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**INTERNATIONAL MONETARY FUND**

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

**Course on Economic Policies for Financial Stability (JV16.04)**

**Vienna, Austria**

**March 14 - 25, 2016**

**PROGRAM\***

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***Monday, March 14***

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8:30 a.m. – 9:00 a.m.

**Administrative Briefing**

Ms. Tamara Tsikhistavi, Program Officer, JVI

9:00 a.m. – 9:30 a.m.

**Opening Session**

Mr. Norbert Funke, Director, JVI,

Mr. Gianni De Nicolò, Senior Economist, IMF ICD;

Mr. Marco Rodriguez Waldo, Senior Economist, IMF ICD;

Mr. Adam Gersl, Senior Economist, JVI

9:30 a.m. – 10:15 a.m.

**Quiz Session**

10:30 a.m. – 12:15 p.m.

**L-1 Overview: Systemic Risk and Financial Stability**

Mr. De Nicolò

- The nature of systemic risk and financial instability
- Financial risk cycles
- Micro- and macro-prudential perspectives of supervision

12:20 p.m. – 12:30 p.m.

*Group Photo*

2:00 p.m. – 5:30 p.m.

**L-2 Banking Crises**

Mr. Rodriguez

- Fragility of the financial system: a simple bank run model
- Empirical regularities and policy responses
- Case studies: Ireland and Northern Rock

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\* Coffee breaks will be held from 10:30 a.m.–11:00 a.m. and from 3:30 p.m.–4:00 p.m., unless otherwise indicated.  
Lunch breaks will be from 12:30 p.m.–2:00 p.m.

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***Tuesday, March 15***

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- 9:00 a.m. – 10:30 a.m.      **L-3    Currency/Balance of Payments Crises**  
Mr. De Nicolò
- Empirical regularities
  - Recent examples: Latvia, East Asia
  - Policy issues
- 11:00 a.m. – 12:30 p.m.      **L-4    Sovereign Debt Crises**  
Mr. Gersl
- Fiscal causes of sovereign debt crises
  - Sustainability of public debt
  - The euro area crisis
- 2:00 p.m. – 5:30 p.m.      **L-5    Macro-Financial Linkages**  
Mr. Rodriguez
- Financial stress and economic downturns
  - The role of information in finance
  - Financial accelerator models
  - Financial intermediaries and the macro economy

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***Wednesday, March 16***

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- 9:00 a.m. – 12:30 p.m.      **L-6    Detecting Financial Fragilities**  
Mr. De Nicolò
- Financial Soundness Indicators
  - Early warning models
  - Overview of the IMF's Early Warning Exercise
- 2:00 p.m. – 5:30 p.m.      **W-1    Financial Fragilities: A Case Study**  
Messrs. Gersl, Rodriguez, De Nicolò

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***Thursday, March 17***

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- 9:00 a.m. – 12:30 p.m.      **L-7    Financial Risk Management**  
Mr. Rodriguez
- Market risk models
  - Credit risk models
- 2:00 p.m. – 5:30 p.m.      **W-2    Workshop on Value at Risk**  
Messrs. Gersl, Rodriguez, De Nicolò
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**Friday, March 18**

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- 9:00 a.m. – 10:30 a.m.      **L-8    Credit Risk in the Economy**  
Mr. Gersl
- Stock and flow indicators of credit risk
  - Cross-country differences in loan classification systems
  - Provisioning in the banking sector
- 11:00 a.m. – 12:30 p.m.      **W-3    Workshop on Credit Risk**  
Mr. Gersl
- 2:00 p.m. – 5:30 p.m.      **L-9    Financial Innovations and Leverage**  
Mr. Rodriguez
- Leverage
  - Credit derivatives
  - Securitization and basics of structured finance

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**Monday, March 21**

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- 9:00 a.m. – 12:30 p.m.      **L-10   Stress Testing of Financial Systems**  
Mr. Gersl
- Types of stress tests
  - Individual steps in stress testing
  - Limitations of stress tests
- 2:00 p.m. – 5:30 p.m.      **W-4    Workshop on Stress Testing**  
Messrs. Gersl, Rodriguez, De Nicolò

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**Tuesday, March 22**

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- 9:00 a.m. – 10:30 a.m.      **L-11   Micro-Prudential Regulation**  
Mr. Gersl
- Basel III capital requirements
  - New liquidity requirements
  - The leverage ratio
- 11:00 a.m. – 12:30 p.m.      **L-12   Macro-Prudential Regulation**  
Mr. Gersl
- Motivation and framework
  - Macro-prudential instruments
  - Implementation challenges
- 2:00 p.m. – 3:30 p.m.      **L-13   Financial Contagion**  
Mr. De Nicolò
- Channels of contagion: trade vs. financial linkages
  - Theories of financial contagion
  - Empirical evidence of competing theories of contagion

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3:45 p.m.-5:30 p.m.                      **W-5    Workshop on FSSA Case Studies (participant preparation)**  
Messrs. Gersl, Rodriguez, De Nicolò

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*Wednesday, March 23*

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9:00 a.m. – 12:30 p.m.                      **W-5    Workshop on FSSA Case Studies (participant preparation)**  
Messrs. Gersl, Rodriguez, De Nicolò

2:00 p.m. – 3:30 p.m.                      **W-5    Workshop on FSSA Case Studies (participant preparation)**  
Messrs. Gersl, Rodriguez, De Nicolò

3:45 p.m. – 5:30 p.m.                      **W-5    FSSA Case Studies: Participant Presentations**  
Messrs. Gersl, Rodriguez, De Nicolò

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*Thursday, March 24*

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9:00 a.m. – 9:45 a.m.                      **Quiz Session**

9:45 a.m. – 12:30 p.m.                      **W-6    Participants' Group Debates (preparation)**  
Messrs. Gersl, Rodriguez, De Nicolò

2:45 p.m. – 5:30 p.m.                      **W-6    Participants' Group Debates (preparation)**  
Messrs. Gersl, Rodriguez, De Nicolò

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*Friday, March 25*

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9:00 a.m. – 11:15 a.m.                      **W-6    Group Debates**  
Messrs. Gersl, Rodriguez, De Nicolò

11:30 a.m. – 12:00 p.m.                      **Closing Session**

- Course Evaluations
- Presentation of Certificates

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