

Enterprise Risk Management Office (RMO)

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Corporate Induction
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 LIFAD | FIDA



The Office of Enterprise Risk Management (RMO)

Established in September 2020

❖ Functions:

- i. To establish, maintain and implement IFAD's Risk Management Framework – Risk Management Policy – Risk Appetite S. - Committees***
- ii. To improve and oversee the identification and quantification of risks, the implementation of effective controls, the establishment of mechanisms to monitor and report on risks that affect IFAD***
- iii. To facilitate the embedding of risk considerations in strategic and operational level decisions thus promoting a risk-aware culture***
- iv. To collaborate with stakeholders in the achievement and defense of IFAD's credit rating***



RMO main work streams 2023-24

Financial Risk

- Oversight of main factors that affect the rating: NPLs, policy implementation, governance, funding
- Portfolio quality monitoring, BRAM eligibility
- Financial sustainability-related issues
- Review of CA, G20 recommendations' related issues
- Risk Governance
- Private sector engagement and its implications

Operational-PD risk

- Implementation of recently established tools and processes (Incident reporting, Risk Control self-assessment)
- Op Risk and PD Risk KRI review
- ORCC and PDRC
- Enhancement of monitoring activities at portfolio level including guidance on needed actions to improve risk assessment tools used at the operational level

RMO provides INDEPENDENT opinions on demand and gives guidance on risk related issues to Departments

At the strategic level: CRO member of EMC, of all Risk Committees, takes part in AC, Available at EB

RMO main reports

Capital Adequacy report

Country Risk report

Investment and compliance risk report

Private Sector Risk Report

When needed, specific documentation for EMC and AC

Corporate Risk Dashboard

Asset and Liability oversight report

Operational Risk Incident Reporting

Status of Risk Controls self assessment

RMO participates in the revision of wide variety of documents generated as a consequence of the operations of IFAD including of those of the replenishment and pertaining to the private sector operations. It participates in PMD regional portfolio assessments.

It is one of the main stakeholders in the dialogue with the rating agencies.

RMO is the Secretariat for all Risk Committees.

Assessing value addition

KPIs: measure progression of implementation against earlier commitments. Quarterly reporting to President, other reports as needed to EMC, ERM.

External and internal assessments: Rating Agencies (RAs) scrutinize effectiveness of risk oversight and rate the risk maturity of the institution. Additional sources of information are IOE and AUO reports, if available, as well as annual assessments by the external auditor.

Positive assessment by RAs: “We consider that IFAD’s management is adequately embedding risk management in the decision-making process.” Standard&Poor’s Rating Confirmation Report 2022, pag. 5

Positive assessment by IOE on the establishment of an independent RMO. EC 2023/123/W.P.5, pag. 4,10,11

MOPAN Assessment Report recognizes IFAD has a robust risk management framework, pag. 28,29,42

Evidence of improved risk considerations embedded into decision: Value addition is generally measured through qualitative KPIs or through qualitative assessments by the EB, AC, EMC. RMO produces a semi-annual reporting to the Audit Committee which is discussed extensively at AC sessions.

Thank You

Contact:

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“You can’t manage what you don’t measure”

W.E.Deming

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