

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Assessment	Mitigation Measures or Risk Management Plan
A. Requirements Specification		
(i) Slow recruitment of expert consultants to develop requirements and technical specifications causes delays.	Low	PIU issues invitations to tender as early as possible using detailed scope of work and consultants terms of reference as specified by the PAM.
(ii) Low ability of BOM staff and system participants to manage and operate the new payment system impacts project.	Low	The PIU has been organized and the BOM has started recruiting project team members for work groups.
(iii) Support from senior BOM management may not be sufficient and continuous.	Medium	ADB has been keeping BOM management fully briefed to ensure that there is agreement on the project concepts, and that continuous support is provided.
(iv) Stakeholders, including MNOs and participating banks, may not support the project design and provide continuous support during project implementation.	Medium	ADB has been keeping the NPC, participating banks, and MNOs duly briefed to ensure that they buy into the project concepts, strategies, and support implementation arrangements.
B. Implementation		
(i) Stakeholders, including MNOs and participating banks, may not provide continuous support.	Medium	ADB has been keeping the NPC, participating banks, and MNOs duly briefed to ensure that they buy into the project concepts, strategies, and support implementation arrangements.
(ii) Solutions provided for the system may not meet the project requirements.	Medium	PIU is to select the evaluation team carefully, to ensure that the project requirements are fully understood, to train evaluators, and to monitor the evaluation process closely.
(iii) Participating banks and MNOs may not be ready to participate in the project system.	Medium	BOM is inviting participating banks and MNOs in work groups at the onset to ensure that all stakeholders are fully aware of what is required in terms of integration and connectivity.
(iv) Difficulties are encountered in the integration of the fragmented electronic payment systems operated by individual banks.	Medium	BOM is tasked to ensure that the required interfaces use existing industry standards and that all interfaces to existing participating systems and MNO services are CBS and MNO agnostic, i.e., that the interfaces require little or no integration effort on the CBS and MNO sides of the interfaces.
(v) Implementation cannot be carried out within the agreed timeline and quality standards.	Medium	The project provides detailed plans to engage professional project management experts to implement quality assurance measures, and ensure experienced staff is assigned to specific project tasks.

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C. Operation		
(i) Capacities of BOM staff, market participants and users to operate the payment system may be inadequate.	Medium	BOM is raising public awareness and conducting the capacity building programs early on.
(ii) Project may not build sufficient capacities of BOM staff and other participating systems to efficiently manage and operate the new payment system.	Medium	PIU has initiated the recruitment of consultants early in the project life cycle, and there are plans to fully engage the staff of BOM and system participants during project implementation. Thus, there is transferring knowledge of system operations through the learning by doing process.
Overall	Medium	

BOM = Bank of Mongolia, CBS = core banking system, MNO = mobile network operator, NPC = National Payment Council, PAM = Project Administrative Memorandum, PIU = project implementation unit.
Source: Asian Development Bank.