

# ASSESSING AND MANAGING CREDIT RISK FROM CONTINGENT LIABILITIES: A FOCUS ON GOVERNMENT GUARANTEES

MARCH 25–29, 2019 | VIENNA, AUSTRIA

## AGENDA

<b>Day 1 Introduction to Contingent Liabilities</b>		<b>March 25, 2019</b>
8:30 a.m.	<b>Registration</b>	
9:00 a.m.	<b>Session 1</b> <b>Opening and Introductions</b>	Cigdem Aslan
9:45 a.m.	<b>Session 2</b> <b>Introduction to Fiscal Risks and Contingent Liabilities</b> <ul style="list-style-type: none"> <li>Understand fiscal risks and identify their main sources</li> <li>Understand contingent liabilities, a particular kind of fiscal risk</li> <li>Understand how contingent liabilities can be managed</li> </ul>	Mats Filipsson
11:15 a.m.	<i>Coffee Break</i>	
11:30 a.m.	<b>Session 3</b> <b>Country Experience: South Africa</b>	Busisiwe Mkwala
12:30 p.m.	<i>Lunch (participants' own arrangements)</i>	
2:00 p.m.	<b>Assignment 1</b> <b>Group Work on Identifying and Prioritizing Contingent Liabilities</b> <ul style="list-style-type: none"> <li>Introduce case study Part 1 on Costaguana</li> <li>Use fiscal risk matrix to categorize contingent liabilities</li> <li>Prioritize contingent liabilities</li> <li>Discuss conclusions in plenary session</li> </ul>	Rodrigo Cabral Andrew Lee
5:00 p.m.	<b>Wrap-up</b>	Mats Filipsson
5:15 p.m.	<b>Daily Course Evaluation</b>	
6:30 p.m.	<i>Meet at the hotel lobby</i>	
7:00 to 9:00 p.m.	<b>Welcome Dinner</b>	

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## AGENDA

### Day 2 Risk Analysis

March 26, 2019

8:45 a.m. **Review of Previous Day**

Mats Filipsson

9:00 a.m. **Session 4**

#### Credit Risk Arising from Government Guarantees: Introduction

- Discuss the importance, types, and characteristics of government guarantees, including certain PPP guarantees
- Develop a strategy to manage risks from guarantees
- Understand how the context should drive the design of a risk management framework

Rodrigo Cabral

10:15 a.m. *Coffee Break*

10:30 a.m. **Session 5**

#### Analyzing Credit Risks from Guarantees

- Know alternative risk measures and risk assessment methodologies used in practice
- Choose from alternatives based on context and objectives

Cigdem Aslan

11:45 a.m. *Lunch (participants' own arrangements)*

1:00 p.m. **Session 5**

#### Analyzing Credit Risks from Guarantees (continued)

- Illustration of different risk assessment methodologies

Cigdem Aslan

1:45 p.m. **Assignment 2**

#### Applying a Credit Score Card to EdC

- Introduce Case Study Part 2
- Prepare a credit opinion on utility state-owned utility using a credit score card

Mats Filipsson  
Andrew Lee

3:45 p.m. *Coffee Break*

4:00 p.m. **Assignment 2**

#### Applying a Credit Score Card to EdC (continued)

- Discuss conclusions in plenary session

Mats Filipsson  
Andrew Lee

5:00 p.m. **Wrap-up**

Rodrigo Cabral

5:15 p.m. **Daily Course Evaluation**

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## AGENDA

Day 3 Risk Quantification		March 27, 2019
8:45 a.m.	<b>Review of Previous Day</b>	Rodrigo Cabral
9:00 a.m.	<b>Session 6</b> <b>Quantifying Credit Risks from Guarantees</b> <ul style="list-style-type: none"> <li>Understand why quantifying contingent liability risks is important</li> <li>Understand different risk measures that can be used to quantify risks</li> </ul>	Cigdem Aslan
10:15 a.m.	<i>Coffee Break</i>	
10:30 a.m.	<b>Assignment 3</b> <b>Quantifying Credit Risk</b> <ul style="list-style-type: none"> <li>Revisit Case Study Part 2</li> <li>Determine different risk measures – expected loss &amp; market values</li> </ul>	Mats Filipsson Andrew Lee
12:15 p.m.	<i>Participant Group Photo</i>	
12:30 p.m.	<i>Lunch (participants' own arrangements)</i>	
1:45 p.m.	<b>Assignment 3</b> <b>Quantifying Credit Risk (continued)</b> <ul style="list-style-type: none"> <li>Discuss conclusions in plenary session</li> </ul>	Mats Filipsson Andrew Lee
2:45 p.m.	<i>Coffee Break</i>	
3:00 p.m.	<b>Demonstration</b> <b>Demo of EdC Financial Model</b> <ul style="list-style-type: none"> <li>Quantify expected loss based on financial modeling</li> <li>Discuss how quantification can be used in the medium-term fiscal framework</li> </ul>	Andrew Lee
5:00 p.m.	<b>Wrap-up</b>	Cigdem Aslan
5:15 p.m.	<b>Daily Course Evaluation</b>	

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### AGENDA

Day 4 Risk Management Tools		March 28, 2019
8:45 a.m.	<b>Review of Previous Day</b>	Cigdem Aslan
9:00 a.m.	<b>Country Experiences in Assessing and Managing Risks from Guarantees</b>	Cigdem Aslan
10:15 a.m.	<i>Coffee Break</i>	
10:30 a.m.	<b>Session 7</b> <b>Designing Risk Management Tools for Guarantees</b> <ul style="list-style-type: none"> <li>Understand the importance of using risk management tools</li> <li>Identify the tools that governments use to manage the credit risk from guarantees</li> <li>Acquire high-level understanding of how tools can be designed and how risk assessment informs the design of tools</li> <li>Choose from alternative tools based on context and objectives</li> </ul>	Rodrigo Cabral
12:00 p.m.	<i>Lunch (participants' own arrangements)</i>	
1:15 p.m.	<b>Assignment 4</b> <b>Setting Guarantee Fees and Limits</b> <ul style="list-style-type: none"> <li>Using the expected loss calculated in Assignment 3 to set a guarantee fee</li> <li>Discuss conclusions in plenary session</li> </ul>	Mats Filipsson Andrew Lee
3:15 p.m.	<i>Coffee Break</i>	
3:30 p.m.	<b>Preparation for Country Presentations</b> <ul style="list-style-type: none"> <li>Participants prepare presentation for following day on lessons of the entire course</li> </ul>	Cigdem Aslan
5:15 p.m.	<b>Daily Course Evaluation</b>	

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## AGENDA

### Day 5 Recap and Country Experiences

March 29, 2019

8:45 a.m. **Review of Previous Day**

Mats Filipsson

9:00 a.m. **Assignment 5**

#### Group Work on Risk Management Tools

- Introduce Case Study Part 3
- Prioritize which risk management tools to implement to monitor or mitigate the contingent liability risks
- Discuss conclusions in plenary session

Cigdem Aslan

10:30 a.m. *Coffee Break*

10:45 a.m. **Country Presentations**

#### Designing Risk Management Tools for Guarantees

- Participants present views on lessons of the entire course for their countries

Andrew Lee

12:35 p.m. **Overall Workshop Evaluation**

12:45 p.m. **Closing Remarks & Certificates**

Rodrigo Cabral