

COURSE ON CLIMATE RISK AND FINANCIAL STABILITY II

**CEMLA, MEXICO CITY
Virtual Edition**

Second run: October 17 - 21, 2022

COURSE HIGHLIGHTS

This intensive one-week virtual course for senior to upper-middle level central banks and financial supervisors' staff aims at introducing analytical tools to assess and monitor financial stability threats arising from environmental risks.

Course's objectives:

- To gain knowledge about the effects environmental risks can have on financial institutions and economies
- Learn analytical tools used by central banks and financial supervisory authorities to assess and monitor environmental risks for the financial system

Participants will be:

- Challenged with climate-related issues arising from case-studies, group activities and simulation exercises
- Applying the Climate Risk Toolkit for Supervisors developed by Toronto Centre for COP26 to identify and manage climate-related and other environmental risks
- Dealing with environmental risk in a computerized simulation exercise and role playing
- Participating in interactive group activities with distinguished program leaders
- Networking with their peers from the region through virtual group discussions
- Gaining insight from highly experienced regulators

WHO SHOULD ATTEND?

The program is designed for senior to upper-middle level staff working at CEMLA's affiliated institutions. Participants should have at least three years of working experience in central banking, financial sector supervision, analysis, or policy, and be proficient in English.

Accepted participants can join the program from any venue with internet connectivity, and a laptop / desktop that is compatible with ZOOM.

There is no course fee for this program.

COURSE ON CLIMATE RISK AND FINANCIAL STABILITY II

WEDNESDAY

12
OCT
2022

Toronto time,
(GMT-5)

VIRTUAL ICE BREAKING SESSION

A session to introduce participants and get to know one another.

08:50 – 09:00

Registrations

Participants dial in the system

09:00 – 09:10

Welcome

Demet Canakci, *Program Director, Toronto Centre*

09:10 – 09:30

Orientation to the virtual program

Maame A. Maanan Blankson, *Program Coordinator, Toronto Centre*

- Virtual Learning Best Practices
- Questions, chats and polls
- Breakout rooms activities
- Introduction to TC Programs Learning Management System

09:30 – 10:30

Networking – Participants Roundtable

Demet Canakci and Maame A. Maanan Blankson, *Toronto Centre*

Ice-breaker group activity

- Name, position, authority and country
- Years of experience
- Expectations from the program

10:30 – 10:40

Simulation logistics

Deng Cheang Leo, *Game Administrator, Toronto Centre*

10:40

End of the networking session

COURSE ON CLIMATE RISK AND FINANCIAL STABILITY II

MONDAY
17
OCT
2022

Toronto time,
(GMT-5)

08:50 – 09:00

Participants dial-in

09:00 – 09:15

Program Opening

- CEMLA
- Toronto Centre

09:15 – 09:20

Virtual Photo Taking

09:20 – 09:50

Session 1: Understanding and Managing Environmental Risk

Clive Briault, Banking Advisory Board Chair and Program Leader, *Toronto Centre*

- The impact of environmental risks on financial institutions, financial stability, and on users of financial products and services.
- Definition and assessment of physical and transitional environmental risks.
- The implication of recent international initiatives for central bankers and supervisors including the UN Climate Action Summit, the Network for Greening the Financial System (NGFS)

09:50 – 10:20

Session 2: Risk Management by Financial Institutions

Clive Briault, Banking Advisory Board Chair and Program Leader, *Toronto Centre*

Understand how financial institutions identify environmental risks.

- Understand how financial institutions identify environmental risks.
- Explore whether financial institutions have sufficient resources (capital, solvency, liquidity, expertise etc.) to cope with environmental risks.
- Discuss international regulatory initiatives to improve financial sectors' ability to identify, manage, and control environmental risks.

10:20 – 10:30

Break

10:30 – 12:30

Session 2: Risk Management by Financial Institutions (cont'd)

Case study

12:30 – 12:40

Daily Evaluation

COURSE ON CLIMATE RISK AND FINANCIAL STABILITY II

TUESDAY

18
OCT
2022

Toronto time,
(GMT-5)

08:50 – 09:00

Participants dial-in

09:00 – 10:00

Session 3: The Development of Definitions and Standards to Identify Green

Jennifer Long, *Toronto Centre Program Leader*

- An introduction to green assets and sustainable finance.
- Understand the importance of having standards and definitions to support the development of green finance.
- Understand the various green definitions and standards in the system and identify the similarities and differences between the various taxonomies.

10:00 – 11:30

Session 3: The Development of Definitions and Standards to Identify Green

Group exercise

11:30 – 11:40

Break

11:40 – 12:40

Session 4: Climate Scenario Analysis and Stress Testing

Barry Johnston, *Toronto Centre Program Leader*

- Explain tools and techniques that can be used in stress testing climate risks
- Explore how to develop risk scenarios for climate risks
- Examine types of climate scenarios drawing on the NGFS scenario portal.
- Discuss limitations of scenario analysis.
- Discuss steps that regulators and supervisors might take and examples of national approaches to climate scenario analysis.

12:40 – 13:50

Session 4: Climate Scenario Analysis and Stress Testing (cont'd)

Group exercise

12:30 – 12:40

Daily Evaluation

COURSE ON CLIMATE RISK AND FINANCIAL STABILITY II

WEDNESDAY

19
OCT
2022

Toronto time,
(GMT-5)

08:50 – 09:00

Participants dial-in

09:00 – 10:00

Session 5: Adapting Macroprudential Frameworks to Climate Change Risks

Barry Johnston, Program Leader, *Toronto Centre*

- Micro and macro prudential responses to climate change risks
- New challenge of climate change and the need to adapt the macroprudential framework
- Elements involved in the assessments
- Policy uses of the assessments
- Use of macroprudential policy tools to mitigate climate-related financial risks

10:00 – 11:30

Session 5: Adapting Macroprudential Frameworks to Climate Change Risks (cont'd)

Case study

11:30 – 11:40

Break

11:40 – 12:10

Session 6: Simulation Preparation

Clive Briault, Banking Advisory Board Chair and Program Leader, *Toronto Centre*

Simulation introduction

12:10 – 12:30

Session 6: Simulation Preparation (cont'd)

Deng Cheang Leo, *Simulation Administrator, Toronto Centre*

- Preparation for the crisis simulation exercise – objectives, roles, logistics, and game etiquette

12:30 – 12:40

Daily Evaluation

**COURSE ON
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THURSDAY

20
OCT
2022

Toronto time,
(GMT-5)

08:50 – 09:00

Participants dial-in

09:00 – 10:30

Session 7: Climate Risk Simulation Exercise

Clive Briault, Toronto Centre Program Leader

- Climate risk simulation exercise starts: Stage 1

10:30 – 10:40

Break

10:40 – 12:10

Session 7: Climate Risk Simulation Exercise (cont'd)

- Climate risk simulation exercise: Stage 2

12:30 – 12:40

Daily Evaluation

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THURSDAY

20
OCT
2022

Toronto time,
(GMT-5)

08:50 – 09:00

Participants dial-in

09:00 – 10:30

Session 7: Climate Risk Simulation Exercise (cont'd)

- Climate risk simulation exercise: Stage 3

10:30 – 10:40

Break

10:40 – 11:40

Session 8: Simulation debrief

- Plenary session discussion and debrief

11:40 – 13:40

Session 9: Panel Discussion: Country Experiences (Canada, South Africa and Mexico)

- Work to date
- Barriers to and enablers of progress
- Plans for the future
- Q&A session: after brief presentations/speeches by each country representatives, the moderator will open the floor to participants for their questions

13:40 – 13:50

Final Evaluation and Closing Ceremony