

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Rating^a	Mitigation Measures	Responsibility
<p>Global economy The growth of private investment might slow because of lower remittance inflows resulting from the deteriorating economic situation of major trading partners.</p>	H	Continuance of TA and policy dialogue with the government to support efforts to diversify the economy from remittance-led consumption.	ADB and MOF Development partners
<p>Macroeconomic stability Further weakening of economic growth because of worsening external factors widens revenue shortfalls and delays fiscal consolidation.</p>	M	Close development partner coordination will help ensure consistency in reform advice and support through targeted interventions. ADB analytical, technical, and financial support is helping the government implement critical reforms to achieve inclusive, broad-based economic growth.	ADB and MOF Development partners
<p>Program implementation Administrative capacity of implementing agencies is weak because of a lack of skilled staff, limited resources, and other competing priorities.</p>	H	Close coordination with key government agencies through ADB's resident mission and the provision of TA to support administrative and implementation efforts.	ADB, MOF, and implementing agencies
<p>Slow progress in banking sector reforms, including moderation in directed lending, will constrain private sector growth.</p>	H	Continuance of TA and policy dialogue with the government to support efforts to implement critical banking sector reforms.	ADB, MOF, and implementing agencies
<p>Public finance management Delayed implementation of critical public financial management and accounting reforms causes suboptimal creation of fiscal space and lower public investment.</p>	M	A new public financial management strategy, approved in January 2020, raised requirements for fiscal discipline. Ongoing TAs provided by ADB, the World Bank, the EU, and other development partners support the strategy's implementation.	ADB and MOF Development partners
<p>Procurement Weak internal rules and public procurement practices carry a significant risk of fraud and abuse of funds.</p>	M	The law requires the procurement of goods and services to be competitive and efficient and to incorporate market principles. All public procurement must be arranged through an e-procurement web portal that	ADB and MOF

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		streamlines procedures and raises transparency.	

ADB = Asian Development Bank, EU = European Union, H = high, L = low, M = moderate, MOF = Ministry of Finance, TA = technical assistance.

^a H = high, S = substantial, M = moderate, L = low.

Source: Asian Development Bank.