

**INTERNATIONAL MONETARY FUND**

**IMF Institute for Capacity Development (ICD)  
Joint Vienna Institute (JVI)**

**Course on External Vulnerabilities and Early Warning Exercise (JV 14.33)**

**Vienna, Austria**

**December 8-19, 2014**

**Program<sup>1</sup>**

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***Monday, December 8***

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9:00 a.m. – 9:20 a.m.		<b>Administrative Briefing</b> Ms. Marina Scherbakova, Joint Vienna Institute (JVI)
9:20 a.m. – 9:30 a.m.		<b>Opening Session</b> Mr. Norbert Funke, Director, JVI, Mr. Gianni De Nicolò, Senior Economist, IMF ICD; Mr. Luis Catão, Senior Economist, JVI and IMF; Mr. Maksym Ivanyna, Economist, JVI.
9:30 a.m. – 10:00a.m.		<b>Initial Test</b>
10:00 a.m. – 10:15a.m.		Coffee Break
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10:15 a.m. – 11:45p.m.	L-1	<b>Vulnerabilities and Crises</b> <i>Lecture by Mr. De Nicolò</i> <ul style="list-style-type: none"><li>• Structure and objectives of the course</li><li>• Banking and Currency Crises</li><li>• Role of Capital Flows</li></ul>
2:00 p.m. – 3:30p.m	L-2	<b>External Vulnerabilities and Exchange Rate Regimes</b> <i>Lecture by Mr. Ivanyna</i> <ul style="list-style-type: none"><li>• Classification of regimes</li><li>• Exchange rate regimes: economic performance and vulnerabilities</li></ul>
3:45pm-5:15pm	W-1	<b>Predicting Currency Crises</b> <i>Facilitated by Counselors</i>
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<sup>1</sup> Unless otherwise stated, coffee breaks will be held from 10:30 a.m.–10:45 a.m. and from 3:30 p.m.–3:45 p.m.

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**Tuesday, December 9**

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- 9:00 a.m. – 12:15 p.m.      L-3      **Assessing Debt Sustainability**  
*Lecture by Mr. Ivanyna*
- Fiscal Debt Dynamics (DSA template)
  - External Debt Dynamics
- 2:00 p.m. – 5:15 p.m.      W-2      **Fiscal Sustainability (Part 1): External and Fiscal Debt Sustainability Analysis**  
*Facilitated by counselors.*
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**Wednesday, December 10**

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- 9:00 a.m. – 12:15 p.m.      L-4      **Fiscal Stress-Testing: Short Term Shocks and Longer Term Pressures**  
*Lecture by Mr. Ivanyna*
- Adverse Growth and Interest Rate Shocks
  - Medium and long-term pressures
- 2:00 p.m. – 5:15 p.m.      W-3      **Fiscal Sustainability (Part 2): Estimating the Impact of Adverse Growth and Interest Rate Shock**  
*Facilitated by counselors*
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**Thursday, December 11**

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- 9:00 a.m. – 10:30a.m.      L-5      **From Fiscal Stance to Fiscal Gaps**  
*Lecture by Mr. Ivanyna*
- Structural balances
  - Identifying fiscal gaps
- 10:45-a.m.-12:15p.m      L-6      **Fiscal Gaps and Sovereign Default Risk**  
*Lecture by Mr. Catão*
- Market perception of sovereign default risks
  - Contagion and Distress Dependence

2:00-p.m.-3:30p.m	L-7	<p><b>Bond yields</b> <i>Lecture by Mr. De Nicolò</i></p> <ul style="list-style-type: none"> <li>• Impact of a crisis on bond yields</li> <li>• Methods for estimating impact</li> </ul>
3:30 p.m. – 5:15 p.m.	W-4	<p><b>Fiscal Sustainability (Part 3): Stochastic Debt Sustainability Analysis (SDA)</b> <i>Facilitated by counselors</i></p>

***Friday, December 12***

9:00 a.m. – 12:15 p.m.	L-8	<p><b>Countries' External Balance Assessments</b> <i>Lecture by Mr. Catão</i></p> <ul style="list-style-type: none"> <li>• Assessing Current Accounts</li> <li>• Equilibrium Exchange Rates</li> </ul>
2:00 p.m. – 3:30p.m.	W-5	<p><b>External Balance Assessment (EBA)</b> <i>Facilitated by counselors.</i></p>

**JVI early release**

***Monday, December 15***

9:00 a.m. – 10:30a.m.	L-9	<p><b>Reserve Adequacy</b> <i>Lecture by Mr. Catão</i></p> <ul style="list-style-type: none"> <li>• Precautionary motive for holding reserves</li> <li>• Guidance note on country specific assessments</li> </ul>
10:45 a.m. – 12:15p.m.	L-10	<p><b>Financial Vulnerabilities</b> <i>Lecture by Mr. De Nicolò</i></p>
2:00 p.m. – 5:00 p.m.	W-6	<p><b>Detecting Financial Vulnerabilities</b> <i>Facilitated by counselors</i></p>

***Tuesday, December 16***

9:00 a.m. – 12:15 a.m.	L-11	<p><b>The IMF's Vulnerability Exercises for Emerging Economies (VEE)</b></p>
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*Lecture by Mr. De Nicolò*

- Mechanics of the VEE
- Sectoral/Market Vulnerability Indices

2:00 p.m. – 5:15 p.m.      W-7      **The VEE Crisis Model**  
*Facilitated by counselors*

***Wednesday, December 17***

9:00 a.m. – 12:15 p.m.      L-12      **The IMF's Vulnerability Exercise for Advanced Economies (VEA)**  
*Lecture by Mr. De Nicolò*

- Mechanics of the VEA
- Sectoral/Market Vulnerability Indices

2:00 a.m. – 3:15p.m.      W-8      **The VEA Exercise**  
*Facilitated by counselors*

3:30p.m. – 5:00 p.m.      **Event**      **Designing a European Fiscal Union: Lessons from the Experience of Fiscal Federations**  
*Martine Guerguil, Deputy Director of the IMF Fiscal Affairs Department*

***Thursday, December 18***

9:00 a.m. – 12:15a.m.      W-9      **Case Studies: Preparation for Participant presentations**  
*Facilitated by counselors*

2:00 p.m. – 3:30 p.m      W-9      **Case Studies: Preparation for Participant presentations**  
*Facilitated by counselors*

3:45p.m.-5.15p.m.      O-1      **Case Studies: Participant presentations**

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*Friday, December 19*

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9:30 a.m. – 11:00 a.m.

**Final Test and Course Evaluation**

11:00 a.m. – 12:00 p.m.

Closing Session and Presentation of Certificates

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