

## **Decision on Agenda Item 6, Elaboration of an Enterprise Risk Management Program**

The joint meeting of the CTF and SCF Trust Fund Committees welcomes document CTF-SCF/TFC.10/5, *Elaboration of an Enterprise Risk Management Program for the Climate Investment Funds*, and the proposals presented therein related to manage priority risks and implement the CIF ERM program. The joint meeting agrees to the Tier 1 risks presented therein, subject to revisions to be made on the basis of written comments from Committee members (see paragraph below), and decides to include the risk of timely implementation of pledges to the CIF in the Tier 1 risks.

The joint meeting invites the members of the CTF and SCF Trust Fund Committees to submit their written comments on the Tier 1 risks proposed in the document to the CIF Administrative Unit by May 20, 2013. The Trustee and the CIF Administrative Unit are requested to work with the working group that elaborated the ERM program to revise the Tier 1 risks, taking into account the comments received and to circulate a revised text to the members of the Committees for approval by mail.

The joint meeting agrees that each member will submit to the CIF Administrative Unit, within two weeks of circulation of the revised Tier 1 risks, its tolerance for each of the risks.

The joint meeting further requests the working group to propose for comment, together with the revised Tier 1 risks, options and possible modalities to assist the Trust Fund Committees to identify the Committees' tolerance for the Tier 1 risks. Taking into account the comments received, the head of the Administrative Unit and the co-chairs of the joint meeting should propose to the members the next steps to be followed in implementing the ERM program, including whether it would be useful to convene an intersessional joint meeting of the Committees.

The joint meeting further requests the CIF Administrative Unit and the Trustee to prepare proposed terms of reference for a Senior Risk Management Officer and to circulate the terms of reference and a breakdown of the respective budgetary requirements for review and approval by the Trust Fund Committees.