

HIGH LEVEL TRAINING PROGRAMME ON EARLY
WARNING AND REGULATION OF INTERNATIONAL
FINANCIAL RISKS



**Workshop on Early Warning and Regulation
of International Financial Risks
20th – 24th March 2023 | Virtual**

**Beijing National Accounting Institute
Central Asia Regional Economic Cooperation (CAREC)
Institute**

I. Background

1. Financial stability is an essential foundation for the economic development of all countries. It is about the absence of system-wide episodes in which the financial system fails to function (crises). It is also about the resilience of financial systems to stress. A stable financial system can efficiently allocate resources, assess and manage financial risks, maintain employment levels close to the economy's natural rate, and eliminate relative price movements of tangible or financial assets that will affect monetary stability or employment levels.
2. A financial system is in a range of stability when it dissipates financial imbalances that arise endogenously or result from significant adverse and unforeseen events. The system will absorb the shocks primarily via self-corrective mechanisms, preventing adverse events from disrupting the real economy or other financial systems. Financial stability is paramount for economic growth, as most transactions in the real economy are made through the financial system.
3. The true value of financial stability is best illustrated in its absence in periods of financial instability. During these periods, banks are reluctant to finance profitable projects, asset prices deviate excessively from their intrinsic values, and payments may not arrive on time. Major instability can lead to bank runs, hyperinflation, or a stock market crash. It can severely shake confidence in the financial and economic system.
4. Since the COVID-19 outbreak, the risk of spillover and contagion of regional financial risks has been further inflated as global trade has faced obstacles, downward economic pressures have intensified, systemic risks have risen, and the transmission mechanisms and channels of the crises have increased. Countries around the world are facing more severe challenges in preventing and mitigating financial risks.
5. The post-pandemic era will be characterized by a shift in international financial cooperation from globalization to regionalization, a shift in the objective of cooperation from promoting development to ensuring people's livelihoods, and a significant reduction in the risk tolerance of financial cooperation. While strengthening the financial infrastructure development and promoting the application of FinTech, the countries require to (i) strengthen cooperation and exchange on intra-regional financial risk regulation; (ii) gradually establish efficient intra-regional regulatory coordination mechanisms; (iii) strengthen cooperation upon financial regulation, improve institutional arrangements for risk response and crisis management; (iv) build a regional early warning system for financial and debt risks; and (v) form an exchange and cooperation mechanism to deal with cross-border risks and emergency.

6. Beijing National Accounting Institute (BNAI) As a subsidiary of the Ministry of Finance, BNAI is a modern and intelligent state-level professional education and training base up to international standards. With first-class software and hardware conditions for international training programmes, BNAI has held international and domestic high-end training programmes and international and state-level professional forums over the years
7. The CAREC Institute (CI) is committed to enhancing mutual trust and knowledge-sharing among CAREC member countries, promoting cooperation among partners and governments at all levels, and contributing to regional economic and social development.
CI currently trains approximately 1,500 CAREC regional government officials each year and is expanding the scope of training through various approaches.
As of 2022, CI has fully transitioned into delivering systematic and holistic capacity-building (CB) activities to targeted participants. The Institute aims to deliver 12 core capacity-building programs annually, each of which entails a series of extended activities.

II. Program Objectives

8. The overall aim of this program is through systematic training, the trainees can deepen their understanding of the financial regulation cooperation over such partnerships as the Belt and Road Initiative, systematically acquire the professional qualification, knowledge system, and management skills required by financial regulation experts and develop to a certain extent financial regulation abilities across business lines and portfolios. Meanwhile, the workshop can further broaden the trainees' experience and perspective on international cooperation, improve their abilities in international regulatory cooperation, and help them to jointly create an open, inclusive, and safe FinTech ecosystem

III. Workshop Format

9. The workshop will be co-organized by Beijing National Accounting Institute (BNAI) and Central Asia Regional Economic Cooperation (CAREC) Institute on the theme of "***Early Warning and Regulation of International Financial Risks***".
10. The workshop will be held virtually on the 20th—24th of March 2023, from 14:30—17:30 Beijing time everyday afternoon. Participants can register and join the workshop through the following link:
https://us06web.zoom.us/webinar/register/WN_SxYbOBWkSu2CvelVs5loiA
11. The workshop will consist of online lectures, case sharing, a roundtable forum, etc. Overall, the workshops will be highly participant-centered and interactive. The language of the workshop will be Chinese, and English with

simultaneous Russian interpretation.

12. The workshop will invite experts from Officials of China's financial risk regulatory agencies, well-known scholars, and senior executives of financial institutions will deliver lectures, interact with trainees or conduct case-study.

13. The workshop will focus on the issues concerned with the regulation of international financial risks, such as Financial Risk Supervision Policy and Practice,, Debt Sustainability Analysis of the “Belt and Road”, China’s Credit Risk and Market Risk Supervision Theory and Performance, etc

IV. Workshop Topics and Speakers

(i) Financial Risk Supervision Policy and Practice

Speaker: Ms. Hong Yu, Director General, State-owned Financial Capital Operation Assessment Center, Ministry of Finance, PRC

Description: Financial risk refers to the possibility of damage and loss to the security and stability of the financial system caused by various subjective and objective factors in the course of credit and money operation, which lead to a series of contradictions in the financial field being revealed and intensified. Finance has a bearing on overall development. We need to take a coordinated approach to guard against major financial risks and moral hazards, consolidate the responsibilities of all parties, and promptly address them to prevent regional and systemic financial risks.

(ii) Debt sustainability Analysis of the “Belt and Road”

Speaker: Ms. Zhijuan Cui, Professor, Beijing National Accounting Institute.

Description: The debt sustainability analysis and assessment of the Belt and Road countries, the formation of national debt sustainability analysis reports, and debt risk classification management, as an important reference for loan decision-making, will help bond parties better control investment risks and improve scientific decision-making. Belt and Road countries should be supported in need to strengthen their fiscal policy framework, strengthen capacity building for debt risk management, withstand external shocks, optimize financing options, and ensure the safety of public funds. It will help debtor countries strengthen debt management and achieve sustainable and inclusive growth.

(iii) How much risk is there in the CAREC region, and how much sustainability and inclusiveness?

Speaker: Dr. Hans Holzacker, Chief Economist, CAREC Institute

Khalid Umar, Chief of Strategic Planning Division, CAREC Institute

Description: The CAREC economies were relatively resilient to the multitudes of external shocks since 2020. However, to preserve decent financial risk profiles they will have to adapt to ongoing challenges by further advancing reforms, diversifying their economies, and capitalizing on new technologies such as fintech.

(IV) China's Market Risk Supervision Theory and Performance

Speaker: Mr. Wei Zhang, Deputy Director, School of Finance, Tsinghua University

Description: With the rapid development of technology, the business models and forms of digital finance are also evolving, including digital currency, digital payment, and other financial forms. The development of digital finance provides a new proposition for risk management, which has both opportunities and challenges; Science and technology are a "double-edged sword", which can not only improve operational efficiency and provide risk control means but also generate new incremental risks, such as model risk, technology risk, privacy invasion risk, etc., so that the risk spreads faster and becomes more hidden.

(V) Roundtable Forum

Note: The above courses are subject to changes based on actual conditions.

V. Target Participants

14. The primary target participants are officials from the ministry of finance and economy or other relevant financial risk regulatory sectors, or from the academics from CAREC member countries. Five participants from each CAREC member country will be invited to participate in the program. The total number of participants in the workshop shall be around 40.
15. Participants are required to be prepared according to the workshop topics.
16. In order to attain the best result, participants are expected to attend the online courses on time and complete the coursework requirements.
17. Participants, who would successfully complete all activities of the program, shall receive a Course Completion Certificate co-issued by BNAI and CI.

VI. Nomination Criteria

18. Participants shall have an insightful understanding of relevant financial regulation and risk management in their own country in the future.

19. Moreover, the following set of criteria will be used to select the target participants to attend the program:

- a) Nominees from the Governmental departments should be senior officials.
- b) Participants from academia should be professionals in finance, economics, or relevant subjects.
- c) Participants should be committed to participating in a 5-day workshop.
- d) Participants should have strong communication skills and be fluent in English or Russian.

VII. Workshop Team

20. BNAI and CI will jointly deliver the workshop. Both organizing partners will cooperate extensively to leverage collective expertise and experience in delivering the program effectively and efficiently. The workshop will be delivered virtually on the 20th -24th of September, 2023.

21. **Beijing National Accounting Institute (XNAI)** Founded in 1998, Beijing National Accounting Institute (BNAI) is located at Tianzhu Development Area, Shunyi District, Beijing, 3 kilometers from Beijing Capital International Airport. With a beautiful campus and advanced facilities, BNAI is a modern and intelligent state-level professional education and training base up to international standards. With first-class software and hardware conditions for international training programmes, BNAI has held international and domestic high-end training programmes and international and state-level professional forums over the years. Focusing on such major topics as the Belt and Road Initiative, poverty alleviation, budget and performance management, digital economy and accounting development, BNAI has organized a number of trainings and forums, and has maintained close contacts and cooperation with numerous international organizations, accumulating rich experience in international cooperation.

22. **The CAREC Institute** is an intergovernmental organization dedicated to promoting regional cooperation and integration (RCI) through knowledge generation, capacity building, and knowledge sharing in the CAREC region. As a leading regional knowledge hub, the mission of the CI is to enhance the quality and effectiveness of the CAREC Program by providing evidence-based research and CB services, dissemination of knowledge products, and networking with research institutions. The CAREC Institute is a knowledge arm of the CAREC Program, which is a sub-regional development initiative led by ADB and supported by AIIB, EBRD, IMF, IsDB, UNDP and WB. The CAREC Institute acts as a knowledge connector among the five CAREC clusters to ensure coherence in design and implementation of policies, programs, and projects to promote regional economic cooperation and

integration: i) economic and financial stability; ii) trade, tourism, and economic corridors; iii) infrastructure and economic connectivity; iv) agriculture and water; and v) human development. The CAREC Institute is jointly shared, owned, and governed by eleven member countries: Afghanistan, Azerbaijan, People's Republic of China, Georgia, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.

VIII. Contact Information

23. The workshop registration form should be sent to the program contact person, the contact information is as follows:

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