

## RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
<b>A. Governance</b>		
1. Public Financial Management	Medium	The PID shall ensure its annual budget is allocated and available during the fiscal year. The Government of Pakistan and government of Punjab shall ensure the timely release of counterpart funds, as per loan covenants.
2. Procurement	Low	The proposed project will involve international procurement of civil, electrical, and mechanical works and services. The government of Punjab's interdepartmental procurement committee oversees and approves main procurement-related transactions before submission to ADB. The PID PMO has trained staff and substantial experience of projects financed by ADB, the World Bank, and JICA. Project management support consultants will further strengthen the PMO's capacity. The project will also benefit from the planned CWRD regional technical assistance program on improving the capacity and integrity of procurement processes, which is in process.
3. Corruption	Medium	<p>Punjab's Anticorruption Establishment Department under anticorruption ordinance 1961; Prevention of Corruption Act, 1947 receives complaints on and investigates corruption-related allegations. The department is established at the district level. The National Accountability Bureau of Pakistan is established at the provincial level. It takes a variety of corruption cases including contracts greater than PRs15 million (\$0.15 million). These two departments have already established their websites. A proactive judicial system exists. Transparency International, vibrant media, and active civil society act as watchdog.</p> <p>At the project level, Punjab's oversight body—the project steering committee—will periodically monitor and will issue minutes twice a year. The PID's secretariat will closely monitor project progress through monthly meetings. Provision for a supervisory consultant in the role of engineer and ADB's prior review of consultancy and works contracts and direct payment and post-review for shopping contracts reduce the related risks.</p>
<b>B. Inherent</b>		
1. Security Related	Medium	The proposed project areas are relatively safe. The government will provide land for the contractor's camp. The construction activities area will be small (a few square kilometers) and the bidders will be requested to include the camp security cost in the bid.
2. Climate-Induced Extreme Events	Medium	The project design includes enhancing the flood capacity of the Trimmu and Panjnad barrages and local communities in flood risks management and allocates adequate funds. The barrages are buffered by upstream structures. Water supplies from the Mangla reservoir will supplement the required water during low flow periods. A

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<b>C. Project-specific</b>		project-related climate adaptation strategy is developed and adaptation cost is included in the overall cost of disaster risk management.
1. Project Design	Low	A simple design with two ICB contracts for works and capacity building is proposed. The outputs and outcomes are clear and likely impacts are high.
2. Project Implementation	Low	A construction supervision consultant will be assigned responsibility of the engineer as defined by the FIDIC. PID teams are already functional at the barrages to assist the contractor and the consultant. Both the sites are accessible by roads and government land is available for camp and residences of the contractors and consultant.
3. Project Management	Medium	<p>The project steering committee will oversee the project. The PID will provide strategic guidance and closely monitor PMO performance. The PMO has procurement, finance, technical, and safeguard departments, and will further be strengthened by providing dedicated staff and project management support consultants.</p> <p>The PMO established its website for transparency and readily available information. Its procurement and safeguard departments will ensure it maintains relevant documents, discloses information on the website, and handles the complaints system transparently.</p> <p>CWRD's review missions and more active participation of the ADB Pakistan Resident Mission will provide sufficient supervision.</p>
<b>Overall</b>	<b>Medium</b>	

ADB = Asian Development Bank, CWRD = Central and West Asia Department, FIDIC = International Federation of Consulting Engineers, ICB = international competitive bidding, JICA = Japan International Cooperation Agency, PID = Punjab Irrigation Department, PMO = project management office.  
Sources: Government's approved feasibility report and PC-1.