Fiscal Risk Management Course: Fiscal Rules, Stress Tests and Buffers

15 – 19 November 2027
London - Central London four-star



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Introduction:

Fiscal risk management, fiscal rules, stress tests and buffers are the subject of this 1-week course for budget, investment, debt and state-enterprise monitoring teams, ending with a Fiscal Risk Statement and Buffer Plan. Governments often meet contingent liabilities, commodity revenue swings and enterprise losses only when they reach the budget, and rules written without a risk view are suspended under pressure. Nominees already prepare budgets, monitor public entities or analyse debt, and teaching is by case study on guarantee registers, revenue series and enterprise accounts. CoreConcept Training Center delivers this fiscal risk management course.

Course Objectives:

- Classify explicit and implicit fiscal risks and record them in a fiscal risk register with owners and triggers
- Calibrate numerical fiscal rules, escape clauses and correction mechanisms against the risks a budget actually faces
- Measure oil price, growth, interest rate and currency sensitivities of revenue, spending and financing needs
- Quantify guarantee, state-owned enterprise and public-private partnership exposures using probability and loss estimates
- Run integrated stress tests and size reserves and stabilisation funds against the results
- Prepare a Fiscal Risk Statement and Buffer Plan that ranks mitigation options by cost and risk reduction

Target Audience:

- Budget managers responsible for fiscal ceilings, medium-term projections and rule compliance reporting
- Debt and guarantee managers accountable for contingent exposure registers and issuance limits
- Public investment managers who appraise projects carrying partnership payment obligations
- Entity monitoring managers who review the financial health of state-owned enterprises
- Reserve and stabilisation fund managers who set drawdown and replenishment rules

Course Outline:

Day 1: Fiscal Risk Landscape and Exposure Mapping

- Fiscal Risk Taxonomy Covering Macroeconomic Shocks and Specific Contingent Exposures
- Explicit and Implicit Contingent Liability Classification With Probability Scoring
- Public Sector Balance Sheet Review for Net Worth Vulnerabilities
- Revenue Concentration Diagnostic for Commodity Dependent Budgets
- Fiscal Risk Register Template With Owners, Triggers and Reporting Lines

Day 2: Fiscal Rule Design and Calibration

- Debt, Deficit, Expenditure and Revenue Rule Types Compared
- Structural Balance Rule Calibration Using Output Gap and Price Adjustments
- Expenditure Ceiling Rule Design With Medium-Term Growth Limits
- Escape Clause Triggers and Correction Account Mechanisms
- Rule Scorecard for Monitoring Breaches and Enforcement Steps

Day 3: Quantifying Shocks and Sensitivities

- Oil Price Sensitivity Analysis of Revenue, Spending and Financing Needs
- Fan Chart Construction for Growth, Interest and Currency Shocks
- Guarantee Exposure Quantification Using Default Probability and Loss Given Default
- State-Owned Enterprise Financial Health Screening and Support Cost Estimates
- Public-Private Partnership Payment Schedules and Termination Cost Scenarios

Day 4: Stress Testing, Buffers and Risk Reporting

- Integrated Stress Test Design Combining Macroeconomic and Contingent Liability Shocks
- Reserve Fund Sizing Using Value at Risk and Drawdown Rules
- Contingency Reserve and Stabilisation Fund Governance Rules
- Risk Mitigation Options Including Guarantee Caps, Fees and Hedging
- Fiscal Risk Statement Structure, Disclosure Tables and Narrative Standards

Day 5: Case Study on a Fiscal Risk Statement and Buffer Plan

- Case Government Exposure Register Built From Guarantee and Enterprise Data
- Case Oil Price Fall Stress Test Applying Earlier Sensitivity Methods
- Case Fiscal Rule Recalibration Using Escape Clause and Correction Tests
- Buffer Sizing and Mitigation Options Ranked by Risk Reduction
- Fiscal Risk Statement and Buffer Plan Completion and Panel Review

Skills You Will Gain:

- Fiscal Risk Identification
- Contingent Liability Valuation
- Fiscal Rule Calibration
- Sensitivity Analysis
- Stress Test Construction
- Reserve Sizing
- Risk Disclosure Drafting
- Exposure Register Maintenance

Why Attend This Course:

- Deliver a Fiscal Risk Statement and Buffer Plan to the budget director, debt office head and entity monitoring lead
- Decide whether a proposed guarantee, enterprise support request or partnership payment fits within the rule and the reserve
- Avoid mid-year rule suspensions and emergency borrowing that follow an unmeasured revenue fall or a called guarantee
- Coach colleagues on exposure registers, sensitivity tables and stress test workbooks used in the course

Conclusion:

Back at work, the participant presents the Fiscal Risk Statement and Buffer Plan to the budget director, the debt office head and the entity monitoring lead, who use it to set rule thresholds, size reserves and decide which guarantees and enterprise support requests to accept. Analysts reuse its stress test workbook and exposure register when the next budget is prepared. After the first budget cycle, the unit should compare realised shocks with the scenarios, review rule breaches and escape clause use, and update the buffer target.

Frequently Asked Questions FAQ:

What should participants know before a fiscal risk management and fiscal rules course?

Participants should already prepare budgets, monitor public entities or analyse debt, and be comfortable reading fiscal tables. Bringing anonymised guarantee lists, revenue series or enterprise accounts from their own unit makes the case work more useful.

How does a fiscal risk management and fiscal rules course differ from a broad public finance course?

It concentrates on identifying, measuring and buffering risks to the budget and on how rules respond to them. A broad public finance course spends its time on the whole budget cycle, treasury, debt strategy and partnership structuring.

Why do fiscal rules need a fiscal risk statement?

A rule set without a risk view is tested by the first large shock. A fiscal risk statement shows the size and likelihood of exposures, so thresholds, escape clauses and reserves can be calibrated before pressure arrives.

What do participants take back from the fiscal risk management and fiscal rules course?

Participants take back a Fiscal Risk Statement and Buffer Plan, plus an exposure register template, a sensitivity table for commodity revenue and a stress test workbook that can be adapted to their own budget.