

# Agenda

## CRC Level 2: Scenario Analysis and Stress Testing

June 9 - June 13, 2025

Virtual, Eastern Time

## PROGRAM DESCRIPTION

Climate change and biodiversity loss have been identified by most international supervisory standard setters as significant risks that supervisors must incorporate within their supervisory frameworks and practices. The Financial Stability Board states that “climate-related risks are far-reaching and differ from other risks to financial stability,” with effects on the financial system that are “subject to substantial uncertainty and tail-risk.”

This virtual, five-half day, cross-sectoral program examines the role of climate scenarios and stress tests in the supervisory process and a capacity to implement climate stress tests in national contexts. This program deepens participants’ understanding of climate risks and biodiversity loss through advanced analytical techniques. The course will recap the major risks posed to financial institutions from climate change and biodiversity loss and the role of scenarios and stress tests in assessing those risks. It will explain the key objectives, issues and challenges in developing supervisory stress tests and how they are applied to assess climate and biodiversity loss risks.

## PROGRAM OBJECTIVES

- Provide participants with a structured approach to designing and implementing climate stress tests.
- Explore different climate risk scenarios and stress-testing methodologies, including challenges and limitations.
- Examine how climate stress testing can be tailored to national and sectoral contexts.
- Introduce advanced analytical techniques for assessing climate and biodiversity-related financial risks.
- Equip participants with practical skills to analyze and interpret stress test results.
- Support Implementation of Climate-Related Supervision in National Contexts.
- Identify key challenges in integrating climate-related risks into existing supervisory frameworks.

## METHODOLOGY

This course will be taught by Toronto Centre program leaders who have a wealth of highly relevant experience to share with participants to help them carry out their work in line with international good practices and to address challenges that they may encounter in their supervisory and regulatory work.

## WHO SHOULD ATTEND?

The program is designed for middle to senior-level supervisors and regulators with responsibilities in supervision of the banking, securities, insurance, or pensions sectors or managing financial stability

and financial surveillance, as well as central bankers and staff of deposit insurance corporations and Ministry officials responsible for financial stability. This is a mandatory Second program for the Toronto Centre's new three-program Climate Risk Certification (CRC). The program is also open to individuals not wishing to pursue the CRC qualification.

### VIRTUAL NETWORKING SESSION

Participants are expected to join an icebreaker session on Monday, June 2, 2025. This will be a good opportunity for participants to meet virtually and to network with their international peers.

### REQUIRED PRE-READING

Pre-reading will be required. Materials will be sent out to registered participants at least three weeks before the program starts.

## Scenario Analysis and Stress Testing Agenda

Monday, June 2, 2025 - Virtual Program Networking Orientation	
7:25am – 7:30am	<b>Registration</b> <ul style="list-style-type: none"><li>Participants dial into the system</li></ul>
7:30am – 8am	<b>Welcome and Introduction to the Program</b> <i>Demet Çanakçı, Senior Program Director, Toronto Centre</i>
8:15am – 9:30am	<b>Fun Time: Ice-breaker Group Activity</b> <i>Azola Ngalo, Technical Facilitator, Toronto Centre</i>
9am – 9:30am	<b>Introduction to TCPP &amp; Zoom – Live Demo</b> <i>Meghna Palit, Program Coordinator, Toronto Centre</i>
9:30am – 10am	<b>Live Demo on Quizzes and exam (on MyTC)</b> <i>Ashley Thompson, Project Coordinator, Toronto Centre</i>
10am	<b>Debrief – End of the Networking and Orientation Day</b>

## Scenario Analysis and Stress Testing Agenda

Day 1, Monday, June 9, 2025	
8am – 8:15am	<b>Registration</b> <ul style="list-style-type: none"> <li>Participants dial into the system</li> </ul>
8:15am – 8:25am	<b>Welcome and Opening Remarks</b> <i>Babak Abbaszadeh, President and CEO, Toronto Centre</i> <ul style="list-style-type: none"> <li>Group Photograph</li> </ul>
8:25am – 9:15am	<b>Session 1: Recap on Climate Risks and Role of Climate Scenario Analysis and Stress Testing</b> <i>R. Barry Johnston, Program Leader, Toronto Centre</i> <ul style="list-style-type: none"> <li>Recap on risks posed by climate change and biodiversity loss</li> <li>Role of climate scenarios and stress test to assess climate and biodiversity loss risks</li> <li>Overview on climate scenarios</li> <li>The design and use of stress tests to assess risks</li> </ul>
9:15am – 10:15am	<b>Session 1 (cont'd): Recap on Climate Risks and Role of Climate Scenario Analysis and Stress Testing</b> <ul style="list-style-type: none"> <li>Case study: Application of stress tests to assess climate risks</li> </ul>
10:15am – 10:30am	<b>Coffee Break</b>
10:30am – 11:20am	<b>Session 2: Key issues in Developing Stress Tests for Climate Risks and Biodiversity Loss</b> <i>R. Barry Johnston, Program Leader, Toronto Centre</i> <ul style="list-style-type: none"> <li>Information requirements</li> </ul>

## Scenario Analysis and Stress Testing Agenda

Day 1, Monday, June 9, 2025	
	<ul style="list-style-type: none"><li>• Choice of scenarios</li><li>• Top down, bottom up or hybrid</li><li>• Organization and governance</li><li>• Communications</li><li>• Use of results</li><li>• Challenges in designing stress tests for biodiversity loss</li></ul>
11:20am – 12:20pm	<b>Session 2 (cont'd): Key issues in Developing Stress Tests for Climate Risks and Biodiversity Loss</b> <ul style="list-style-type: none"><li>• Case study: Designing a climate stress test</li></ul>
12:20pm – 12:30pm	<b>Debrief – End of Day Evaluation</b>

## Scenario Analysis and Stress Testing Agenda

Day 2, Tuesday, June 10, 2025	
8:20am – 8:30am	<b>Registration</b> <ul style="list-style-type: none"> <li>Participants dial into the system</li> </ul>
8:30am – 8:45am	<b>Ideas I Will Use</b> <i>Demet Çanakçı, Senior Program Director, Toronto Centre</i>
8:45am – 9:45am	<b>Session 3: NGFS Scenarios</b> <i>Paul Champey and Léopold Gosset, Secretariat Members, Network for Greening the Financial System (NGFS)</i> <ul style="list-style-type: none"> <li>Background on NGFS scenarios</li> <li>Technical considerations in NGFS scenario design</li> <li>Climate pathways</li> <li>Modeling transition and physical risks</li> <li>Limitations of NGFS scenarios</li> <li>Detailed NGFS scenarios</li> </ul>
9:45am – 10am	<b>Coffee Break</b>
10:00 am – 10:50 am	<b>Session 4: Using the NGFS scenario portal</b> <i>Paul Champey and Léopold Gosset, Secretariat Members, Network for Greening the Financial System (NGFS)</i> <ul style="list-style-type: none"> <li>Background on the scenario portal</li> <li>What is available on the scenario portal</li> <li>How to access and download the information</li> <li>How to tailor the information to country requirements</li> </ul>

# Scenario Analysis and Stress Testing Agenda

Day 2, Tuesday, June 10, 2025	
	<ul style="list-style-type: none"><li>• Examples of using the portal to assess transition and physical risks</li></ul>
10:50am – 11:50am	<b>Session 4 (cont'd): Using the NGFS scenario portal</b> <ul style="list-style-type: none"><li>• Case study: Hands on exercise in using the portal in calibrating a climate stress test Further Explanations</li></ul>
11:50am – 12pm	<b>Debrief – End of Day Evaluation</b>



## Scenario Analysis and Stress Testing Agenda

Day 3, Wednesday, June 11, 2025	
8:20am – 8:30am	<b>Registration</b> <ul style="list-style-type: none"><li>• Participants dial into the system</li></ul>
8:30am – 8:35am	<b>Ideas I Will Use</b> <i>Demet Çanakçı, Senior Program Director, Toronto Centre</i>
8:35am – 9:25am	<b>Session 5: Using Climate Scenarios and Stress Tests in the Supervisory Process</b> <i>Djean Ba Lou, European Central Bank (ECB)</i> <ul style="list-style-type: none"><li>• Objectives of using climate scenarios and stress tests in the supervisory process</li><li>• Designing climate scenarios and stress tests to achieve supervisory objectives</li><li>• Who should be involved?</li><li>• Resources, training and expertise</li><li>• Designing an action plan to achieve supervisory objectives</li><li>• Key issues in implementing climate scenarios and stress testing as a supervisory tool</li><li>• Practical lessons learnt</li></ul>
9:25am – 10am	<b>Session 5 (cont'd): Using Climate Scenarios and Stress Tests in the Supervisory Process</b> <ul style="list-style-type: none"><li>• Group exercise: Developing an action plan for integrating climate stress tests in the supervisory process</li></ul>

## Scenario Analysis and Stress Testing Agenda

Day 3, Wednesday, June 11, 2025	
10am – 10:15am	<b>Coffee Break</b>
10:15am – 11:10am	<b>Session 6: Assessing Financial Institutions Climate Stress Tests</b> <i>Djean Ba Lou, European Central Bank (ECB)</i> <ul style="list-style-type: none"><li>• Role of financial institution climate stress tests</li><li>• Expectations of supervisors when assessing climate stress tests</li><li>• Key elements of a supervisory assessment</li><li>• Approaches to conducting the assessment</li><li>• Using the results of the assessment</li><li>• Practical lessons learnt</li></ul>
11:10am – 12pm	<b>Session 7: Case study: Assessing a Financial Institution's Climate Stress Test</b>
12pm – 12:10pm	<b>Debrief – End of Day Evaluation</b>

## Scenario Analysis and Stress Testing Agenda

Day 4, Thursday, June 12, 2025	
8:20am – 8:30am	<b>Registration</b> <ul style="list-style-type: none"> <li>Participants dial into the system</li> </ul>
8:30am – 8:45am	<b>Ideas I Will Use</b> <i>Demet Çanakçı, Senior Program Director, Toronto Centre</i>
8:35am – 9:15am	<b>Session 8: Overview on Countries' Use of Climate Stress Tests</b> <i>R. Barry Johnston, Program Leader, Toronto Centre</i> <ul style="list-style-type: none"> <li>Background on countries uses of stress tests to assess climate risks</li> <li>Types of stress tests</li> <li>Objectives</li> <li>Uses of results</li> <li>Examples of countries use of climate stress tests</li> <li>Limitations, findings, and lessons</li> </ul>
9:15am – 10:15am	<b>Session 8 (cont'd): Overview on Countries' Use of Climate Stress Tests</b> <ul style="list-style-type: none"> <li>Group exercise: Review of country climate stress test</li> </ul>
10:15am – 10:30am	<b>Coffee Break</b>
10:30am – 12:05pm	<b>Session 9: Case Study: A Deep Dive on an Emerging Market Country's Climate Stress Test</b> <i>Nepomuk Dunz, Senior Economist, World Bank Group</i> <ul style="list-style-type: none"> <li>Assessing a country's exposure to climate risks                             <ul style="list-style-type: none"> <li>Physical risks</li> </ul> </li> </ul>

# Scenario Analysis and Stress Testing Agenda

Day 4, Thursday, June 12, 2025	
	<ul style="list-style-type: none"><li>○ Transition risks</li><li>• Developing climate scenarios relevant to the country’s climate risks</li><li>• Implications of the climate scenarios for exposures to climate risks<ul style="list-style-type: none"><li>○ Quantifying the impacts: physical risks and transition risks</li></ul></li><li>• Stress testing the impact of the climate scenarios on financial institutions<ul style="list-style-type: none"><li>○ Methodology</li><li>○ Results</li><li>○ Next steps</li></ul></li><li>• Advances in climate stress testing approaches</li><li>• Group discussion: lessons and challenges in implementing a climate stress test: national issues and concerns</li></ul>
12:05pm – 12:15pm	<b>Debrief – End of Day Evaluation</b>

## Scenario Analysis and Stress Testing Agenda

Day 5, Friday, June 13, 2025	
8:20am – 8:30am	<b>Registration</b> <ul style="list-style-type: none"><li>• Participants dial into the system</li></ul>
8:30am – 11:30am	<b>Session 10: Examination</b> <ul style="list-style-type: none"><li>• An exam will test participants learning through a set of multiple-choice quizzes covering the topics discussed during the course and a written response to a question on one detailed topic covered in the course</li><li>• Participants will choose the detailed topic to answer from a short list of questions reflecting key issues discussed during the course</li></ul>
11:30am – 11:45am	<b>Final Evaluation and Closing Ceremony</b>
11:45am	<b>Debrief – End of Program</b>