

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Rating	Mitigation Measures	Responsibility
Project-specific			
1. The pandemic spreads and quarantine measures are extended, with more severe economic impacts than anticipated	M	The government has provided further policy responses and budget to mitigate the socioeconomic impacts starting in Q3 2021. The budget has been reviewed for compliance with the 5.1% structural deficit target set by the Law on Fiscal Stability, 2010.	MOF
2. The CMP may be subject to fiduciary risk and leakage, reducing the amount received by households	L	The CMP is a well-established and effective instrument that reaches nearly all children aged 0–17. Transfers are made 100% electronically, directly from the Treasury to bank accounts in the children’s names to mitigate leakage.	MLSP
3. Graduation pilot program participants may drop out of the pilot program if asset transfers are delayed	M	The project implementation unit will include a procurement specialist to ensure timely procurement and delivery of productive assets under the graduation pilot program.	MLSP
Public financial management (national)			
4. Inadequate staff numbers at the MNAO may undermine its ability to guarantee comprehensive audits	M	This risk is mitigated by outsourcing audits to the private sector and through the ongoing ADB support for the audit sector. ^a	MNAO
Vulnerability to corruption			
5. Vulnerability to corruption could undermine accountability throughout the economic and political spheres	H	ADB supports the strengthening of institutions that are vital to improving Mongolia's integrity system. These include the MNAO and the practice of participation by citizens in monitoring budget-financed activities. ADB also facilitates Mongolia’s active role in international anticorruption initiatives. ^b	ADB and MNAO

ADB = Asian Development Bank, CMP = child money program, H = high, L = low, M = moderate, MLSP = Ministry of Labor and Social Protection, MNAO = Mongolian National Audit Office, MOF = Ministry of Finance, Q = quarter.

^a ADB. [Mongolia: Strengthening the Supreme Audit Function](#).

^b ADB. [Mongolia: Transparency and Efficiency in Public Financial Management](#). Mongolia is also an active member of the ADB and Organisation for Economic Co-operation and Development [Anti-Corruption Initiative for Asia-Pacific](#).

Source: ADB.