Policy
on
Risk Identification and Mitigation

Date: 15 November, 2023

Bangladesh Shrimp and Fish Foundation (BSFF)
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1. Introduction

Bangladesh Shrimp and Fish Foundation (BSFF) is a non-profit research, advocacy and Business Support Organization (http://shrimpfoundation.org/). It was initially registered in 2003 under Trust Act 1882 and subsequently in 2008 under Directorate of Social Welfare Services in Dhaka (Registration No. DHA08488, Dated: 24 December, 2008. The organization was subsequently registered with Registrar of Joint Stock Companies and Firms (RJSC) in 24th July 2023 (Registration No. S-14040/2023). The initial central objective of the Foundation has been to provide fisheries and aquaculture industries with critically needed supports for growth, sustainability and market access. It has also one of the BSFF's major objectives to realize the full potential of the fisheries sector, which in turn can contribute to the national policy efforts to reduce poverty, improve food and nutrition security, improve the lives and livelihoods of the vulnerable sections, women empowerment, gender equality and youth inclusion, especially the ones in the coastal areas where salinity intrusion and associated impacts are being increasingly manifested. The general thrust of the activities of the organization has been making important contribution to small-fishermen in particular in terms of improving their livelihoods, income enhancing skills and their overall nutrition status. BSFF has rich experience of working with the Government and Development Partners like World Bank, USAID, USDA, UKAID, UNFAO, British Council, WorldFish, Winrock International, Swisscontact, Solidaridad Network Asia, University of Maryland and UN University at Iceland. It has Memorandum of Understandings with relevant public and private sector institutions at the national, regional, and international levels. It has a rich track record of implementing collaboratively developed by private sector stakeholders, the Government of Bangladesh especially the Department of Fisheries and international and national development partners. It has experience of working both at the national and local levels.

BSFF is engaged in a range of activities with an objective to realize the full potentials and transform the sector in a sustainable and equitable manner. With rich experience of sector specific project implementation, it extends a wide range of services to the country's fisheries and aquaculture sector to promote pro-growth initiatives, build up capacities, introduce new technologies in the production processes, facilitate trade, exports, investments and ensure social and gender inclusion in the sector. It has also been increasingly working in wider areas to create the enabling condition for private sector investments and compliance with relevant sector specific norms and standards and environmental sustainability imperatives through research, dialogue, policy advocacy, organizing training, field level intervention to enhance production and other initiatives to overcome challenges faced by the sector. BSFF's works over the years also have continued to include a very significant and robust livelihood improvement components and activities with positive ramification for the nutritional status of target beneficiaries of its activities who also include women, youth and vulnerable groups in particular. The BSFF activities, ever since its establishment, also have had important research component in the areas with special relevance to policy formulation for the aquaculture and fisheries sector of Bangladesh and introduction of growth and development oriented modern technology.

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This risk mitigation plan aims to outline the strategies and processes for identifying, assessing, and managing risks faced by the Bangladesh Shrimp & Fish Foundation (BSFF). Effective risk management is essential for BSFF to achieve its strategic objectives, ensure sustainable operations, and protect its assets and reputation.

2. Risk Management Framework

The risk management framework at BSFF is structured to integrate risk management into the organization's governance, strategy, planning, management, and operational processes. It includes the following key components:

- **Governance**: Establishing accountability and oversight for risk management.
- **Strategy and Planning**: Aligning risk management with strategic goals and objectives.
- **Management and Operations**: Embedding risk management into daily activities and decision-making processes.
- **Reporting and Communication**: Ensuring transparent communication of risks and risk management activities to stakeholders.

3. Risk Identification and Assessment

The risk identification and assessment process involve:

- **Risk Identification**: Identifying potential risks that could impact BSFF's operations, objectives, and stakeholders. This involves input from various departments and stakeholders to ensure comprehensive coverage.

- **Risk Analysis**: Analyzing the identified risks to understand their potential impact and likelihood. This includes qualitative and quantitative assessments to prioritize risks.

- **Risk Evaluation**: Evaluating the analyzed risks to determine their significance and the need for mitigation actions. This involves categorizing risks based on their severity and likelihood.

4. Risk Register

A risk register is maintained to document and track identified risks, their analysis, and the mitigation measures. The risk register is a dynamic tool that is regularly updated to reflect changes in the risk landscape and the effectiveness of mitigation measures.

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ID	Date Raised	Risk Description	Like hood of the risk occurring	Impact if the risk occurs	Severity	Owner	Mitigation Strategy
1		Project schedule is not clearly defined or understood	Low	Medium	Medium	Project Manager	Hold Scheduling workshop with the project team so they understand the pan and like hood for missed task is reduced.
2		A problem found in the distribution of Cash among the project beneficiaries	High	High	High	Team Leader	Arrange emergency meeting with project team and take necessary actions to solute the problem.
3							
4							
5							
6							
7							

5. Risk Mitigation Strategies

Risk mitigation involves implementing measures to reduce the likelihood and/or impact of risks. The strategies include:

5.1. Avoidance

Definition: Avoidance involves taking deliberate actions to prevent the engagement in activities that could generate risk. This strategy is applicable when the potential risks outweigh the expected benefits of the activity.

Examples and Applications

- **Operational Context:** If a particular farming practice is known to increase the likelihood of disease outbreaks in shrimp or fish, BSFF might choose to avoid this practice altogether. For instance, avoiding the introduction of non-native species that could disrupt the ecosystem.
- **Regulatory Context:** Avoiding markets or activities that require compliance with complex and stringent regulations that could be costly or difficult to meet. For example, not entering a foreign market where regulatory compliance would be overly burdensome.

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- **Environmental Context:** Avoiding farming in areas prone to natural disasters such as floods or cyclones to prevent significant operational disruptions.

5.2. Reduction

Definition: Reduction involves implementing measures to decrease the likelihood or impact of identified risks. This strategy focuses on mitigating the risk to an acceptable level rather than eliminating it completely.

Examples and Applications

- **Health and Safety Measures:** Implementing stringent biosecurity measures, regular health checks, and vaccination programs to reduce the likelihood of disease outbreaks in shrimp and fish populations.

- **Process Improvements:** Adopting best practices and advanced technologies in aquaculture to enhance productivity and reduce operational risks. For example, using automated feeding systems to ensure consistent feed delivery and reduce the risk of human error.

- **Environmental Protection:** Implementing sustainable farming practices, such as using eco-friendly feeds and minimizing water pollution, to reduce the environmental impact and ensure long-term sustainability.

- **Financial Controls:** Establishing financial monitoring and control systems to reduce the risk of financial mismanagement or fraud. This includes regular audits, financial reporting, and budgeting controls.

5.3. Sharing/Transfer

Definition: Sharing or transferring risk involves passing on or sharing the risk with third parties. This can be done through mechanisms such as insurance, partnerships, outsourcing, or contractual agreements.

Examples and Applications:

- **Insurance:** Purchasing insurance policies to cover risks such as natural disasters, disease outbreaks, or market fluctuations. This ensures that financial losses are mitigated if these risks materialize.

- **Outsourcing:** Outsourcing non-core activities, such as logistics or IT services, to specialized third-party providers who are better equipped to manage these risks.

- **Joint Ventures/Partnerships:** Forming partnerships or joint ventures to share the risks associated with large-scale projects or new market entries. This distributes the potential risks and benefits among the involved parties.

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- **Contracts:** Using contractual agreements to transfer certain risks to suppliers or service providers. For example, including clauses in supply contracts that hold the supplier responsible for delays or quality issues.

5.4. Acceptance

Definition: Acceptance involves acknowledging the presence of a risk and choosing to accept it without taking specific actions to mitigate it. This strategy is typically employed when the cost of mitigation exceeds the potential benefits, or when the risk is deemed insignificant.

Examples and Applications:

- **Low-Impact Risks:** Accepting minor operational risks that have minimal impact on the overall operations of BSFF. For example, minor fluctuations in daily shrimp feed prices that do not significantly affect overall profitability.

- **Cost-Benefit Analysis:** Deciding not to invest in expensive mitigation measures for risks that have a low likelihood of occurrence and a low impact if they do occur. For instance, accepting the risk of minor regulatory changes that do not require significant operational adjustments.

- **Strategic Decisions:** Choosing to accept certain strategic risks to capitalize on high-reward opportunities. For example, entering a new market with known regulatory risks but high potential for growth, after assessing that the expected benefits outweigh the risks.

6. Key Risk Categories and Mitigation Measures

6.1. Operational Risks:

Operational risk in field projects can arise from a variety of sources, including logistical challenges, staffing issues, equipment failures, and unexpected environmental conditions. This risk can impact the timely completion of projects, affect the quality of outputs, and lead to increased costs. Effective mitigation measures are essential to ensure the continuity and success of field operations.

Mitigation Measures

a. **Work with the Project Management Team**
   - **Role Clarification and Responsibilities:** Clearly define the roles and responsibilities of each team member to ensure accountability and swift action when disruptions occur. This includes project managers, field staff, and support personnel.
   - **Regular Meetings and Updates:** Hold regular meetings to review project progress, identify potential issues, and discuss solutions. Weekly or bi-weekly meetings can help keep the team aligned and proactive in addressing challenges.

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- **Training and Development:** Ensure that all team members are adequately trained in their specific roles and responsibilities. Provide ongoing training and development opportunities to enhance their skills and preparedness for handling disruptions.

b. Immediate Corrective Actions

- **Incident Reporting System:** Establish a robust incident reporting system that allows team members to quickly report any disruptions or issues encountered in the field. This system should be accessible and user-friendly.
- **Rapid Response Teams:** Form dedicated rapid response teams that can be deployed quickly to address disruptions in the field. These teams should be equipped with the necessary tools and resources to resolve issues efficiently.
- **Contingency Plans:** Develop and implement contingency plans for common types of disruptions, such as equipment failures, adverse weather conditions, and staffing shortages. These plans should include predefined actions and resources required to restore normal operations.

c. Monitoring and Evaluation

- **Real-Time Monitoring:** Use real-time monitoring tools and technologies to track project progress and detect early signs of potential disruptions. This can include GPS tracking, remote sensors, and project management software.
- **Key Performance Indicators (KPIs):** Define and monitor KPIs related to project operations, such as project milestones, budget adherence, and resource utilization. Regularly evaluate these KPIs to identify areas of concern and take corrective actions.
- **Feedback Mechanisms:** Implement feedback mechanisms that allow field staff to provide input on potential risks and issues. Regular feedback helps in continuously improving project operations and mitigation strategies.

d. Resource Management

- **Adequate Resources:** Ensure that field projects are adequately resourced in terms of manpower, equipment, and materials. Resource shortages can significantly disrupt operations, so maintaining sufficient inventories and staffing levels is crucial.
- **Supplier and Vendor Management:** Establish strong relationships with suppliers and vendors to ensure timely delivery of materials and equipment. Have backup suppliers in place to mitigate the risk of supply chain disruptions.
- **Maintenance Schedules:** Implement regular maintenance schedules for all equipment and infrastructure used in field projects. Preventive maintenance can reduce the likelihood of equipment failures and extend the lifespan of critical assets.

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e. **Communication and Coordination**

- **Effective Communication Channels:** Establish clear communication channels between the project management team and field staff. This includes mobile communication, email updates, and project management platforms.
- **Coordination with Local Authorities:** Coordinate with local authorities and stakeholders to address any external factors that may disrupt field operations, such as regulatory changes, community issues, or environmental conditions.
- **Stakeholder Engagement:** Engage with project stakeholders, including community members, local leaders, and other relevant parties, to gain their support and cooperation. This can help in mitigating risks arising from community or local issues.

f. **Risk Assessment and Mitigation Planning**

- **Regular Risk Assessments:** Conduct regular risk assessments to identify potential disruptions specific to each project. This includes analyzing historical data, consulting with experts, and considering local conditions.
- **Customized Mitigation Plans:** Develop customized mitigation plans for each identified risk, outlining specific actions, responsible personnel, and required resources. Regularly update these plans based on new information and changing conditions.

6.2.Financial Risk:

Mismanagement of Financial Matters of Projects, Events, and Field Offices Financial mismanagement can lead to significant issues, including budget overruns, insufficient funds for critical activities, regulatory non-compliance, and damage to the organization's reputation. Effective mitigation measures are essential to ensure financial stability and integrity.

Mitigation Measures

a. **Work Closely with Finance Manager and Responsible Persons**

- **Clear Roles and Responsibilities:** Define the roles and responsibilities of all individuals involved in financial management, including the finance manager, project managers, and other project personnel. This ensures accountability and clarity in financial processes.
- **Regular Financial Reviews:** Schedule regular meetings between the finance manager and project teams to review financial reports, discuss budget status, and address any discrepancies or issues. These reviews should be frequent enough to detect and correct issues early.
- **Financial Training:** Provide training for all staff involved in financial management to ensure they understand financial processes, budgeting, and compliance requirements. This helps prevent errors and promotes best practices.

b. **Implement Strong Financial Controls**

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- **Budgeting and Planning:** Develop detailed budgets for each project, event, and field office. Ensure that these budgets are realistic and based on thorough planning and historical data. Regularly review and adjust budgets as necessary.
- **Expense Tracking:** Implement robust expense tracking systems to monitor spending against the budget. Use financial software to provide real-time updates on expenditures and remaining budgets.
- **Approval Processes:** Establish clear approval processes for financial transactions. Require multiple levels of approval for significant expenditures to prevent unauthorized spending and ensure proper oversight.
- **Segregation of Duties:** Ensure segregation of duties in financial processes to reduce the risk of fraud and errors. For example, the person approving expenditures should not be the same person processing payments.

c. Conduct Regular Audits and Inspections

- **Internal Audits:** Conduct regular internal audits to review financial records, processes, and controls. Internal audits help identify discrepancies, inefficiencies, and areas for improvement.
- **External Audits:** Engage external auditors to perform annual audits. External audits provide an independent assessment of financial health and compliance with regulations.
- **Surprise Inspections:** Perform unannounced inspections of financial records and processes to detect any irregularities that may not be identified in scheduled audits.

d. Enhance Financial Reporting and Transparency

- **Regular Financial Reporting:** Produce regular financial reports that provide a clear overview of the financial status of projects, events, and field offices. These reports should be shared with relevant stakeholders, including the finance manager and project teams.
- **Transparent Communication:** Maintain open and transparent communication about financial matters. Encourage staff to report any concerns or irregularities they observe without fear of retribution.
- **Stakeholder Engagement:** Involve key stakeholders, such as donors and board members, in financial discussions to ensure transparency and build trust. Provide them with regular updates and detailed financial reports.

e. Develop and Implement Corrective Measures

- **Immediate Action Plans:** Develop action plans to address any identified financial issues promptly. These plans should include specific steps, timelines, and responsible persons for implementing corrective measures.

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- **Continuous Improvement:** Use lessons learned from financial issues to improve processes and controls. Regularly update financial policies and procedures based on feedback and audit findings.
- **Risk Mitigation Strategies:** Identify potential financial risks and develop mitigation strategies in advance. This includes creating contingency plans for funding shortfalls, unexpected expenses, and other financial challenges.

f. Utilize Financial Technology and Tools

- **Financial Software:** BSFF use reliable financial management software that offers features such as budgeting, expense tracking, financial reporting, and audit trails. This software can help automate processes and reduce the risk of human error.
- **Real-Time Data:** BSFF ensure access to real-time financial data to enable timely decision-making. Use dashboards and analytics to monitor financial performance and detect issues early.

g. Foster a Culture of Financial Responsibility

- **Ethical Standards:** Promote a culture of ethical behavior and financial responsibility across the organization. Encourage staff to adhere to financial policies and report any unethical practices.
- **Incentives and Accountability:** Implement incentives for good financial management practices and hold individuals accountable for financial mismanagement. Recognize and reward teams that effectively manage their budgets and finances.

6.3. Environmental Risk:

Natural calamities and disasters, such as floods, cyclones, and droughts, pose significant threats to the implementation of aquaculture projects. These events can cause extensive damage to infrastructure, disrupt operations, and lead to significant financial losses. Implementing sustainable farming practices and environmentally friendly project strategies are crucial to mitigating these risks and ensuring project resilience.

Mitigation Measures

a. Implement Sustainable Farming Practices

- **Diversified Farming Systems:** Diversify farming systems to include a mix of species and production methods that can withstand different environmental conditions. This approach reduces the risk of total loss in case of a disaster affecting one particular species or method.
- **Climate-Resilient Species:** Select and cultivate species that are more resilient to local climate conditions and can better withstand environmental stressors. This

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includes using species that are tolerant to variations in temperature, salinity, and water quality.

- **Integrated Farming Systems:** Adopt integrated farming systems that combine aquaculture with agriculture or livestock farming. This creates a more balanced and resilient ecosystem that can better absorb the impact of natural calamities.

b. Introduce Environment-Friendly Project Implementation

- **Eco-Friendly Infrastructure:** Design and build infrastructure that is resistant to natural disasters. This includes constructing ponds, tanks, and buildings using materials and designs that can withstand extreme weather conditions.
- **Water Management Systems:** Implement advanced water management systems to control water levels and quality in farming areas. Use technologies such as automated pumps, water filtration systems, and rainwater harvesting to maintain optimal conditions and prevent damage from floods or droughts.
- **Sustainable Feed and Inputs:** Use sustainable and eco-friendly feed and inputs in aquaculture operations. This reduces the environmental footprint and enhances the resilience of farming systems to external shocks.

c. Develop and Implement Disaster Preparedness Plans

- **Risk Assessment and Mapping:** Conduct thorough risk assessments to identify areas that are vulnerable to natural disasters. Use geographic information systems (GIS) and remote sensing technologies to map these areas and plan accordingly.
- **Early Warning Systems:** Establish early warning systems to provide timely alerts about impending natural disasters. Collaborate with meteorological departments and disaster management agencies to receive accurate forecasts and warnings.
- **Emergency Response Plans:** Develop comprehensive emergency response plans that outline specific actions to be taken before, during, and after a disaster. Ensure that all staff are trained and familiar with these plans.

d. Enhance Community Engagement and Capacity Building

- **Community Training Programs:** Conduct training programs for local communities on disaster preparedness and response. Educate them on sustainable farming practices, environmental conservation, and the importance of maintaining healthy ecosystems.
- **Community Involvement:** Involve local communities in project planning and implementation. Their local knowledge and experience can provide valuable insights into effective risk mitigation strategies.
- **Partnerships with NGOs and Agencies:** Partner with non-governmental organizations (NGOs) and governmental agencies that specialize in disaster management and environmental protection. Collaborate on initiatives that enhance community resilience and environmental sustainability.

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7. Risk Governance and Accountability

Effective risk governance involves clear accountability and reporting structures. BSFF has established the following:

- **Board of Directors**: Provides oversight and ensures alignment of risk management with strategic goals.
- **Audit & Risk Management Committee**: Monitors risk management activities and ensures effective controls are in place.
- **Risk Management Coordinator**: Responsible for coordinating risk management activities and maintaining the risk register.
- **Risk Owners**: Assigned to specific risks to ensure effective management and accountability.

8. Communication and Reporting

Transparent communication and reporting are crucial for effective risk management. BSFF ensures:

- **Internal Communication**: Regular updates and training for staff on risk management policies and procedures.
- **External Communication**: Transparent reporting to stakeholders, including annual risk management reports and updates on significant risks.

9. Continuous Improvement

BSFF is committed to continuous improvement in risk management through:

- **Regular Reviews**: Periodic reviews of the risk management framework and processes.
- **Feedback Mechanisms**: Collecting feedback from stakeholders to improve risk management practices.
- **Training and Development**: Ongoing training programs to enhance risk management skills and knowledge.

10. Conclusion

Effective risk management is vital for the sustainable growth and success of BSFF. By implementing a comprehensive risk management framework, maintaining a dynamic risk register, and adopting proactive risk mitigation strategies, BSFF can safeguard its operations and achieve its strategic objectives. This risk mitigation plan will be regularly reviewed and updated to ensure its continued relevance and effectiveness in addressing the evolving risk landscape.

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