

Oesterreichische Nationalbank (OeNB), Joint Vienna Institute (JVI),
and Národná banka Slovenska (NBS)

Macrofinancial Stability in Central, Eastern and Southeastern Europe

Vienna, April 15-24, 2024

PROGRAM

Monday, April 15

Introduction, Recent Macrofinancial Developments

9:00 a.m. - 9:30 a.m.

Administrative Briefing

9:30 a.m. - 10:15 a.m.

Opening Session and Participant Introduction

10:15 a.m. - 10:45 a.m.

Pre-course quiz

10:45 a.m. - 11:00 a.m.

Coffee break

11:00 a.m. - 12:30 p.m. L-1

Introduction to Macrofinancial Linkages

- Identifying macro-financial linkages
- The role of bank credit
- Identifying financial vulnerabilities
- Introducing balance sheet mismatches

12:30 p.m. - 2:00 p.m.

Group photo and lunch break

2:00 p.m. - 3:30 p.m. L-2

Recent Macrofinancial Developments in and Outlook for Selected CESEE countries

- Economic growth performance, inflation dynamics and monetary policy in CESEE EU member states
- Re-emergence of twin deficits
- Impact of the Russian war in Ukraine on the region

3:30 p.m. - 4:00 p.m.

Coffee break

4:00 p.m. - 5:00 p.m. GW-1

Introduction to Group Work “Negotiating a Macrofinancial Adjustment Program”

6:00 p.m.

Welcome reception, JVI Residence

Tuesday, April 16

Role of Fiscal and Structural Policies

9:00 a.m. - 10:30 a.m. L-3

Fiscal Policy and Macrofinancial Stability

- Fiscal stabilization under increased macroeconomic volatility

- Sovereign-bank nexus
- Sovereign borrowing costs and government debt structure

10:30 a.m. - 11:00 a.m.

Coffee break

11:00 a.m. - 12:30 p.m.

W-1

Workshop: Public Debt Sustainability

- Calculate the evolution of debt under different scenarios
- Calculate debt-stabilizing primary balance
- Discuss the impact of contingent liabilities

12:30 p.m. - 2:00 p.m.

Lunch break

2:00 p.m. - 3:00 p.m.

**W-1
cont.**

Workshop: Public Debt Sustainability

3:00 p.m. - 3:30 p.m.

Coffee break

3:30 p.m. - 5:00 p.m.

L-4

Carbon-Intensity and Green Transition of the CESEE Region

- Climate change as major global urgent challenge
- Climate-related developments in CESEE EU member states (MS) compared to other EU MS in the past 30 years
- Status-quo of climate-related indicators as well as the goals and targets for 2030 and 2050 in CESEE

**Wednesday,
April 17**

Role of Monetary Policy, Macrofinancial Risk Assessment

9:00 a.m. - 10:30 a.m.

L-5

Monetary Policy and Macrofinancial Stability

- How monetary policy affects the economy
- Recent monetary policy responses and impact
- Interactions between monetary policy and financial stability
- New monetary policy challenges

10:30 a.m. - 11:00 a.m.

Coffee break

11:00 a.m. - 12:30 p.m.

L-6

Identifying and Assessing Macrofinancial Risks in CESEE in Practical Terms

How to assess macrofinancial risks in CESEE differentiating between three categories:

- Macro-cyclical and fiscal risks
- Balance of payments and exchange rate risks
- Credit and banking sector risks

12:30 p.m. - 2:00 p.m.

Lunch break

2:00 p.m. - 3:30 p.m.

L-7

OeNB Euro Survey: Macrofinancial Stability from a Micro-Data Perspective

- Benefits of using micro (survey) data for macro-financial policy
- Introduction to the OeNB Euro Survey: content and coverage

- Selected analytical work on financial stability using Euro Survey data

3:30 p.m. - 3:45 p.m.

Coffee break

3:45 p.m. - 5:00 p.m.

L-8

Real Estate Risks and Financial Stability

- Why is residential real estate key for financial stability?
- How to measure these risks
- Affordability of housing and mortgage market
- Policies to address residential real estate risks

**Thursday,
April 18**

Financial Sector Policies (I)

9:00 a.m. - 10:30 a.m.

L-9

Macroprudential Policies in CESEE and Impact on Macrofinancial Variables

- Main objectives and tools
- Credit bubble or financial deepening?
- Tracking macroprudential policy and impact assessment
- Interaction between macroprudential and monetary policy

10:30 a.m. - 11:00 a.m.

Coffee break

11:00 a.m. - 1:00 p.m.

W-2

Workshop: Implementation of the Countercyclical Capital Buffer

- Applying the countercyclical capital buffer for a fictitious CESEE country based on the Basel framework
- Implementation challenges with a focus on CESEE countries and recent developments
- Macroprudential capital buffer usability, use and replenishment in stress environments

1:00 p.m. - 2:30 p.m.

Lunch break

2:30 p.m. - 3:30 p.m.

L-10

Introduction to Bank Restructuring and Resolution

- Dealing with weak banks and crisis situations in the banking sector
- Diagnostic assessments, bank recapitalization and restructuring
- Bank resolution as an alternative to insolvency and bailouts

3:30 p.m. - 4:00 p.m.

Coffee break

4:00 p.m. - 5:00 p.m.

GW-2

Group Work: Preparation - Vulnerabilities Facilitated by counselors

6:30 p.m.

Course dinner, Waldviertlerhof (departing from JVI at 6 p.m.)

Friday, April 19

Financial Sector Policies (II)

9:00 a.m. - 10:15 a.m.	L-11	NPL Resolution Approaches <ul style="list-style-type: none"> • NPLs and macrofinancial stability • Identification and treatment of NPLs from legal, accounting, regulatory and supervisory perspective • NPL management and resolution approaches
10:15 a.m. - 10:45 a.m.		<i>Coffee break</i>
10:45 p.m. - 12:15 p.m.	L-12	Bank Stress Testing <ul style="list-style-type: none"> • Scenario design • Solvency stress testing • Climate stress testing
12:15 p.m. - 2:00 p.m.		<i>Lunch break</i>
2:00 p.m. - 3:30 p.m.	L-13	Bank Resolution in Action <ul style="list-style-type: none"> • Operationalization of bank resolution • Practical challenges in the operationalization of bank resolution in CESEE • Resolution financing
3:30 p.m. - 4:00 p.m.		<i>Coffee break</i>
4:00 p.m. - 5:00 p.m.	GW-3	Group Work: Preparation - Shock scenario Facilitated by counselors

Monday, April 22 *Negotiating a Macrofinancial Adjustment Program - Day 1*

9:00 a.m. - 10:00 a.m.	GW-4	Group Work: Parallel Meetings of Country Teams (Domestic teams and international teams) Facilitated by counselors
10:00 a.m. - 10:30 a.m.		<i>Coffee break</i>
10:30 a.m. - 11:30 p.m.	GW-5	Group Work: 1st Interim Plenary Meeting - Country A Facilitated by counselors
11:30 a.m. - 12:30 p.m.	GW-6	Group Work: 1st Interim Plenary Meeting - Country B Facilitated by counselors
12:30 p.m. - 2:00 p.m.		<i>Lunch break</i>
2:00 p.m. - 3:30 p.m.	GW-7	Group Work: Parallel Meetings of Sector Teams (Financial Stability & Monetary, Fiscal & Structural) Facilitated by counselors
3:30 p.m. - 4:00 p.m.		<i>Coffee break</i>
4:00 p.m. - 5:00 p.m.	GW-8	Group Work: Parallel Meetings of Country Teams (Draft MoU to be delivered by international to domestic teams) Facilitated by counselors

Tuesday, April 23**Negotiating a Macroeconomic Adjustment Program - Day 2**

- 9:30 a.m. - 10:30 a.m. **GW-9** **Group Work: 2nd Interim Plenary Meeting - Country B**
Facilitated by counselors
- 10:30 a.m. - 11:30 p.m. **GW-10** **Group Work: 2nd Interim Plenary Meeting - Country A**
Facilitated by counselors
- 11:30 a.m. - 12:00 p.m. *Coffee break*
- 12:00 a.m. - 12:45 p.m. **GW-11** **Group Work: Parallel Meetings of Sector Teams**
Facilitated by counselors
- 12:45 p.m. - 2:00 p.m. *Lunch break*
- 2:00 p.m. - 2:45 p.m. **GW-12** **Group Work: Parallel Meetings of Country Teams**
Facilitated by counselors
- 2:45 p.m. - 3:00 p.m. *Coffee break*
- 3:00 p.m. - 4:00 p.m. **GW-13** **Group Work: Closing Plenary Meeting - Country A**
Facilitated by counselors
- 4:00 p.m. - 5:00 p.m. **GW-14** **Group Work: Closing Plenary Meeting - Country B**
Facilitated by counselors

Wednesday, April 24**Macroeconomic Adjustment and Policy Conditionality**

- 9:00 a.m. - 11:00 a.m. **L-14** **Policy Conditionality under IMF-Supported Adjustment Programs**
- Program objectives and principles for conditionality design
 - Types of and approach to policy conditionality
 - Program reviews
- 11:00 a.m. - 11:30 a.m. *Coffee break*
- 11:30 a.m. - 1:00 p.m. **Closing Session**
- Main takeaways, follow-up courses
 - Post-course quiz
 - Course evaluation
 - Closing ceremony
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