

Procurement risk assessment:

Area of Risk	Probability	Impact	Remarks	Control measures
Procurement process of goods and services	Low	Low	DAE and executing agencies have well established procurement norms adapted for procurement processes, therefore, no risk is foreseen	DAE and executing agencies have well established procurement norms adapted for procurement processes, therefore, no risk is foreseen
Delay in execution of project activities due delay in procurement equipment	Low	Low	EEs and PMU shall follow the procurement plan and monitor the execution as per the procurement plan	<p>The respective executing entities, using the NIE's prescribed reporting formats, shall submit periodic progress reports to the PMU.</p> <p>There will be three layers of monitoring and supervision to ensure compliance to the project requirements as follows:</p> <ul style="list-style-type: none"> - Monitoring and Supervision by PMU, EEs and local government for managing the risks that can affect the operations of the project and prevent it from achieving its objectives; - Monitoring, Supervision and internal audit by the BTFEC as the DAE to ensure all risks and controls are managed appropriately and effectively. - Conduct of annual external audit to provide assurance to the project governance committees on the overall project execution and advise on the adequacy and effectiveness of internal controls and governance.

Problems of procurement, corruption, and embezzlement	Low	Low	EEs and PMU shall follow the procurement process as per the procurement plan and procurement rules and regulations	Fiduciary controls, capacity building, incentive system put in place taking into account the results of audits. Monitoring of community contracting is amongst the performance indicators, which will be incentivised in the annual assessments. There will be three layers of monitoring and supervision as mentioned above
Payments	Low	Low	Disbursement of project funds will be carried out as per the intergovernmental fiscal transfer system based on approved work plans, budget and contracts. This will include disbursements to all individual employees and vendors of the project.	There will be three layers of monitoring and supervision as mentioned above