davidson</u>
AgriPinoy Plant:	<u>Diosdado Maduli</u>

Branch Risk Monitors *(to be designated)*

**Project Lifecycle:**

Raw Materials Production – Hog:	(Continuing, 3 cycles per farmer)
Raw Materials Production – Broiler:	<i>(for implementation)</i>
Meat Processing – Fresh and Processed:	Continuing
Sales and Marketing:	Continuing

**2.1 RISK ANALYSIS SUMMARY - AGRIPINOY PROJECT**

<i>Risk No.</i>	<i>Risk Category</i>	<i>Risk Name</i>	<i>Impact Description</i>	<i>Probability of Occurrence</i>	<i>Impact Level</i>	<i>Risk Score</i>
1.1	Raw Materials Production/ Sourcing	Climate/environment risks that may affect animal growth & mortality	Will result to low raw materials delivery which may affect production target; non-payment of production assistance = reduction in projected sales & income	4	5	20
1.2		Limited number of suppliers with reliable quality & quantity of raw materials (i.e. piglets/DOCs/feeds) at volume price/s	Unattained production targets = full capacity of the plant not maximized, = higher overhead cost = less income	4	5	20
1.3		Non-attainment of target weight due to FC's poor production management/practices	Lower percent recovery for meat production	4	3	12
2.1	Processing/ Manufacturing	Equipment/machinery and cold storage facilities breakdown	Stalled production schedule; low production output; Plant not satisfying consumer demands = low sales/income vis-à-vis high operating costs	5	5	25
2.2		Prolonged power interruption	Impact on production schedule; may result to product spoilage	2	3	6
2.3		Fast turn-over/separation of skilled laborers from the Project	Efficiency reduced, retraining of new laborers required	1	3	3

<b>Risk No.</b>	<b>Risk Category</b>	<b>Risk Name</b>	<b>Impact Description</b>	<b>Probability of Occurrence</b>	<b>Impact Level</b>	<b>Risk Score</b>
2.4	Processing/ Manufacturing	Consistency in product formulation	Reduced consumer satisfaction = shift of patronage = reduced sales = reduced income	3	3	9
3.1	Marketing/Sales	Delivery vehicle break-down	Delayed deliveries; product spoilage may result to lost patronage and losses	1	3	3
3.2		Low/Non-collection of credit sales	Will result to net losses;	2	3	6
3.3		Accountability of sales force; collecting agents	Non-remittance of sales collection by JO sales personnel, regular sales force	2	3	6
3.4		Inadequate sales force	Low market penetration; low sales = low income; high inventory = higher costs	5	5	25
4.1	Competition	Impending reoperationalization of the MFPP by the PGIS	May result to reduced market share in the Ilocos Region, will result to reduced sales	2	1	2
4.2		Very high competition (red ocean) on meat products (i.e. so many established brands); price competition is also high	Lower market share = reduced sales	4	4	16
5.1	Legal/Laws/ rules & regulations	LGU ordinances prohibiting sales operation without permits	Will restrict sales coverage	2	3	6



<b>Risk No.</b>	<b>Risk Category</b>	<b>Risk Name</b>	<b>Impact Description</b>	<b>Probability of Occurrence</b>	<b>Impact Level</b>	<b>Risk Score</b>
5.2	Legal/Laws/ rules & regulations	LGU ordinance of collection of fees for quarantine of animals	Will restrict transport of raw materials from farmers source to the plant due to fees collected	2	3	6
5.3		LGU ordinance of prohibiting the raising of animals in backyards	Will result to slow expansion of targetted beneficiaries of the project	2	2	4
5.4		Compliance with food safety standards and HACCP certification requirements for AA accreditation	Downgrading of accreditation status (fr AA to A) = limit geographic sales coverage	3	5	15

**2.2 RISK RESPONSE SUMMARY (TOP RISKS) – AGRIPINOY PROJECT**

<i>Risk Priority</i>	<i>Risk Score</i>	<i>Risk Number</i>	<i>Risk Name</i>	<i>Mitigation Action(s)/Option(s)</i>
1	25	2.1	Equipment/machinery and cold storage facilities breakdown	Mitigate: <ul style="list-style-type: none"> <li>✓ Regular equipment/machinery check and maintenance;</li> <li>✓ Provision of inventory for spare parts;</li> <li>✓ provision of stand-by power source for cold storage</li> </ul>
1	25	3.4	Inadequate sales force	Mitigate: <ul style="list-style-type: none"> <li>✓ Training of sales personnel;</li> <li>✓ Hiring of marketing consultant</li> <li>✓ Imposition of sales quota/incentive scheme</li> </ul>
3	20	1.1	Climate/environment risks that may affect animal growth & mortality	Mitigate: <ul style="list-style-type: none"> <li>✓ Frequent updates from &amp; coordination with concerned government agencies on climate/weather changes;</li> <li>✓ Proper timing/scheduling of dispersals to FCs least affected by weather disruptions;</li> <li>✓ Improved bio-security measures/production management of FCs</li> </ul>
3	20	1.2	Limited number of suppliers with reliable quality & quantity of raw materials (i.e. piglets/ DOCs/feeds) at volume price/s	Mitigate: <ul style="list-style-type: none"> <li>✓ Advanced/early projections for raw materials requirements;</li> <li>✓ Continuing supplier-profiling for both existing and prospective suppliers (preferably locally-/ provincial-based) to reduce transport costs/mortality of piglets and day-old-chicks</li> </ul>

<b>Risk Priority</b>	<b>Risk Score</b>	<b>Risk Number</b>	<b>Risk Name</b>	<b>Mitigation Action(s)/Option(s)</b>
5	16	4.2	Very high competition (red ocean) on meat products (i.e. so many established brands); price competition is also high	<p>Mitigate:</p> <ul style="list-style-type: none"> <li>✓ Continuing competitor-profiling;</li> <li>✓ Continuing studies on consumer preferences;</li> <li>✓ Continuing "unique" product innovation &amp; quality enhancements to differentiate/capture market;</li> <li>✓ Aim of 'AAA' accreditation and HACCP certification to be able to tap export market and to be at par with established brands/have an edge over 'AA'/non-HACCP certified competitors;</li> <li>✓ Come up with attractive/effective advertising schemes.</li> </ul>
6	15	5.4	Compliance with food safety standards and HACCP certification requirements for AA accreditation	<p>Mitigate:</p> <ul style="list-style-type: none"> <li>✓ Upgrade of facilities and equipment to keep non-conformances to the barest minimum and increase ratings;</li> <li>✓ Continuous training and strict compliance to GMP/SSOP/HACCP standards</li> </ul>
7	12	1.3	Non-attainment of target weight due to FC's poor production management/practices	<p>Mitigate:</p> <ul style="list-style-type: none"> <li>✓ Improve criteria for selection of FCs and strict conformance to criteria;</li> <li>✓ Closer supervision &amp; monitoring by EWs;</li> <li>✓ Continuous E and I on production technology/bio-security measures in close coordination/partnership with raw material supplier/s.</li> </ul>

### 3. MULTI-PURPOSE CURING BARN (MPCB) PROJECT & OTHER POST-HARVEST FACILITIES PROJECT

**Project Components:** Continuing Design Enhancement/Improvement  
Collection of Production Assistance

**Project Risk Team (PRT):**

Project Risk Manager (PRM): Luzveminda R. Truong

Branch Risk Mgt. Coordinators (RMCs):

Abra Branch:	<u>Esmeralda G. Valera</u>
Ilocos Norte Branch:	<u>Mario E. Corpuz</u>
Candon Branch:	<u>Estrella G. De Peralta</u>
Vigan Branch:	<u>Faustino O. Taal</u>
La Union Branch:	<u>Giovanni B. Palabay</u>

Branch Risk Monitors: *(to be designated)*

**Project Lifecycle:**

Design Enhancement	-	Continuing
Collection of Production Loans	-	2011-2020

**3.1 RISK ANALYSIS SUMMARY – MPCB & OTHER POST-HARVEST FACILITIES**

<i>Risk No.</i>	<i>Risk Category</i>	<i>Risk Name</i>	<i>Impact Description</i>	<i>Probability of Occurrence</i>	<i>Impact Level</i>	<i>Risk Score</i>
1.1	Farmer Cooperators	Farmer's Attitude ("Dole-Out" Thinking; Delinquent FC)	Refusal to pay the required yearly amort resulting to non-collection of Facility Assistance	2	5	10
1.2		Inadequate curing barn	Overloading of barn during curing results to poor quality of cured tobacco leaves = low price of tobacco = will result to non/low payment of production/facility assistance	4	4	16
1.3		Shift from tobacco to other crops	FCs shifting to other crops will not require utilization of the barn, and FC will refuse to pay amortizations due = low/non-collection of facility/production assistance	3	5	15
1.4		Burned curing barns	Accident/Negligence of farmer during curing that results to damage/loss due to fire = non-collection of facility/production	1	5	5
2.1	Nature/Climate/ Environmental	Typhoon	Typhoons may partially/totally damage curing barns/sheds, = non-collection of facility/prod. assistance	2	4	8
2.2		Curing barn razed by fire	Damage/loss of curing barn may result to non-payment of assistance	1	5	5

**3.2 RISK RESPONSE SUMMARY - MPCB & OTHER POST-HARVEST FACILITIES**

<i>Risk Priority</i>	<i>Risk Score</i>	<i>Risk Number</i>	<i>Risk Name</i>	<i>Mitigation Action(s)/Option(s)</i>
1	16	1.2	Inadequate curing barn	Mitigate: <ul style="list-style-type: none"> <li>✓ Continuing information campaign re area planted to tobacco should be limited to the size of available curing barn/s;</li> <li>✓ Validation of area planted relative to curing barn capacity</li> </ul>
2	15	1.3	Shift from tobacco to other crops	Transfer: <ul style="list-style-type: none"> <li>✓ Enforcement of provision in the project guidelines of NTA take-over, if no cluster member/family member is willing and capable to take-over the project;</li> </ul>
3	10	1.1	Farmer's Attitude ("Dole-Out" Thinking; Delinquent FC)	Mitigate: <ul style="list-style-type: none"> <li>✓ Conduct of continuing values orientation seminar to tobacco farmers;</li> <li>✓ Imposition of penalties provided in the guidelines for failure to comply with project responsibilities.</li> </ul>
4	8	2.1	Typhoon	Mitigate: <ul style="list-style-type: none"> <li>✓ Continuing monitoring of weather conditions;</li> </ul> Accept: <ul style="list-style-type: none"> <li>✓ Depending on the extent of damage, provision of assistance for repairs.</li> </ul>
5	5	1.4	Burned curing barns	Mitigate: <ul style="list-style-type: none"> <li>✓ Installation of wire mesh above the primary tube;</li> <li>✓ Continuing information campaign on safety measures during curing.</li> </ul>
5	5	2.2	Curing barn razed by fire	Mitigate: <ul style="list-style-type: none"> <li>✓ Installation of wire mesh above the primary tube.</li> </ul>

#### 4. RENEWABLE FUELWOOD ENERGY DEVELOPMENT PROJECT AND RESTORATION OF ECOLOGICAL INTEGRITY (RFEDPREI)

**Project Components:** Nursery/Seedling Production Module  
 Kahuyang Pangkabuhayan Module  
 Synchronized Tree Planting Module

**Project Risk Team (PRT):**

Project Risk Manager (PRM): **Rex Antonio P. Teoxon**

Branch Risk Mgt. Coordinators (RMCs):

Abra Branch:	<u>Esmeralda G. Valera</u>
Ilocos Norte Branch:	<u>Mario E. Corpuz</u>
Candon Branch:	<u>Estrella G. De Peralta</u>
Vigan Branch:	<u>Faustino O. Taal</u>
La Union Branch:	<u>Giovanni B. Palabay</u>
Pangasinan Branch:	<u>Cesario G. Sambrana</u>
Isabela Branch:	<u>Herman C. Torres</u>
Cagayan Branch:	<u>Corazon R. Riazonda</u>

Branch Risk Monitors: *(to be designated)*

**Project Lifecycle:**

Nursery/Seedling Production Module	–	4 months
Kahuyang Pangkabuhayan Module	-	3 years (trees) 7 years (Bamboos)
Synchronized Tree Planting Module	-	1 day, annually, to coincide with the NTA Anniversary

**4.1 RISK ANALYSIS SUMMARY - RFEDPREI**

<i>Risk No.</i>	<i>Risk Category</i>	<i>Risk Name</i>	<i>Impact Description</i>	<i>Probability of Occurrence</i>	<i>Impact Level</i>	<i>Risk Score</i>
1.1	Nature/Climate/ Environment	Long drought, lack of water	May result to stunted growth or wilting or dried-up or high mortality of seedlings/trees/bamboo that may result to reduced volume of harvest of tree/bamboo = affect capacity of FC to pay his Production Assistance	4	4	16
1.2		Infestation of pests and diseases	May result to low production/non-collection of production assistance	1	2	2
1.3		Continuous rains leading to erosion; continuous rains resulting to flooding	Partial/total destruction of planted seedlings and proliferation of weeds = slow growth = low/non-collection	3	4	12
1.4		Fire hazard during dry season (Forest Fire)	Total/partial loss of the plantation = non-collection of production assistance	2	5	10
1.5		Typhoon/wind	Uprooting of trees/stem-breaking = reduced harvest = unattainable volume target = low collection	3	4	12
2.1	Farmer- Cooperator	Farming practices: Inadequacy of care and maintenance	Inadequate implementation of production package of technology by farmer coupled with lack of initiative ends with loan or zero production, hence, impact on production and P/A collection	3	3	9
2.2		Credit Delinquency; "Dole Out" mentality of FC in the availment of loan collection	Result to non-collection of production assistance	3	3	9



<b>Risk No.</b>	<b>Risk Category</b>	<b>Risk Name</b>	<b>Impact Description</b>	<b>Probability of Occurrence</b>	<b>Impact Level</b>	<b>Risk Score</b>
2.3	Farmer-Cooperator	Death/incapacity of FC during project implementation	Result to unattained production targets and non-collection of production assistance	2	5	10
2.4		Inadequate monitoring of FC resulting to theft & indiscriminate cutting of trees/bamboo	Result to unattained production targets and non-collection of production assistance	3	3	9
3.1	Legal/Rules	Enforcement of LGU/local ordinances on the cutting of trees	Results to non-harvesting and consequently non-collection of production assistance	2	5	10
3.2		Contested land ownership of project area	Non-harvest of trees = unattained production targets = no/low collection	1	5	5
3.3		Enforcement of total log ban	Non-harvest of trees = unattained production targets = no/low collection	1	5	5
4.1	Man/Animal	Astray Animals	Damage to trees/bamboos = non-collection of production assistance	2	3	6

**4.2 RISK RESPONSE SUMMARY - RFEDPREI**

<i><b>Risk Priority</b></i>	<i><b>Risk Score</b></i>	<i><b>Risk Number</b></i>	<i><b>Risk Name</b></i>	<i><b>Mitigation Action(s)/Option(s)</b></i>
1	16	1.1	Long drought, lack of water	Mitigate in areas where watering is possible
2	12	1.3	Continuous rains leading to erosion; continuous rains resulting to flooding	Accept
2	12	1.5	Typhoon/wind	Accept
4	10	1.4	Fire hazard during dry season (Forest Fire)	Mitigate: ✓ Establish fireline
4	10	2.3	Death/incapacity of FC during project implementation	Transfer: ✓ To other member of the family ✓ NTA take-over of the project
4	10	3.1	Enforcement of LGU/local ordinances on the cutting of trees	Mitigate: ✓ Coordinate with DENR for registration ✓ Coordinate with involved LGU for prior clearance/exemption
7	9	2.2	Credit Delinquency; "Dole Out" mentality of FC in the availment of loan collection	Avoid: Non-recruitment of unqualified FCs Mitigate: ✓ Conduct orientation seminars; ✓ Conduct values orientation seminars; ✓ Frequent monitoring by extension workers.
7	9	2.1	Farming practices: Inadequacy of care and maintenance	Avoid: Non-recruitment of unqualified FCs Mitigate: ✓ Conduct orientation seminars; ✓ Conduct values orientation seminars; ✓ Frequent monitoring by extension workers.

<b>Risk Priority</b>	<b>Risk Score</b>	<b>Risk Number</b>	<b>Risk Name</b>	<b>Mitigation Action(s)/Option(s)</b>
7	9	2.4	Inadequate monitoring of FC resulting to theft & indiscriminate cutting of trees/ bamboo	Avoid: Non-recruitment of unqualified FCs Mitigate: ✓ Conduct orientation seminars; ✓ Conduct values orientation seminars; ✓ Frequent monitoring by extension workers.
10	6	4.1	Astray Animals	Mitigate: ✓ Coordinate with animal owners
11	5	3.2	Contested land ownership of project area	Mitigate: ✓ Prior inspection of possession
11	5	3.3	Enforcement of total log ban	Accept & Mitigate: ✓ Coordination with DENR for license/registration/ accreditation
12	2	1.2	Infestation of pests and diseases	Mitigate: ✓ Apply appropriate pesticides/chemical controls

## 5. TOBACCO DUST PRODUCTION PROJECT

**Project Components:** Raw Materials Sourcing  
Tobacco Dust Production  
Marketing

### Project Risk Team (PRT):

Project Risk Manager (PRM): **Hermogenes G. Galvez**

### Branch Risk Mgt. Coordinators:

Abra Branch:	<u>Esmeralda G. Valera</u>
Ilocos Norte Branch:	<u>Mario E. Corpuz</u>
Candon Branch:	<u>Estrella G. De Peralta</u>
Vigan Branch:	<u>Faustino O. Taal</u>
La Union Branch:	<u>Giovanni B. Palabay</u>
Pangasinan Branch:	<u>Cesario G. Sambrana</u>
Isabela Branch:	<u>Herman C. Torres</u>
Cagayan Branch:	<u>Corazon R. Riazonda</u>

Branch Risk Monitors: *(to be designated)*

### Project Lifecycle:

Raw Materials Sourcing:	Continuing
Tobacco Dust Production:	Continuing
Marketing:	Continuing

**5.1 RISK ANALYSIS SUMMARY - TOBACCO DUST PRODUCTION PROJECT**

<i>Risk No.</i>	<i>Risk Category</i>	<i>Risk Name</i>	<i>Impact Description</i>	<i>Probability of Occurrence</i>	<i>Impact Level</i>	<i>Risk Score</i>
1.1	Raw Materials	High cost of raw materials (incl. hauling)	High cost of inputs will result to high cost of production = uncompetitive price	3	3	9
1.2		Inadequate storage facilities for raw materials	Plant cannot accommodate available raw materials for hauling, per NTA MC 001 s. 2013 = will result to proliferation of low-cost tobacco dust/sweeping in the market	4	5	20
1.3		Pile burn	Loss of raw materials will result to production targets not met = reduced sales	1	5	5
2.1	Processing/ Production	Increasing cost of electricity	High cost of electricity will increase cost of production = uncompetitive price	3	3	9
2.2		Plant operation under capacity	High cost of production resulting to uncompetitive price = low sales	3	4	12
2.3		Bog down of equipment/ machine	Production targets not met = low/reduced sales	1	5	5
3.1	Marketing/ Sales	Uncompetitive price	Low Product Sales = low income	3	5	15
3.2		Inadequate professional sales force	Low market share = low sales = low sales	3	3	9

<b>Risk No.</b>	<b>Risk Category</b>	<b>Risk Name</b>	<b>Impact Description</b>	<b>Probability of Occurrence</b>	<b>Impact Level</b>	<b>Risk Score</b>
3.3	Marketing/ Sales	Breakdown of delivery trucks	Low product sales = low income; Consumer requirement not met = consumer shift to other alternative products	1	5	5
4.1	Nature/climate/ environment	Sudden changes in temperature/salinity/oxygen level of water	Stringent BIR requirement on withdrawal/disposal of sweepings from the TCs	2	5	10
5.1	Legal/rules	Stringent BIR requirement on withdrawal/disposal of sweepings from the TCs	Decreased source of raw materials = production targets not met = low sales	4	5	20

**5.2 RISK RESPONSE SUMMARY – TOBACCO DUST PRODUCTION PROJECT**

<i>Risk Priority</i>	<i>Risk Score</i>	<i>Risk Number</i>	<i>Risk Name</i>	<i>Mitigation Action(s)/Option(s)</i>
1	20	1.2	Inadequate storage facilities for raw materials	Mitigate: <ul style="list-style-type: none"> <li>✓ Lease/rent/construct warehouse for storage</li> <li>✓ Store raw materials using make-shift stockpiles</li> </ul>
1	20	5.1	Stringent BIR requirement on withdrawal/disposal of sweepings from the Trading Centers	Accept: Enforcement of MC 001 s. 2013  Mitigate: <ul style="list-style-type: none"> <li>✓ Coordinate with BIR and tobacco companies to facilitate accomplishment and approval of requirements for the release of sweepings exclusively to NTA</li> </ul>
3	15	3.1	Uncompetitive price	Mitigate: <ul style="list-style-type: none"> <li>✓ Conduct dialogues with fishpond operators/dealers on pricing policies;</li> </ul>
4	12	2.2	Plant operation under capacity	Mitigate: <ul style="list-style-type: none"> <li>✓ Formulate marketing policies and strategies that will improve sales:                             <ul style="list-style-type: none"> <li>- Massive product advertisements/promotions</li> <li>- Close coordination with the BFAR, LGUs and fishpond operator associations;</li> <li>- Pricing promos, strategies</li> </ul> </li> </ul>
5	10	4.1	Sudden changes in temperature/salinity/oxygen level of water	Accept: <ul style="list-style-type: none"> <li>✓ Shift target market to other fishpond areas suitable for fishpond operation</li> </ul>
6	9	3.2	Inadequate professional sales force	Mitigate: <ul style="list-style-type: none"> <li>✓ Train staff on marketing approaches/techniques</li> <li>✓ Hire qualified sales personnel</li> </ul>

<b>Risk Priority</b>	<b>Risk Score</b>	<b>Risk Number</b>	<b>Risk Name</b>	<b>Mitigation Action(s)/Option(s)</b>
6	9	1.1	High cost of raw materials (incl. hauling)	Accept & Mitigate: <ul style="list-style-type: none"> <li>✓ Proper bagging and piling of raw materials for hauling, to maximize volume per hauling trip</li> <li>✓ Optimize trips by coordinating hauling of raw materials and delivery of finished products</li> </ul>
6	9	2.1	Increasing cost of electricity	Accept & Mitigate: <ul style="list-style-type: none"> <li>✓ Institute power saving measures to optimize electric consumption</li> </ul>
9	5	1.3	Pile burn	Mitigate: <ul style="list-style-type: none"> <li>✓ Proper piling of raw materials;</li> <li>✓ Installation of thermometers to stockpiles;</li> <li>✓ Regular monitoring of temperature of stockpiles</li> </ul>
9	5	2.3	Bog down of equipment/machine	Mitigate: <ul style="list-style-type: none"> <li>✓ Institute regular preventive maintenance check-ups of machine/equipment by competent mechanic.</li> </ul>
9	5	3.3	Breakdown of delivery trucks	Mitigate: <ul style="list-style-type: none"> <li>✓ Institute regular preventive maintenance check-ups of trucks/delivery vans by competent staff/mechanic.</li> </ul>



## 6. ENFORCEMENT OF TOBACCO TRADING RULES AND REGULATIONS

**Project Components:** Tripartite Conference to Set-up Floor Prices for Tobacco Leaf  
 Tobacco Trading/Buying  
 Tobacco Production/Acceptances Documentation

**Project Risk Team (PRT):**

Project Risk Manager (PRM):                     **Maybelen B. Dictaan**                    

Branch Risk Mgt. Coordinators:

Abra Branch:	<u>                    Esmeralda G. Valera                    </u>
Ilocos Norte Branch:	<u>                    Mario E. Corpuz                    </u>
Candon Branch:	<u>                    Estrella G. De Peralta                    </u>
Vigan Branch:	<u>                    Faustino O. Taal                    </u>
La Union Branch:	<u>                    Giovanni B. Palabay                    </u>
Pangasinan Branch:	<u>                    Cesario G. Sambrana                    </u>
Isabela Branch:	<u>                    Herman C. Torres                    </u>
Cagayan Branch:	<u>                    Corazon R. Riazonda                    </u>

Branch Risk Monitors: *(to be designated)*

**Project Lifecycle:**

Tripartite Conference to Set-Up Floor Prices:                      Every 2 years

Tobacco Trading Season:

Virginia Tobacco	-	February – May
Burley Tobacco	-	May - August
Native Tobacco	-	May - December

**6.1 RISK ANALYSIS SUMMARY - ENFORCEMENT OF TOBACCO TRADING RULES & REGULATIONS**

<i>Risk No.</i>	<i>Risk Category</i>	<i>Risk Name</i>	<i>Impact Description</i>	<i>Probability of Occurrence</i>	<i>Impact Level</i>	<i>Risk Score</i>
1.1	Trading Centers/ Buyers	Non-adherence to set floor prices	Will result to `pole-vaulting' by tobacco farmers, violation of trading rules will leave a negative Agency image of lack of monitoring	1	5	5
1.2		Improper/Non-documentation of tobacco acceptances/deliveries	Inaccurate/No actual record of volume of purchases/acceptances of the TC concerned = no regulatory income collection	3	3	9
1.3		Unauthorized/unprecedented stoppage of buying operations for locally-grown tobacco	Will result to lower buying prices of tobacco leaf sold which will result to lower income of FCs = farmer cannot pay P/A = NTA cannot collect = depleted NTA coffers = non-payment/delayed salaries = frequent absences = poor performance	1	5	5
2.1	Field Representatives	Proliferation of informal/unregistered traders/buyers	Non-payment of license/registration fee = low income of Agency  No proper and accurate documentation of leaf purchases = inaccurate basis for NTA R&R fees collection	3	4	12

<b>Risk No.</b>	<b>Risk Category</b>	<b>Risk Name</b>	<b>Impact Description</b>	<b>Probability of Occurrence</b>	<b>Impact Level</b>	<b>Risk Score</b>
2.2	Field Representatives	Non-usage of prescribed forms in buying tobacco	Inaccurate documentation of tobacco acceptances/deliveries will result to inaccurate NTA certification of acceptances	3	5	15
3.1	Farmer - Cooperators	Non-adherence to tobacco trading requirements (SLOB, NTRM)	Will impact on Agency reputation of low/non-monitoring and non-assistance by NTA of tobacco farmers' practices	2	5	10
3.2		Breach of marketing agreement/pole-vaulting/'ride-on' of contracted tobacco delivery	Will impact on Agency reputation of low/non-monitoring and non-assistance by NTA of tobacco farmers' practices	3	5	15
4.1	Grading	Non-harmonization of grades	Confusion in classification of tobaccos = TPROs not effective as arbiters in grading	5	5	25
5.1	Market Demand	Unpredictable demand for tobacco, global and local	Will dictate operations by buyers: stoppage of buying, instability of prices	4	5	20

**6.2 RISK RESPONSE SUMMARY - ENFORCEMENT OF TOBACCO TRADING RULES & REGULATIONS**

<i>Risk Priority</i>	<i>Risk Score</i>	<i>Risk Number</i>	<i>Risk Name</i>	<i>Mitigation Action(s)/Option(s)</i>
1	25	4.1	Non-harmonization of grades	Mitigate: <ul style="list-style-type: none"> <li>✓ Issuance of harmonized international grades <i>vis-à-vis</i> NTA grades;</li> <li>✓ Attendance to available grading/classification trainings;</li> </ul>
2	20	5.1	Unpredictable demand for tobacco, global and local	Mitigate: <ul style="list-style-type: none"> <li>✓ Continuing tobacco industry situationer/domestic and global demand &amp; supply;</li> <li>✓ Continuing coordination with the private sector buyers/manufacturers.</li> </ul>
3	15	3.2	Breach of marketing agreement/pole-vaulting/`ride-on' of contracted tobacco delivery	Mitigate: <ul style="list-style-type: none"> <li>✓ Conduct of dialogues and information dissemination campaign;</li> <li>✓ Conduct of values reorientation seminar to tobacco farmers on trading rules and farmer obligations and responsibilities.</li> </ul>
3	15	2.2	Non-usage of prescribed forms in buying tobacco	Mitigate: <ul style="list-style-type: none"> <li>✓ Notify field representatives of the violations;</li> <li>✓ Impose sanctions as applicable.</li> </ul> Avoid: <ul style="list-style-type: none"> <li>✓ Non-issuance of License to Buy for the ensuing trading year and/or cancellation of issued License.</li> </ul>

<b>Risk Priority</b>	<b>Risk Score</b>	<b>Risk Number</b>	<b>Risk Name</b>	<b>Mitigation Action(s)/Option(s)</b>
5	12	2.1	Proliferation of informal/unregistered traders/buyers	Mitigate: <ul style="list-style-type: none"> <li>✓ Strict enforcement &amp; monitoring of trading operations;</li> <li>✓ Conduct of dialogues/information campaign re field representative obligations, accountabilities, liabilities;</li> <li>✓ Imposition of sanctions as applicable;</li> <li>✓ Continuing coordination with concerned LGUs.</li> </ul>
6	10	3.1	Non-adherence to tobacco trading requirements (SLOB, NTRM)	Mitigate: <ul style="list-style-type: none"> <li>✓ Continuing information dissemination campaigns on new trading requirements;</li> <li>✓ Monitoring of FCs by Extension workers.</li> </ul>
7	9	1.2	Improper/Non-documentation of tobacco acceptances/ deliveries	Mitigate: <ul style="list-style-type: none"> <li>✓ Coordinate with TC re violation of TRR;</li> <li>✓ Strict implementation &amp; monitoring of compliance with TRR;</li> </ul> Avoid: <ul style="list-style-type: none"> <li>✓ Non-issuance of license to operate for the ensuing trading operation and/or cancellation of issued License/Permit to Buy</li> </ul>
8	5	1.1	Non-adherence to set floor prices	Mitigate: <ul style="list-style-type: none"> <li>✓ Require buyers to submit clustering of grades prior to issuance of license to operate</li> <li>✓ Issuance of policy that floor prices should not include incentives (no conditions on the floor prices)</li> <li>✓ Impose penalties/sanctions applicable.</li> </ul>
8	5	1.3	Unauthorized/unprecedented stoppage of buying operations for locally-grown tobacco	Mitigate: <ul style="list-style-type: none"> <li>✓ Strict enforcement of trading rules &amp; regulations;</li> <li>✓ Enforce penalties applicable, e.g. revocation of license to buy.</li> </ul>

## 7. SUPPORT SERVICES (ADMINISTRATIVE & FINANCE)

### Project Risk Team (PRT):

Project Risk Manager (PRM):	<u>Cristina C. Lopez</u>
Branch Risk Mgt. Coordinators:	
Abra Branch:	<u>Esmeralda G. Valera</u>
Ilocos Norte Branch:	<u>Mario E. Corpuz</u>
Candon Branch:	<u>Estrella G. De Peralta</u>
Vigan Branch:	<u>Faustino O. Taal</u>
La Union Branch:	<u>Giovanni B. Palabay</u>
Pangasinan Branch:	<u>Cesario G. Sambrana</u>
Isabela Branch:	<u>Herman C. Torres</u>
Cagayan Branch:	<u>Corazon R. Riazonda</u>

Branch Risk Monitors: *(to be designated)*

**7.1 RISK ANALYSIS SUMMARY - ADMINISTRATIVE AND FINANCE**

<i>Risk No.</i>	<i>Risk Category</i>	<i>Risk Name</i>	<i>Impact Description</i>	<i>Probability of Occurrence</i>	<i>Impact Level</i>	<i>Risk Score</i>
1.1	Infrastructure Projects	Rains/Typhoons	Heavy rainfall/typhoons may cause work stoppage on infrastructure projects	3	4	12
1.2		Contractor delay/ Abandonment of infrastructure projects	Inefficiency of contractor may cause work delay/stoppage of infrastructure project will result to additional expenses/costs	2	4	8
2	Unforeseen events/force majeure	Earthquake/strong typhoons/fire	May cause damage to building facilities leading to Office work suspension = delayed delivery of services	2	4	8
3	Accidents	Vehicular accidents	Damage/destruction of service vehicles leading to temporary suspension of mobility and delivery of services	2	3	6
4.1	Manpower-related	Sabotage/deliberate destruction of files/documents	Loss of documents vital to the efficient delivery of services	1	3	3
4.2		Malversation of funds	Losses/possible non-recovery of cash = decrease in assets; Reputational impact on Agency	4	4	16
4.3		Absenteeism/AWOL	Lag in work output = lag in delivery of services; manpower shortage	2	3	6

**7.2 RISK RESPONSE SUMMARY – ADMINISTRATIVE AND FINANCE**

<i>Risk Priority</i>	<i>Risk Score</i>	<i>Risk Number</i>	<i>Risk Name</i>	<i>Mitigation Action(s)/Option(s)</i>
1	16	4.2	Malversation of Funds	<p>Mitigate:</p> <ul style="list-style-type: none"> <li>✓ Conduct of investigation;</li> <li>✓ Mete-out sanctions, if found guilty, including restitution of accountability;</li> <li>✓ Tight screening of applicants/appointees to positions handling cash and other accountable positions;</li> </ul> <p>Transfer:</p> <ul style="list-style-type: none"> <li>✓ Payment of bonds for all accountable officers/staff</li> </ul>
2	12	1.1	Rains/Typhoons	<p>Mitigate:</p> <ul style="list-style-type: none"> <li>✓ Project should be scheduled outside the rainy season</li> <li>✓ Project duration should take into account temporary work suspension due to rains/ typhoons</li> </ul>
3	8	1.2	Contractor delay/Abandonment of infrastructure projects	<p>Avoid:</p> <ul style="list-style-type: none"> <li>✓ Awards should be thoroughly evaluated</li> </ul> <p>Transfer:</p> <ul style="list-style-type: none"> <li>✓ Charge contractor of 1/10<sup>th</sup> of 1%, of Contract Price, for every day of delay;</li> <li>✓ Penalize contractor by claiming against Performance Bond for Project abandonment.</li> </ul>
3	8	2	Fire/earthquake/strong typhoons	<p>Mitigate:</p> <ul style="list-style-type: none"> <li>✓ Purchase of adequate fire-fighting equipment</li> <li>✓ Awareness/readiness/preparedness to disaster</li> </ul> <p>Transfer:</p> <ul style="list-style-type: none"> <li>✓ Insurance coverage of buildings by the GSIS</li> </ul>



<b>Risk Priority</b>	<b>Risk Score</b>	<b>Risk Number</b>	<b>Risk Name</b>	<b>Mitigation Action(s)/Option(s)</b>
5	6	3	Vehicular accidents	<p>Mitigate:</p> <ul style="list-style-type: none"> <li>✓ Drivers' orientation on good driving practices and road courtesy;</li> <li>✓ Designation of relievers/second-line personnel in case of injuries/damage to driver/s;</li> </ul> <p>Transfer:</p> <ul style="list-style-type: none"> <li>✓ Insurance coverage, comprehensive and TPL with the GSIS</li> </ul>
5	6	4.3	Absenteeism/AWOL	<p>Mitigate:</p> <ul style="list-style-type: none"> <li>✓ Conduct of investigation;</li> <li>✓ Mete-out sanctions, if found guilty;</li> <li>✓ Succession-planning/designation of secondline staff;</li> <li>✓ Designation of 'under-study', especially for critical/highly technical positions;</li> <li>✓ Multi-tasking roles.</li> </ul>
7	3	4.1	Sabotage/deliberate destruction of files and other documents	<p>Mitigate:</p> <ul style="list-style-type: none"> <li>✓ Establishment of storage room/s separate from NTA Main Bldg;</li> <li>✓ Setting-up of back-up/second-copy files (hard copies);</li> <li>✓ Off-site back-up/digital copies of vital documents;</li> <li>✓ More stringent security systems/roving inspections;</li> <li>✓ Mete-out sanctions to employees found liable.</li> </ul>

## 8. LEGAL AND PROPERTIES

### Project Risk Team (PRT):

Advisory Body: The NTA Governing Board

Project Risk Manager (PRM): **Rohbert A. Ambros**

### Branch Risk Mgt. Coordinators:

Abra Branch: Esmeralda G. Valera

Ilocos Norte Branch: Mario E. Corpuz

Candon Branch: Estrella G. De Peralta

Vigan Branch: Faustino O. Taal

La Union Branch: Giovanni B. Palabay

Pangasinan Branch: Cesario G. Sambrana

Isabela Branch: Herman C. Torres

Cagayan Branch: Corazon R. Riazonda

Branch Risk Monitors: *(to be designated)*

**8.1 RISK ANALYSIS SUMMARY - LEGAL & PROPERTIES**

<i>Risk No.</i>	<i>Risk Category</i>	<i>Risk Name</i>	<i>Impact Description</i>	<i>Probability of Occurrence</i>	<i>Impact Level</i>	<i>Risk Score</i>
1.1	Idle Lots/Real Property	Idle Agricultural lots	Carp Coverage resulting to decrease in assets	3	5	15
1.2		Idle Residential/Commercial/Industrial lots	Will result to: Occupation by informal settlers; quieting of title; government take-over = decrease in assets	2	5	10
2.1	Collection Cases	Non-Payment of Production Assistance by tobacco farmers due to death, illness, natural/man-made calamities, deliberate non-payment	Will result to decrease in Cash, non-moving Accounts Receivable accounts = depleting Agency financial resources	3	3	9
2.2		Non-Payment/Low Repayment of Trading Loans due to death, illness, natural/man-made calamities, deliberate non-payment	Will result to decrease in Cash, non-moving Accounts Receivable accounts = depleting Agency financial resources	4	4	16
3	Tobacco Laws	Outdated tobacco laws	Existing tobacco laws no longer responsive/relevant to current environment/setting	3	5	15
4	Other Cases	Slow resolution of pending cases	Setting by the courts of long intervals between hearings may lead to non-resolution of cases	4	5	20

**8.2 RISK RESPONSE SUMMARY – LEGAL & PROPERTIES**

<i>Risk Priority</i>	<i>Risk Score</i>	<i>Risk Number</i>	<i>Risk Name</i>	<i>Mitigation Action(s)/Option(s)</i>
1	20	4	Slow resolution of pending cases	✓ Out-of-court settlement
2	16	2.2	Non-Payment/Low Repayment of Trading Loans due to death, illness, natural/ man-made calamities, deliberate non-payment	Transfer: ✓ Mortgage redemption insurance ✓ Performance/Surety bond ✓ Property insurance
3	15	3	Outdated tobacco laws	✓ Amend or issue rules and regulations in accordance with new tobacco laws
3	15	1.1	Idle Agricultural lots	✓ Sell to interested parties
5	10	1.2	Idle Residential/Commercial/Industrial lots	✓ Sell to occupants ✓ Out-of-court settlement ✓ Utilize, to prevent take-over
6	9	2.1	Non-Payment of Production Assistance by tobacco farmers due to death, illness, natural/ man-made calamities, deliberate non-payment	✓ Agency take-over of project/structure ✓ Crop insurance