



Strengthening Financial Sectors

CRISIS PREPAREDNESS PROGRAM
for
**Financial Regulators & Supervisors, Central Bankers, Deposit
Insurance and senior MoF officials**

Stockholm - August 18 – 21, 2009

AGENDA

CRISIS PREPAREDNESS PROGRAM

For Financial Regulators & Supervisors, Central Bankers, Deposit Insurance and senior MoF officials

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Hosted by: Riksbank

Organized by the Toronto Leadership Centre in partnership with the World Bank

Objectives

The Program is designed to provide participants with the opportunity to practice the roles that monetary policy makers in central banks, supervisory/regulatory authorities and deposit insurance corporations play in managing a crisis arising from problems in a potentially systemic financial institution. The case studies and computer-simulated exercises will explore how central bankers, supervisors and deposit insurers co-ordinate with each other and with other authorities nationally during a crisis, and the tools available to them to deal with the systemic consequences of a bank failure.

In a simulated environment, the participants will be able to (i) practise using processes of contingency planning and dealing with failing banks; (ii) co-ordinate with supervisors, central banks and deposit insurers and with other authorities nationally in a crisis; and (iii) deal with systemic consequences of a bank failure. At the end of the Program, participants will be able to examine the critical components of a crisis preparedness/contingency planning guide in the event of a financial crisis, in accordance to international best practices.

Target Group

The Program is designed for middle/senior level supervisors and regulators with responsibilities in managing financial stability, financial surveillance and supervision of banking institutions, and central bankers involved in monetary policy and operations. The program is also highly relevant to staff of deposit insurance corporations.

Tuesday, August 18

8:30 – 9:00

OPENING CEREMONY

Welcome Remarks

Lars Nyberg - Deputy Governor, Riksbank

Introductory Remarks

Jorge Patino

Group Photograph

9:00 - 10:30

Contingency Planning

Program Leader – Katia D’Hulster

- The role and importance of contingency planning
- Benefits of contingency planning
- How to develop contingency plans
- Elements of contingency planning
- Crisis preparedness resource materials (the crisis binder)
- Inter-agency contingency plans
- Simulating crises to test readiness
- Updating legal powers, resources and crisis planning.

10:30 – 10:45

Tea Break

10:45 – 12:30

Contingency Planning Workshop

12:30 – 13:30

Lunch

13:30 – 15:00

Central Bank Instruments for Dealing with Financial Crises

Program Leader – Jonas Niemeyer

- Legal and financial instruments available to central banks during financial crisis
- ELA, OMO, quantitative easing, collateral requirements rules and flexibility
- Solvency criteria
- System wide liquidity monitoring
- Meaning and application of systemic risk criteria

15:00 – 15:15

Tea Break

15:15 – 17:30

Central Bank Instruments for Dealing with Financial Crises (cont’d)

18:30 – 20:30

Welcome Dinner – Hosted by Riksbank

Wednesday, August 19

- 8:30 – 10:00 **Dealing with Problem and Failing Institutions**
Program Leader – Martin Andersson
- Systemic and non-systemic decisions
 - Pros and cons of different resolution options
 - Criteria for deciding among options
 - Adequacy of laws, policies, procedures and institutional capacity to implement decisions
 - Dealing with existing shareholders
 - Legal protection for authorities for their acts
 - Transparency of the resolution process
 - Funding of resolution actions
 - Minimizing cost of resolution to government
- 10:00 – 10:15 Tea Break
- 10:15 – 12:30 **Dealing with Problem and Failing Institutions (cont'd)**
- 12:30 – 13:30 Lunch
- 13:30 – 15:00 **Case Study: The Swedish Banking Crisis**
Program Leader - Göran Lind
- Too integrated in the payment and settlement system to disappear
 - Major public policy concerns relating to concentrations of risk, weakened oversight caused by diffused responsibility among regulatory bodies
 - Criteria for identifying systemic players, factors to consider for rehabilitation
- 15:00 – 15:15 Tea Break
- 15:15 – 17:30 **Case Study: The Swedish Banking Crisis (cont'd)**
- 17:30 – 18:00 **Briefing on Simulation Exercise**

Thursday, August 20

8:30 – 17:30 **Financial Crisis Simulation Exercise**

Friday, August 21

8:30 – 10:30 **Crisis Simulation – Plenary Session Discussion and Debrief**

10:30 – 10:45 Tea Break

10:45 – 12:30 **Contingency Planning – Next Steps**

12:30 – 13:00 **CLOSING CEREMONY**
Concluding Remarks