

COURSE ON CLIMATE RISK AND FINANCIAL STABILITY

**CEMLA, MEXICO CITY
Virtual Edition
First run: July 18 - 22, 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

THURSDAY

14
JULY
2022

Mexico City
time, (UTC-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

Eliza Solis-Maart, *Program Coordinator, Toronto Centre*

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

09:30 – 10:15

Networking – Participants Roundtable

Tom Packwood, *Facilitator, Toronto Centre*

Ice-breaker group activity

- Name, position, authority and country
- Expectations from the program

10:15 – 10:30

Simulation logistics

Deng Cheang Leo, *Simulation Administrator, Toronto Centre*

10:30

End of the networking session

COURSE ON CLIMATE RISK AND FINANCIAL STABILITY

MONDAY

18
JULY
2022

Mexico City
time, (UTC-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, *Toronto Centre Program Leader*

- 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, *Toronto Centre Program Leader*

- 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. Summarize recent developments related to the disclosure of climate-related financial information including the work by the Task Force on Climate-related Financial Disclosures (TCFD).

10:20 – 10:30

Break

10:30 – 12:30

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

Group activity

12:30 – 12:40

Daily Evaluation

COURSE ON CLIMATE RISK AND FINANCIAL STABILITY

TUESDAY

19
JULY
2022

Mexico City
time, (UTC-5)

08:50 – 09:00

Participants dial-in

09:00 – 09:40

Session 3: Climate Scenario Analysis and Stress Testing

Barry Johnston, *Toronto Centre Program Leader*

- Explain tools and techniques that can be used to develop risk scenarios for stress testing.
- Explore how to analyse stress test results to identify risk hotspots and emerging risks for financial institutions, economies, and consumers.
- Provide an opportunity for participants to analyse test results.
- Discuss steps that regulators and supervisors might take.

09:40 – 10:40

Session 3: Climate Scenario Analysis and Stress Testing (cont'd)

Group activity

10:40 – 10:50

Break

10:50 – 11:30

Session 4: The Development of Definitions and Standards to Identify Green Assets

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.

11:30 – 12:30

Session 4: The Development of Definitions and Standards to Identify Green Assets (cont'd)

Group activity

12:30 – 12:40

Daily Evaluation

COURSE ON CLIMATE RISK AND FINANCIAL STABILITY

WEDNESDAY

20
JULY
2022

Mexico City
time, (UTC-5)

08:50 – 09:00

Participants dial-in

09:00 – 10:00

Session 5: Adapting Macroprudential Frameworks to Climate Change Risks

Barry Johnston, *Toronto Centre Program Leader*

- 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

10:00 – 10:10

Break

10:10 – 11:30

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

Group activity

11:30 – 12:30

Session 6: Simulation Preparation

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
CLIMATE RISK AND
FINANCIAL STABILITY**

THURSDAY

21
JULY
2022

Mexico City
time, (UTC-5)

08:50 – 09:00

Participants dial-in

09:00 – 09:20

Ideas I will use

09:20 – 10:50

Session 7: Climate Risk Simulation Exercise

Clive Briault, Toronto Centre Program Leader

- Simulation introduction
- Climate risk simulation exercise starts: Stage 1

10:50 – 11:00

Break

11:00 – 12:30

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

- Climate risk simulation exercise: Stage 2

12:30 – 12:40

Daily Evaluation

COURSE ON CLIMATE RISK AND FINANCIAL STABILITY

FRIDAY
22
JULY
2022

Mexico City
time, (UTC-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 – 12:00

Session 8: Simulation debrief

- Plenary session discussion and debrief

12:00 – 13:00

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

- 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

13:00 – 13:15

Final Evaluation and Closing Ceremony