

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Rating	Mitigation Measures	Responsibility
1. Delay in the legislation in the Parliament	S	Strong incentives exist in the government to complete the civil aviation reforms to comply with international practices and recommendations. ADB will closely monitor the progress of the legislation and continue policy dialogues with the government, involving, if necessary, international organizations and other development partners, including European Union member states.	MOCTCA, MOF, CAAN, ADB
2. Response to coronavirus disease 2019 shifts focus and resources of the government, delaying implementation of the reform program	M	ADB will continue policy dialogue to prioritize the resource allocation required for the reforms. The attached TA will assist the government in preparing the policy actions in tranche 2, which are relatively new to the implementing agencies. The proposed reforms will contribute to economic development through an increase in long-haul flights to Europe and the development of tourism-related businesses once the COVID-19 outbreak is stabilized.	MOF, MOCTCA, CAAN (CAANepal and ASAN), ADB
3. Opposition to the bifurcation of CAAN from current employees	L	Continue close coordination with stakeholders, particularly with the labor union and employees of CAAN. The attached transaction TA will support communication efforts by mobilizing a communication specialist.	CAAN
4. Delay in the mobilization of TA consultants who will support preparation for policy actions in tranche 2, because of the COVID-19 outbreak	L	The timing of the mobilization could be shifted, if necessary. International consultants may be allowed to carry out the assignments from their home countries using national consultants, video conferences, online social networking services, and emails.	ADB

L = low, M = moderate, S = substantial.

ADB = Asian Development Bank, ASAN = Air Service Authority of Nepal, CAAN = Civil Aviation Authority of Nepal, CAANepal = Civil Aviation Authority of Nepal, COVID-19 = coronavirus disease 2019, MOCTCA = Ministry of Culture, Tourism, and Civil Aviation, MOF = Ministry of Finance, TA = technical assistance.

Source: Asian Development Bank.