

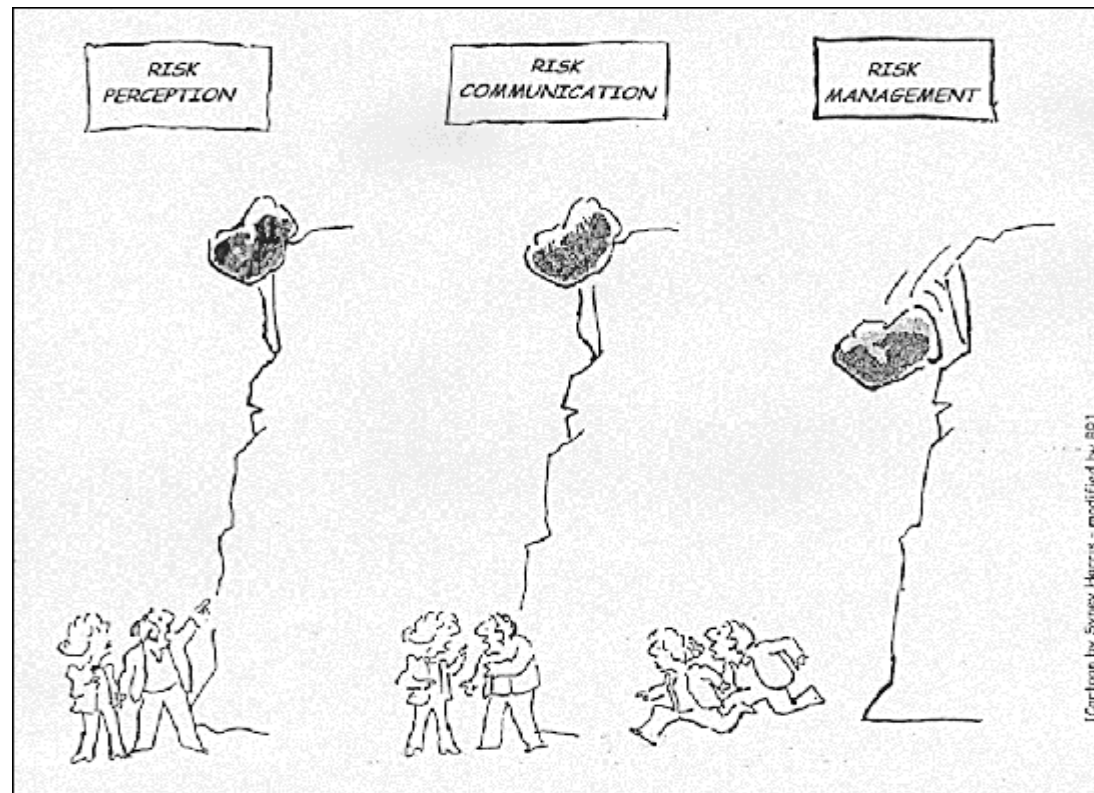
Risk Report of the CTF and SCF



DATE November 9, 2015
PLACE Washington, D.C.
VENUE CIF Trust Fund Committees Meetings



RISK REPORT OF THE CTF AND SCF



ERM FRAMEWORK UPDATE



“Any threat to the achievement of the CTF’s objectives”

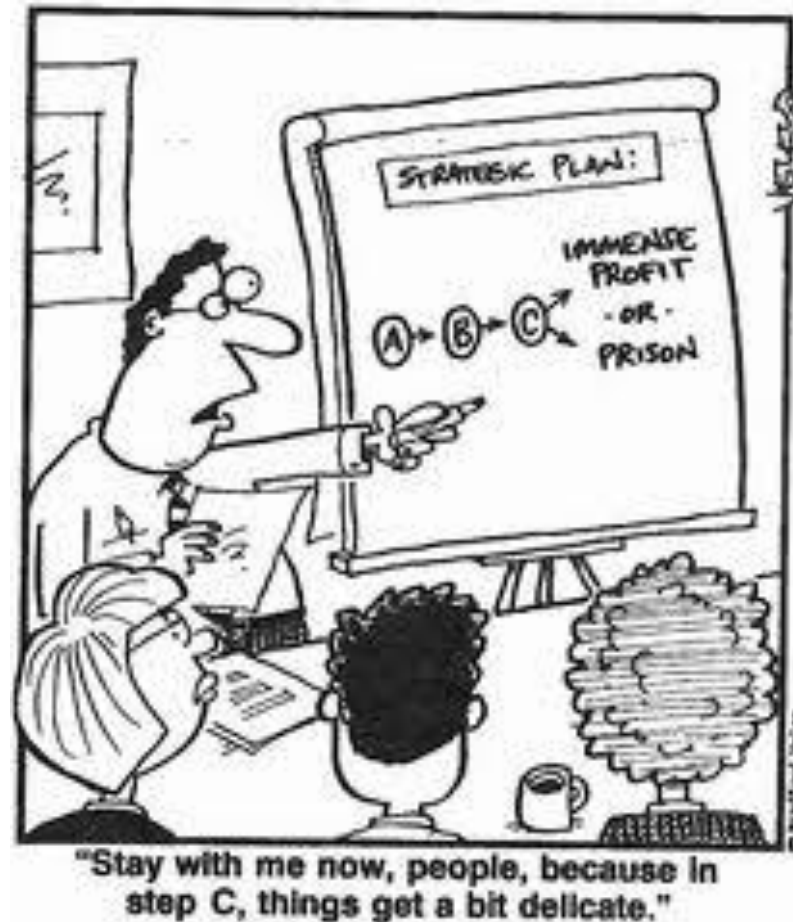
CTF’s Objective

“To provide scaled-up financing to contribute to demonstration, deployment and transfer of low-carbon technologies with a significant potential for long-term GHG emissions savings”

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- 1. Strategic Risk:** Risks which affect or are created by the CTF's business strategy and strategic objectives.



2. Operational Risk: The risk that inadequate or failed internal processes, people and systems or external events will adversely affect the achievement of the CTF's objectives.

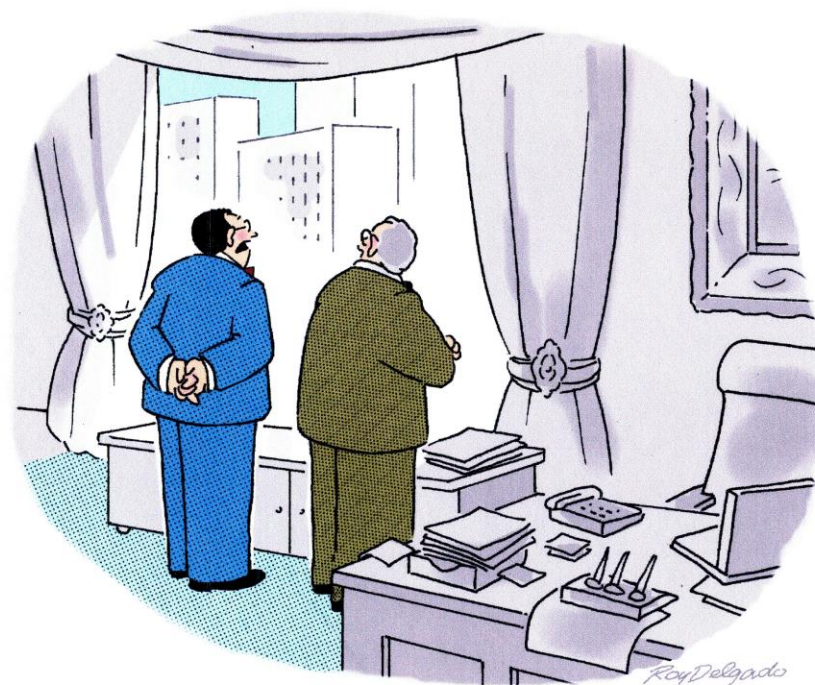




3. Financial Risk: The risk that exposure to credit, market or liquidity risks will adversely affect the achievement of the CTF's objectives.

4. Compliance, Legal and Reputational Risk:

- *Compliance and Legal Risk:* The risk that failure to comply with laws, rules, regulations, contractual obligations, prescribed practices, or standards or codes of conduct will result in fines, civil monetary penalties, payment of damages, the voiding of contracts, or otherwise adversely affect the achievement of the CTF's objectives.
- *Reputational Risk:* The risk that a perception develops that the CTF is unethical or imprudent, adversely affecting the achievement of the CTF's objectives.



" I know the difference between right and wrong, but it hasn't held me back. "

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1. Strategic		Risk Score	Within Tolerance?	2. Operational		Risk Score	Within Tolerance?
1.1. Over-programming Risk				2.1 Misuse of Funds		TBD	TBD
1.2. Pledge Risk				2.2 Model Risk		TBD	TBD
				2.3 External Events			
				2.4 Implementation Risk		TBD	TBD
3. Financial		Risk Score	Within Tolerance?	4. Compliance, Legal & Reputational		Risk Score	Within Tolerance?
3.1. Credit Risk		TBD	TBD	4.1. Concessionality Mismatch - Loan Contributions vs. Outgoing Financial Products		TBD	TBD
↓ 3.2. Currency Risk				4.2. Country Concentration Limit Breach			
3.2.1 Promissory Notes							
3.2.2 Outgoing Loans							
↓ 3.3. Interest Rate Risk				4.3. Investment Portfolio Contains Fossil Fuels		TBD	TBD
3.3.1 Short term Fixed Income Investments							
3.3.2 Long term Fixed Income Investments							
3.3.3 Outgoing Variable Rate Loans Reflows		TBD					
3.4. Liquidity Risk		TBD	TBD				

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Risk Levels

Risk Scoring Scale:  Low  Medium  High


		Impact		
		Minimal	Moderate	Severe
Likelihood	Very Likely			
	Likely			
	Possible			
	Unlikely			
	Very Unlikely			

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1.1. Tier 1 Risk – Over-programming Risk:

The risk that the CTF will not have sufficient resources to fund all endorsed projects.

- Risk Level = High
 - Likelihood = Very Likely
 - Impact = Moderate
- Risk Tolerance = High
- Within Risk Tolerance? = 
- Impacts
- Risk Response = Mitigate
 - Risk Response Owner(s) = CIF AU and MDBs
 - Status = Ongoing

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2.3. Tier 1 Risk –External Events:

The risk that external events (e.g. natural disasters, disease, war) will adversely affect the implementation and/or success of the CTF's projects.

Risk Level = High

Likelihood = Likely

Impact = Moderate

Risk Tolerance = High

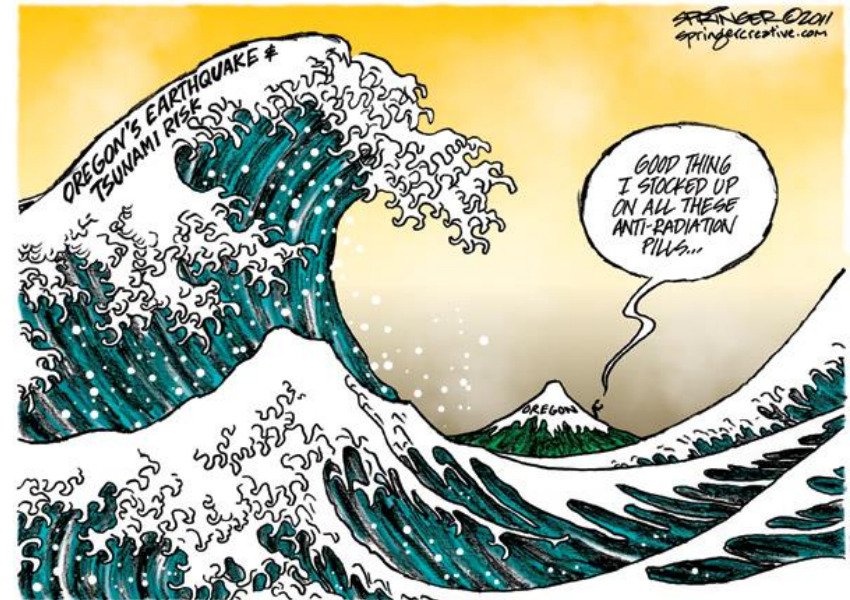
Within Risk Tolerance? = ☒

Impacts

Risk Response = Accept

Risk Response Owner(s) = NA

Status = NA



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3.2.1. Tier 2 Risk - Foreign Currency-denominated Promissory

Notes:

The risk that the value of the foreign currency in which a promissory note is denominated will decline before it is encashed.

Risk Level = TBD

Likelihood = TBD

Impact = TBD

Risk Tolerance = High

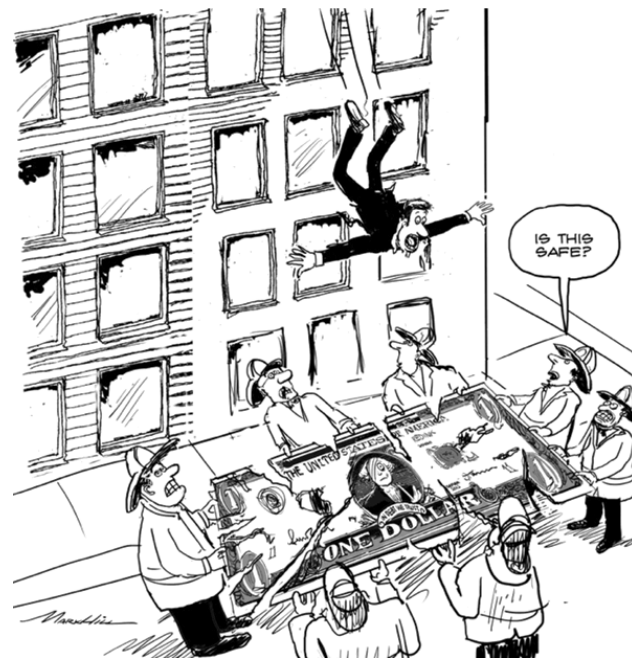
Within Risk Tolerance? = ☒

Impacts

Risk Response = TBD

Risk Response Owner(s) = TBD

Status = TBD





Questions?