

## RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
<b>Macroeconomic</b>		
Further weakening of economic growth and oil prices widens revenue shortfalls.	H	ADB's program will help the government (i) mitigate spillover effects from the Russian Federation's weak economy, and the sharp fall in oil prices; and (ii) achieve a sound fiscal position while maintaining priority expenditures, including those for social expenditures.
External environment deteriorates and delays reforms to improve fiscal consolidation.	H	Coordinated development partner support to ensure consistency in implementation of countercyclical measures through regular policy dialogue and monitoring.
Low and volatile oil and commodity prices lead to volatile growth and revenue performance.	M	Support from multilateral development banks will help the government meet key expenditures to develop transport, energy, and social infrastructure; support access to credit for micro, small and medium-sized enterprises; sustain social expenditures; and intensify programs for employment creation and poverty reduction. This will help diversify the economy and develop a labor force with skills that fill the skills gaps identified under the Employment Roadmap 2020.
<b>Political Economy</b>		
The crisis has a long-lasting deteriorating effect on the economy if the government does not intervene coherently and across government entities.	M	The monitoring and reporting frameworks established under <i>Nurly Zhol</i> , the Employment Roadmap 2020, and other countercyclical efforts will facilitate coordination of reforms.
<b>Public Financial Management</b>		
Budget management challenges will reduce the effectiveness of implementation of the government's countercyclical measures	L	The monitoring and reporting frameworks established under the government's countercyclical programs will track, measure, assess, and determine fiscal transfer amounts.
<b>Corruption</b>		
PFM systems do not sufficiently reduce corruption to allow for efficient implementation of the countercyclical measures.	M	The government remains committed to implement the Anticorruption Strategy for 2015–2025 adopted in December 2014 and related various PFM reforms.
<b>Overall</b>	<b>M</b>	

ADB = Asian Development Bank, H = High, L = Low, M = Medium, PFM = Public Financial Management.  
Source: Asian Development Bank staff