

8th EXECUTIVE IFRS WORKSHOP
FOR SUPERVISORS

CLIMATE SUSTAINABILITY AND IFRS UPDATE

November 9-10, 2023, Vienna, Austria

CFRR»

**Centre for Financial
Reporting Reform**



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CLIMATE SUSTAINABILITY AND IFRS UPDATE

November 9-10, 2023, Federal Ministry of Finance of Austria,
Bundesfinanzgericht, Hintere Zollamtstraße 2b, 1030, Vienna, Austria

FOREWORD

No country today is immune from the impacts of climate change. According to the research of the World Bank Group, climate change alone could drive 216 million people to migrate within their own countries by 2050, with hotspots of internal migration emerging as soon as 2030, spreading and intensifying thereafter.

The international community, the G20, the Financial Stability Board, the Basel Committee and the International Association of Insurance Supervisors, the International Sustainability Standards Board and the International Accounting Standard Board, hosted by the IFRS Foundation, are thriving to drive the change under four key policy areas: firm-level disclosures, data, vulnerabilities analysis, and regulatory and supervisory practices and tools.

Through EU policy, legislation, and strategies the EU has set itself the goal of becoming a climate-resilient society by 2050, fully adapted to the unavoidable impacts of climate change. Through the Corporate Sustainability Reporting Directive, the EU requires large companies and all listed companies to disclose information on what they see as the risks and opportunities arising from social and environmental issues, and on the impact of their activities on people and the environment. They will do this according to the newly adopted European Sustainability Reporting Standards.

The 8th Executive IFRS Workshop for Regulators, will update Regulators from the Western Balkans, Eastern Europe, and the South Caucasus, of the efforts made by the international community, including by International Sustainability Standard Board, and the International Accounting Standards Board, to address climate change and financial stability risks as well as improving financial reporting for the insurance sector. It will also showcase the efforts made at EU level to better report on sustainability and measure climate and environmental risk. Finally, it will testify, through the Austrian example, on how cooperation between various institutions is key to setting up an environment conducive to monitor, measure, and alleviate, climate, social and environmental risks, with the ultimate goals to curb climate change and leave a better planet for future generations.

AGENDA | DAY 1 | THURSDAY, NOVEMBER 9, 2023

09:00 Welcome Remarks

Welcome remarks and brief introduction of the topics and the speakers.

Michael Windisch | Advisor, Ministry of Finance, Austria

Johannes Widmann | Senior Operations Officer for the Western Balkans Region,
The World Bank

Moderator:

Pascal Frerejacque | Consultant, Centre for Financial Reporting Reform (CFRR),
The World Bank

09:15 World Bank Actions on Climate Change in the Western Balkans

The purpose of this session is to learn about the work of the World Bank on climate change and have an overview of the economics of the Western Balkans.

Gunhild Berg | Lead Economist, The World Bank

Moderator:

Pascal Frerejacque | Consultant, CFRR, The World Bank

09:45 Keynote Address –The International Sustainability Standards Board (ISSB) – Update and Work Program

The purpose of this session is to learn about the work program of the ISSB the period 2023-2024 and have an overview of the sustainability standards issued to date and the ones to be issued.

Veronika Pountcheva | Board Member, ISSB

Moderator:

Pascal Frerejacque | Consultant, CFRR, The World Bank

10:45 Coffee and networking break

11:00

Implementing Climate and Sustainability Policies – Austria Collaborative Approach

The purpose of this session is to discuss the cooperation of the various institutions in building a proper system for supervising climate and environment risks in Austria and provide an update on the activity of each institution. Presentation will be followed by a questions and answers session.

Karl Dobner | Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology

Julia LEMONIA Raptis-Saleh | Head of Division, Austrian Financial Market Authority (FMA)

Veronika Pountcheva | Board Member, ISSB

Discussant:

Darrel Scott | Consultant, CFRR, The World Bank

Moderator:

Pascal Frerejacque | Consultant, CFRR, The World Bank

12:45

Lunch

13:45

International Accounting Standards Board (IASB) work program

The purpose of this session is to learn about the work program of the IASB for 2022- 2026. The presentation will be followed by questions and answers sessions.

Tadeu Cendon | Board Member, IASB

Moderator: **Pascal Frerejacque** | Consultant, CFRR, The World Bank

15:00

Coffee and networking break

15:30

Managing Climate and Environment Risk

The purpose of this session is to learn about, Erste Group models characteristics for climate and environmental risk, and the necessary governance arrangements to be put in place.

Karin Lenhard | Responsible of ESG strategy of Erste Group, Erste Bank

Moderator: **Pascal Frerejacque** | Consultant, CFRR, The World Bank

16:30

End of day 1

AGENDA | DAY 2 | FRIDAY, NOVEMBER 10, 2023

09:00

Update of the Work of the European Central Bank (ECB) on IFRS, Loan Loss Provisioning (LLP) and Climate

The purpose of this session is to learn about the work of the ECB on IFRS 9 Overlays, Effort for improving LLP, and the work on climate.

David Gruenberger | Head of Section, European Central Bank

Moderator:

Pascal Frerejacque | Consultant, CFRR, The World Bank

10:15

Coffee and networking break

10:45

Managing Climate and Environment Risk – Climate Stress Testing

The purpose of this session is to learn about the climate stress tests of the Austrian Banking sector, that will provide an overview of transition risks and their assessment.

Csilla Koenigwieser | National Bank of Austria

Moderator:

Pascal Frerejacque | Consultant, CFRR, The World Bank

12:00

Lunch

13:30

Challenges in application of IFRS 17: Part 1

The purpose of this session is to discuss the challenges that are foreseen for the application of IFRS 17, the application of which has been delayed in several countries. Participants will provide their insights about the complexity of the implementation of IFRS 17 – insurance contracts, and the type of insurance products that are commercialized in their countries.

Kosta Spaceski | Advisor, Insurance Supervisory Agency, North Macedonia

Darrel Scott | Consultant, CFRR, The World Bank

Moderator:

Pascal Frerejacque | Consultant, CFRR, The World Bank

14:15 Coffee and networking break

14:30 Challenges in application of IFRS 17: Part 2 Implementation path

The purpose of this this session is to discuss the challenges that are foreseen for the application of IFRS 17, with a presentation on IFRS 17 *Insurance contracts*.

Darrel Scott | Consultant, CFRR, The World Bank

Moderator:

Pascal Frerejacque | Consultant, CFRR, The World Bank

16:00 Challenges in application of IFRS 17: Part 3 Next steps

The purpose of this this session is to discuss the timing and the content of online training and roundtables to discuss the insurance products typology, the provision of IFRS 17 *Insurance Contracts* that would apply, and possible impacts.

Darrel Scott | Consultant, CFRR, The World Bank

Pascal Frerejacque | Consultant, CFRR, The World Bank

16:30 End of the Workshop

BIOS OF THE SPEAKERS AND MODERATORS

(in order of appearance)



MICHAEL WINDISCH

Advisor, Ministry of Finance, Austria

Michael Windisch works as Advisor in the Department for International Financial Institutions at the Austrian Federal Ministry of Finance. He acts as Desk Officer for the World Bank Group since July 2022. Previously, he was Desk Officer for the African Development Bank Group. Before joining the Ministry of Finance in April 2021, he worked as a consultant in the Department of Policy Research and Statistics of the United Nations Industrial Development Organization (UNIDO). In this capacity, he conducted data analysis and research on issues such as structural transformation, global value chains and Industry 4.0. He holds a master's degree in Public Economics from Freie Universität Berlin and a bachelor's degree in Political Science and Economics from University of Vienna.



JOHANNES WIDMANN

Senior Operations Officer for the Western Balkans Region, The World Bank

Johannes Widmann is Senior Operations Officer with a focus on designing World Bank strategies aimed at improving development outcomes in client countries. Johannes joined the Bank as a summer intern in 2001 and has since supported Bank strategies and operations in five World Bank regions in Africa, South Asia, East Asia and the Pacific, Latin America and the Caribbean, and Europe and Central Asia. He is currently based in Vienna as the Senior Operations Officer for the Western Balkans in which role he also supports management of the Vienna office and the partnership with the Austrian government. Johannes has an MA in political science from the University of Tübingen, Germany, and an MA in international economics from the American University in Washington, D.C. In his spare time he enjoys discovering Vienna and the rest of the world together with his two young and energetic sons.



PASCAL FREREJACQUE

Consultant, Centre for Financial Reporting Reform (CFRR), The World Bank

Pascal Frerejacque advises countries on enhancing their financial reporting, corporate governance, and auditing practices, and leads activities for the financial supervisors across the CFRR regional programs, EU-REPARIS and STAREP. He has led the delivery of country programs on accounting and auditing reform and SOE monitoring in Croatia, the Czech Republic, and Serbia. At the CFRR, Pascal led the publication of several accounting and auditing assessments under the Reports on the Observance of Standards and Codes program (ROSC A&A), and other knowledge products: Corporate Sector Accounting and Auditing in the European Union (2015), Banking Supervisors and Auditors: Building a Constructive Relationship (2016), Guides to reviewing financial statements for supervisors (2017), Croatia' European Union Accession: case studies on accounting and auditing reform (2017).



GUNHILD BERG

Lead Economist, The World Bank

Gunhild Berg is a Lead Financial Sector Specialist in the World Bank Group's Finance, Competitiveness, & Innovation Global Practice. She is currently responsible for developing policies and programs to support financial sector development and stability in the Europe and Central Asia region. Prior to that she covered the World Bank's financial sector work in several countries in Africa. Before joining the World Bank, she worked for KfW Development Bank. She holds a PhD in Economics from Goethe University Frankfurt and a Masters in Economics from Mannheim University.



VERONIKA POUNTCHEVA

Board Member, International Sustainability Standard Board (ISSB)

Veronika Pountcheva was appointed as a full-time member of the International Sustainability Standards Board (ISSB) in August 2022, effective 1 October 2022. Prior to her appointment, Ms Pountcheva served as Senior Vice President of corporate responsibility of METRO AG and Co-chief Executive Officer of NX Food, with responsibility for developing the company's long-term sustainability strategy. She previously held leadership roles at METRO in Bulgaria, Ukraine, Germany and Serbia. Ms Pountcheva also chaired initiatives at the Consumer Goods Forum and Leading Executives Advancing Diversity. Ms Pountcheva holds a Master's of Economics from the University of National and World Economy in Sofia and a Master's of Mechanical Engineering and Chemistry from the Technical University of Sofia.



KARL DOBNER

Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology

Karl Dobner works at the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology in the department Green Finance and Sustainable Economy. He was involved in the development of the Austrian Green Finance Agenda, coordinates the implementation and organizes the process of involving different stakeholders for the successful implementation of national green finance activities.



JULIA LEMONIA RAPTIS

Head of Division, Austrian Financial Market Authority (FMA)

Julia Raptis is currently Head of Division for Supervision of Large Regional Banks at the Austrian Financial Market Authority (FMA). Julia's division's work also includes recovery planning, early intervention measures and crisis management as well as EU passporting. Before joining FMA's banking supervision, Julia managed the legislative and supervisory policy team responsible for FMA's rule-making and co-led FMA's work on Sustainable Finance.

She has vast experience in financial markets regulation and cooperation with the Austrian Central Bank (OeNB), the Austrian Ministry of Finance (BMF), the European Supervisory Agencies (ESAs) and the European Central Bank (ECB).



DARREL SCOTT

Consultant, CFRR, The World Bank

Darrel Scott was formerly CFO of the FirstRand Banking Group, one of the largest financial institutions in South Africa. He had responsibility for both statutory and regulatory financial reporting under the Basel II Accords and served on various Governance, Risk, Operation and Strategic Committees of the Group. Mr. Scott was also a member of the IASB's International Financial Reporting Interpretations Committee (IFRIC), a position from which he resigned to become an IASB member, and was formerly a member of the IFRS Foundation's Standards Advisory Council (SAC), now called the IFRS Advisory Council.



TADEU CENDON

Board Member, International Accounting Standards Board (IASB)

Tadeu Cendon is a Board Member of the International Accounting Standards Board (IASB) since 2019 and was a partner of PwC Brazil Accounting and Consulting Services (ACS) where he worked for 30 years. Tadeu was the PwC partner responsible for IFRS in Brazil and one of the PwC Global ACS Partners. He was Director in the Brazilian Institute of Independent Auditors (IBRACON) and a member of the Continuing Professional Education Committee of the Brazilian Federal Accounting Council (CFC) and member of Regulation for Private Equity Funds (FIP/FIEE) Council of the Brazilian Association of Financial and Capital Market Entities (ANBIMA). Mr. Cendon holds a Bachelor's degrees in accounting and business administration, post-graduated in finance and also has a master's degree in accounting.



KARIN LENHARD

Responsible of ESG strategy of Erste Group, Erste Bank

In 2018 responsible for Erste Group Securities and Markets Compliance for MiFID II, MIFIR and PRIIP-VO in the holding business and for the CEE subsidiaries. Since 2021 Legal Expert in Sustainable Finance and responsible for ESG strategy of Erste Group. She is head of the "Legal and Compliance" working group of the Zertifikateforum Austria (ZFA), the Legal Committee and the ESG Expert Group of EUSIPA and member of the FinDatEx ESG Working Group.



DAVID GRUENBERGER

Head of Section European Central Bank

Dr. David Grünberger leads the team for accounting and prudential reporting at the European Central Bank since 2018. He previously led the IFRS-enforcement in the Austrian Financial Market Authority in Vienna. He focuses on the financial reporting of listed companies and banking regulation. He holds a US-CPA license, teaches at the Vienna University of Economics and published many books and papers on current accounting topics. He represents the FMA in the European Enforcement Coordination Sessions at ESMA and the European Accounting Regulatory Committee at the European Commission.



CSILLA KOENIGWIESER

Austrian National Bank (OENB)

Csilla Königwieser has been working as an analyst for Oesterreichische Nationalbank (OeNB) since 2021. Her areas of expertise include climate and solvency risk, with a focus on quantitative analysis and stress testing. She participated in the development of OeNB's climate risk stress testing pilot exercise and has been a member of various international committees dealing with climate risks, including the NGFS working group on Bridging Data Gaps and the ECB/ESRB project team on monitoring climate risks.



KOSTA SPACESKI

Advisor, Insurance Supervisory Agency, North Macedonia

Mr. Spaseski is a general advisor for strategic planning and quality management at the Macedonian Insurance Supervision Agency. Previously he was responsible for off-site analyses, monitoring and reporting on the financial soundness of insurance undertakings in North Macedonia. Mr. Spaseski was actively involved in preparation and enforcement of the Macedonian insurance regulation, i.e., the insurance solvency, accounting and financial reporting and statistical reporting requirements following the relevant EU insurance regulations. He has over 22 years of experience in the field of insurance supervision and regulation.

