



From the Director's desk

We are delighted to present to you the first issue of the CICDC Newsletter, reporting on the capacity development activities of the China-IMF Capacity Development Center (CICDC) from January to March 2024. In this edition, we describe some of our main activities to build human and institutional capacity in China and beyond. We hosted three impactful courses on financial issues, a priority area for our center. The participants were not only sitting in our classrooms in Shenzhen. We also took them to see how in the real life those issues were tackled. Our field trips were well received and have become highlights of each course. Besides field trips, we also invited experts from the public and private sectors to deliver guest lectures which fit the courses very well. In addition, we had some outreach activities here in Beijing. The Bill & Melinda Gates Foundation (hereafter "Gates Foundation") had generously contributed to the development of China-specific case studies on digital finance and gender inclusion that will be used in CICDC training. We were very glad to host their visit to our office and we would love to strengthen our future collaboration. Finally, I hope you enjoy "CICDC in numbers", which gives you a glance of the CICDC operation since its inauguration.

Hui He
Director, CICDC

Overview of 2024 Q1 courses

1. Course on Macro-Stress Testing (MST) January 8-19, Shenzhen

Offered as a follow-up to the virtual course on Macroprudential Stress Testing (December 2020) and the virtual course on Systemic Risk Analysis (November 2021), this course focused on the more advanced topics of macroprudential stress testing. It complemented the theoretical lectures on methodology and stress testing frameworks with hands-on sessions on a practical full stress test cycle simulation environment and familiarize participants with the advanced macro-stress testing concepts and help them gain practical understanding of how the models and the MCM framework are deployed in practice. Aside from classroom activities, counselors and participants visited WeBank, an internet bank based in Shenzhen, and had a roundtable discussion with Mr. Yao Huiya, the company's Head of Technology Innovation Product Department, on its operational mechanisms and its financial services to MSMEs and the general public. 35 Chinese participants from the People's



Bank of China (PBC) and the National Financial Regulation Administration (NFRA) and 6 participants from relevant government agencies in Mongolia and Cambodia participated in the course.

2. Course on Central Bank Digital Currencies: Principles and Policy Considerations (CBDC)

February 19-23, Shenzhen

With support from the South East Asian Central Banks (SEACEN) Research and Training Centre (The SEACEN Centre), this course aims to strengthen the capacity-building and networking of central banks and relevant authorities in the South, Southeast and East Asian regions. It discussed the different forms of central bank digital currencies (CBDCs), the benefits, costs and risks related to CBDCs, their implications for financial stability and bank intermediation, monetary policy transmission, financial integrity and financial inclusion, as well as regulatory considerations for CBDCs both at the national and international level. As an



effort to reflect on and discuss country experiences of CBDC strategies, the course also invited two guest lecturers, Ms. Ayse Sungur, Senior Financial Market Infrastructure Expert of The SEACEN Centre, and Ms. Lyu Yuan, Director of Innovation Division of the Digital Currency Institute of PBC, who shared on the CBDC development in SEACEN and in China, respectively. 30 participants, including 14 from the People's Bank of China (PBC) and the Ministry of Foreign Affairs (MOFA) and 16 from South East Asia Central Banks (SEACEN) members in Brunei Darussalam, Cambodia, Lao PDR, Mongolia, Nepal, Papua New Guinea, the Philippines and Sri Lanka, participated in the course.

3. Course on Financial Sector Policies (FSP)

February 26 - March 8, Shenzhen

In collaboration with the China Securities Regulatory Commission (CSRC), the course engaged 24 participants from China, Kazakhstan, and Egypt. It provided an overview of financial risks and how they are transmitted within and between the financial system and the real sector, examined the rationale for micro-prudential and macroprudential policies as well as their interactions, and discussed policies to deal with financial distress situations and contingency planning. As guest lecturer, Mr. Ryan Tsang, Managing Director and Analytical Manager at S&P Global Ratings, to present on S&P's banking industry country risk assessment methodology and its assessment of the Chinese banking sector, especially its latest developments, performance, regulatory changes, capital adequacy and liquidity, as well as risks and vulnerabilities.



Voices from Participants

"The course on Central Bank Digital Currencies: Principles and Policy Considerations was extremely insightful as it provided me with guidance to reflect on the applicability of a CBDC in my country. The course helped me understand that a country can derive various benefits by introducing a CBDC in its economy. However, it was also encouraged to explore whether there are other existing alternative instruments or mechanisms through which the same benefits can be derived more efficiently or effectively. Furthermore, the discussion on the impact of introducing a CBDC on a country's financial system stability, monetary policy conduct and cross-border flow management was enlightening. The case study approach used in the course helped the participants share their own experiences, which I found extremely valuable. Overall, the course was a great learning experience."

D. Poorna Dimuthu Senaratna (CBDC course participant)
Central Bank of Sri Lanka

"I'm very excited and really liked this course! It offered a wealth of knowledge on macroprudential regulation, which I intend to apply in my daily work. The focus on stress testing scenarios for the banking sector was crucial, providing me with essential insights. Additionally, the discussions on regulatory buffers were particularly insightful and are something I need to incorporate into my job. Overall, this course was incredibly beneficial for my professional development."

Bizhigit Sagidolla (FSP course participant)
Astana Financial Services Authority, Republic of Kazakhstan

CICDC in numbers

3015 person times of government officials from **60** countries have participated in courses organized at CICDC, including 2,566 from China and 449 from countries associated with the BRI. **366** person times from **79** countries have benefited from CICDC-sponsored courses in other IMF training centers worldwide.

Partnerships and outreach

1. Visit of the Gates Foundation delegation to CICDC

A delegation from the Gates Foundation visited the CICDC office in Beijing on 16 January to discuss the progress of the collaboration and to swap ideas on other potential joint activities. With the support of the People's Bank of China, the CICDC worked with the Gates Foundation's China Country Office in 2023 to contribute to global knowledge sharing and advocacy on digital finance and gender inclusion. Leveraging the technical expertise of the IMF, the collaboration is intended to produce a set of case studies that will provide insights into financial inclusion and gender gaps in China, comparative analysis of the financial digitization models of China and India, and the rise of central



From left to right: Mr. Nick Fan, Senior Program Officer for development finance, Gates Foundation China Country Office; Mr. Hui He, Director, CICDC; Ms. Grace Lang, Deputy Director of Policy, Advocacy and Government Relations, Gates Foundation China Country Office; Ms. Heather Yang, Senior Program Officer, Office of the President, Gates Foundation; Mr. Vishal Gujadhur, Deputy Director of Development Policy and Finance, Gates Foundation; Ms. Danni Sun, Program Officer of Development Policy and Finance, Gates Foundation; Ms. Sijia Gao, Senior Course Administrator, CICDC; Ms. Xueke Song, Office Manager, CICDC

bank digital currency and payment systems in China. Through the training courses spearheaded by the CICDC, the intellectual output will help raise awareness and build capacity across a broad network of policymakers reaching multiple sectors in China and in other countries associated with the BRI.

Upcoming courses in 2024 Q2

- 1. Macroeconometric Forecast and Analysis (MFA)**
April 15-26, Dalian
- 2. Cross-Boarder Payments in the Digital Age (CBPDA)**
May 13-17, Shenzhen
- 3. Systemic Macro Financial Risk Analysis (MFRA)**
May 27-31, Dalian

For information, please visit <https://www.imfcicdc.org/content/cicdc/en.html> or contact CICDCtraining@IMF.org.