# PDM NETWORK *Monthly Newsletter*

**N.11/DECEMBER 2009**

Dear Partner, this *Newsletter* contains a list of the ***latest uploaded resources*** both in the documentation and in the event areas of the PDM Network website (**www.publicdebtnet.org**). The PDM Network has its main objective in the joint cooperation among its participants regarding the quantity and quality of information available on the website. So far, it is very appreciated a stronger collaboration in this field, **signalling to the Network Secretariat** any documents, news and events of interest at **publicdebtnet.dt@tesoro.it.**

## Contents



# New Documents

## Papers

### Determinants of intra-euro area government bond spreads during the financial crisis (2009)

Barrios Salvador*, Iversen Per*, Lewandowska Magdalena*, Setzer Ralph* (European Commission – General Directorate for Economic and Financial Affairs)

**Abstract:** This paper provides an empirical analysis of the determinants of government bond yield spreads in the euro area with a focus on developments during the global financial crisis that started in 2007. In line with the previous literature, we find that international factors, in particular general risk perception, play a major role in explaining governments bond yields differentials. While domestic factors such as liquidity and sovereign risk appear to be smaller but non-negligible drivers of yield spreads our results point to significant interaction of general risk aversion and macroeconomic fundamentals. Moreover, the impact of domestic factors on bond yield spreads increase significantly during the crisis, when international investors started to discriminate more between countries. In particular, the combination of high risk aversion and large current account deficits tend to magnify the incidence of deteriorated public finances on government bond yield spreads. Overall, our results suggest that an improvement in global risk perception will lead to a narrowing of intra-euro area bond yield differentials. However, the differing impact of the crisis on Member States' public finances and the expected higher risk awareness of investors after the crisis could keep government bond yield spreads at a higher level than in the pre-crisis period.

### Fiscal Deficits and Current Account

**Deficits (2009)**

Kumhof Michael*, Laxton Douglas* *International Monetary Fund (IMF)

**Abstract:** The effectiveness of recent fiscal stimulus packages significantly depends on the assumption of non-Ricardian savings behavior. We show that, under the same assumption, fiscal deficits can have worrisome implications if they turn out to be permanent. First, if they occur in large countries they significantly raise the world real interest rate. Second, they cause a short run current account deterioration equal to around 50 percent of the fiscal deficit deterioration. Third, the longer run current account deterioration equals almost 75 percent for a large economy such as the United States, and almost 100 percent for a small open economy.

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### Quantifying Revenue Windfalls from the Irish Housing Market (2009)

Addison-Smyth Diarmaid*, McQuinn Kieran*, O' Reilly Gerard* (*Central Bank and Financial Services Authority of Ireland)

**Abstract:** The speed and severity of the decline in the Irish fiscal position in recent years raises a number of important issues regarding the assessment of fiscal policy within the EU. From a position of relative strength, with large surpluses and low debt to GDP ratio, the Irish public finances have rapidly deteriorated, culminating in an Excessive Deficit Procedure being launched in early 2009. In hindsight, it is evident that tax revenues were on an unsustainable path in recent years due, in large part, to structural imbalances within the economy, mainly associated with the housing market. The excess growth in the latter culminated in large and transitory tax revenue windfalls, which ultimately proved unsustainable. These windfalls contributed to large general government and cyclically adjusted budget surpluses. This paper seeks to quantify the windfall gains associated with property taxes through modelling housing related tax receipts over the period 2002 to 2009. From this, estimates are derived as to the underlying or property adjusted fiscal position, which is found in various years, to have diverged greatly from actual outturns.

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### Real Interest Rates and the Crisis: Where are the Rates Headed? (2009)

Martellato Dino (Department of Economics, University Of Venice Cà Foscari)

**Abstract:** This paper examines the likely direction of real interest rates in the Euro area and the United States from April 2009 on. It is argued that the crisis that began in 2007 and the ensuing recession changed the descending trend in real interest rates which started a long time ago. If real interest rates were to rise too much, private and public finances, housing markets and stock markets would suffer particularly in the countries where the past credit binge and the crisis response has made debts mount, thus prolonging the current crisis. Economic theory should help shed light on the likely future direction of long-term real interest rates. In the paper, growth models are briefly discussed and shown to offer disparate predictions about the level of real interest rates in a growing economy and little practical guidance. Monetary theories, i.e. theories explicitly focused on the role of interest rates in balancing supply and demand in the single markets of the economy, make reference to some normal or natural level of real interest rate but obviously suffer from the difficulties of estimating such normal or natural levels both in general and particularly in a unusually dynamic and uncertain situation such as the current one. The more pragmatic approach, consisting in the assessment of the relevant single components of the long-term real nominal interest rate over the cycle, points to the risks of a surge in the risk premium as well as in expected short-term real interest rates and thus to a prolongation of the current economic contraction.

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### What Explains the Surge in Euro Area Sovereign Spreads During the Financial Crisis of 2007-09? (2009)

Attinasi Maria Grazia*, Checherita Cristina (George Mason University), Nickel Christiane* (*European Central Bank)

**Abstract:** This paper uses a dynamic panel approach to explain the determinants of widening sovereign bond yield spreads vis-à-vis Germany in selected euro area countries during the period end-July 2007 to end-March 2009, when the financial turmoil developed into a full-blown financial and economic crisis. Emphasis is given to the role of fiscal fundamentals and government announcements of substantial bank rescue packages. The paper finds that higher expected budget deficits and/or higher government debt ratios relative to Germany contributed to higher government bond yield spreads in the euro area during the analysed period. More importantly, the announcements of bank rescue packages have led to a re-assessment, from the part of investors, of sovereign credit risk, first and foremost through a transfer of risk from the private financial sector to the government.

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### How Does Public External Debt Affect Corporate Borrowing Costs In Emerging Markets? (2009)

Ağca Şenay (George Washington University), Celasun Oya (IMF)

**Abstract:** Using data on syndicated loan issuances by emerging market firms, we find that an increase in the external debt of emerging market governments significantly raises the borrowing costs of the domestic corporate sector. This finding suggests that a higher level of public external debt "crowds out" foreign credit to the private sector by

increasing the risk of a sovereign debt crisis and thereby making exposure to corporate sector debt less desirable. The effect is stronger in countries with weak creditor rights. The results highlight the potential costs of fiscal expansions for the domestic corporate sector even when debt is issued in foreign markets.

### Emerging Economy Responses to the Global Financial Crisis of 2007-09: An Empirical Analysis of the Liquidity Easing Measures (2009)

Yehoue Etienne B. (IMF)

**Abstract:** This paper draws on a unique data set on the nontraditional systemic liquidity easing measures recently undertaken by many emerging market economies. It offers an empirical analysis of the key determinants affecting the decision to undertake these measures over the period September 2008–March 2009. The paper finds that economy size, access to international credit markets, CDS spreads, currency depreciation, and current account balances are among the key factors influencing the adoption of these measures. It provides a rationale for the differences in central bank policy responses, which reflect differences in economic structures rather than conflicting views on fundamental principles. The paper also provides a preliminary assessment of the effectiveness of these measures and points out that despite their positive impacts, they have not fully shielded the real economy from the recent financial meltdown.

### Systemic Liquidity Management in the U.A.E.: Issues and Options (2009)

Chailloux Alexandre*, Hakura Dalia* (IMF)

**Abstract:** The paper analyzes the U.A.E.'s liquidity management framework in the context of the 2008 global financial crisis and the measures taken by the Central Bank of the U.A.E. to ease liquidity pressures in the second half of 2008. Drawing also on an empirical analysis of data for 15 U.A.E. banks through end-2008, the paper emphasizes the importance of making available to banks additional instruments to manage their liquidity as well as to strengthen the monitoring of a more comprehensive set of liquidity risk indicators. As regards the former, the paper discusses the merits and scope for the U.A.E. to introduce a domestic bond market.

### The Case of the Undying Debt (2009)

Velde Francois R. (Federal Reserve Bank of Chicago)

**Abstract:** The French government currently honors a very unusual debt contract: an annuity that was issued in 1738 and currently yields C1.20 per year. I tell the story of this unique debt, which serves as an anecdotal but symbolic summary of French public finances since the 18th century.

### Should Governments Minimize Debt Service Cost and Risk? A Closer Look at the Debt Strategy Simulation Approach (2009)

Bernaschi Massimo*, Missale Alessandro, (University of Milan - DEAS), Vergni Davide* (*Consiglio Nazionale delle Ricerche -CNR)

**(Unpublished document: downloadable on www.publicdebtnet.org )**

**Abstract:** Simulation-based cost-risk analysis of the interest expenditure is increasingly used for policy evaluation of public debt strategies by governments around the world. This paper is a first attempt to empirically evaluate this approach by comparing its implications for the maturity structure of public debt with those derived from the optimal taxation theory of debt management. To this end, we simulate the time path of the distribution of the interest expenditure for stylized portfolios of different maturities using simple stochastic models of the evolution of the term structure of interest rates, and examine the performance of such portfolios with standard cost-risk indicators. We find that: i) the ranking of debt portfolios by expenditure risk may depend on the length of the simulation period; to obtain the same policy conclusions as the optimal taxation theory, the time horizon must extend up to the redemption date of the longest maturity bond issued over the simulation period; ii) in sharp contrast with optimal taxation theory, a cost-risk trade off naturally emerges when a risk premium on long term bonds is considered, but this may not be sufficient to identify the optimal maturity structure. Our analysis points to the danger of assuming the cost-risk minimization of the interest expenditure as the main objective of debt management. A policy that either aims to minimize the interest expenditure over a too short horizon or does not consider that risk premiums may reflect a fair price for insurance may lead to sub-optimal debt strategies.

### Debt, Deficits and Finite Horizons: The Stochastic Case (2009)

Farmer Roger, Nourry Carine, Venditti Alain (Groupement de Recherche en Economie Quantitative d'Aix-Marseille)

**Abstract:** The authors introduce aggregate uncertainty and complete markets into Blanchard's (1985) perpetual youth model. The authors show how to construct a simple formula for the pricing kernel in terms of observable aggregate variables. The authors study a pure trade version of our model and we show it behaves much like the two-period over-lapping generations model. The authors' methods are easily generalized to economies with production and they should prove useful to researchers who seek a tractable stochastic model in which fiscal policy has real effects on aggregate allocations.

## Asian Sovereign Debt and Country Risk (2009)

Johansson Anders C. (Stockholm School of Economics)

**Abstract:** This paper analyzes systematic risk of sovereign bonds in four East Asian countries: China, Malaysia, Philippines, and Thailand. A bivariate stochastic volatility model that allows for time-varying correlation is estimated with Markov Chain Monte Carlo simulation. The volatilities and correlation are then used to calculate the time-varying betas. The results show that country-specific systematic risk in Asian sovereign bonds varies over time. When adjusting for inherent exchange rate risk, the pattern of systematic risk is similar, even though the level is generally lower. The findings have important implications for international portfolio managers that invest in emerging sovereign bonds and those who need benchmark instruments to analyze risk in assets such as corporate bonds in the emerging Asian financial markets.

## Sovereign Default Risk Premia: Evidence from the Default Swap Market (2009)

Zinna Gabriele (University of Tor Vergata – Rome)

**Abstract:** This study explores the risk premia embedded in sovereign default swaps using a term structure model. The risk premia remunerate investors for unexpected changes in the default intensity. A number of interesting results emerge from the analysis. First, the risk premia contribution to the spreads decreases over the sample, 2003-2007, and rebounds at the start of the "credit crunch." Second, the daily risk premia co-move with US macro news and corporate default risk. Third, global factors explain most of Latin American countries' premia, and local factors of European and Asian ones. The importance of global factors grows over time.

## Capturing Four Budget Deficit Theories in a Simple Graphical Model (2009)

Siebel Jens Peter (University of Applied Sciences Kaiserslautern), Pitsoulis Athanassios (Brandenburg University of Technology)

**Abstract:** The phenomenon of chronic, excessive budget deficits in western democracies has brought on many explanations and interpretations in both the empirical and theoretical literature. However, popular political economy and/or public choice textbooks present those explanations not in an integrated framework but are instead focusing on one special motif to create budget deficits at a time. This is probably owed to the fact that the 'standard' explanations of budget deficit are based on more or less complex economic models which require intertemporal optimization. The analysis of these models is usually technically demanding which leads to the fact that the basic principles of budget deficits and public debt are by and large taught to graduate students only.[…]

## Monetary Policy Under a Fiscal Theory of Sovereign Default (2009)

Schabert Andreas University of Dortmund; University of Amsterdam (Faculty of Economics & Econometrics - FEE)

**Abstract:** This paper examines equilibrium determination under different monetary policy regimes when the government might default on its debt. We apply a cash-in-advance model where the government does not have access to non-distortionary taxation and does not account for initial outstanding debt when it sets the income tax rate. Solvency is then not guaranteed and sovereign default can affect the return on public debt. If the central bank sets the interest rate in a conventional way, the equilibrium allocation cannot be determined. If, instead, money supply is controlled, the equilibrium allocation can uniquely be determined.

## Fiscal Imbalances and Borrowing Costs: Evidence from State Investment Losses (2009)

Novy-Marx Robert (University of Chicago), Rauh Joshua D. (Northwestern University)

**Abstract:** This paper examines the effects of losses in U.S. state pension funds on state borrowing costs. Since public-employee pension obligations are generally senior to state general obligation bonds, increases in unfunded pension liabilities are a serious concern for municipal bond investors. During the 3 months ending December 2008, losses in state pension funds amounted to between 1% and 6% of annual gross state product, and between 9% and 48% of annual state revenue, depending on the state. Using this cross-sectional variation, we find that over this period tax-adjusted municipal bond spreads rose by 10-20 basis points for each 1% of annual gross state product lost in pension funds by states in the lower half of the credit quality spectrum. A similar result holds for each 10% of annual state revenues lost. The effect is approximately constant over the yield curve, suggesting a constant upward shift in annual risk-neutral default probabilities. These results are robust to controls for credit ratings and other measures of the state's fiscal strength. They hold within credit rating categories and are strongest among states with the weakest ratings. We conclude that U.S. state borrowing costs will likely increase if unfunded state liabilities continue to grow, making state debt more expensive to finance

## A Rule-Based Medium-Term Fiscal Policy Framework for Tanzania (2009)

Kim Daehaeng (IMF), Saito Mika (IMF)

**Abstract:** A zero net domestic financing (NDF) target has served Tanzania well in recent years,

contributing to prudent expenditure policy, improved fiscal sustainability, and macroeconomic stability. Moving to a more flexible fiscal policy, however, may serve Tanzania better. The "diamond rule" proposed in this paper incorporates a permanent hard ceiling on debt and annual benchmark limits on NDF, expenditure growth, and nonconcessional external financing. This rule would provide flexibility for countercyclical policy and help define the fiscal space for infrastructure spending that is consistent with longrun fiscal sustainability. An illustrative simulation shows that Tanzania has considerable fiscal space for development spending.

### Is Norway's Bird-in-Hand Stabilization Fund Prudent Enough? Fiscal Reactions to Hydrocarbon Windfalls and Graying Populations (2009)

Harding Torfinn (Norwegian University of Science and Technology - NTNU)
Van der Ploeg Frederick (University of Oxford)

**Abstract:** The authors estimate fiscal reaction functions for non-hydrocarbon tax and public spending shares of national income and for debt management strategies adopted by Norway and compare these with rules that would prevail under the permanent income hypothesis and bird-in-hand rule. The authors conclude that the fiscal reaction functions adopted by Norway have to some extent been forward-looking when it comes to the rising pension bill, but backward-looking when it comes to hydrocarbon revenues. Still, the results suggest that the imminent costs of a rapidly graying population are not sufficiently taken into account in the current fiscal rules, since Norway is on a trajectory of turning a current net asset-GDP-ratio close to one into a net debt-GDP-ratio of two in 2060. Something needs to give in the holy trinity: either the rules of the Stabilization fund have to be tightened, or civil servant salaries, benefits and pensions will no longer have to be fully indexed to market wages, or the retirement age has to be increased.

### Fiscal Stimulus to the Rescue? Short-Run Benefits and Potential Long-Run Costs of Fiscal Deficits (2009)

Kumhof Michael (IMF), Muir Dirk (Bank of Canada), Freedman Charles (Government of Canada - Bank of Canada), Mursula Susanna (IMF), Laxton Douglas (IMF)

**Abstract:** This paper uses the IMF's Global Integrated Monetary and Fiscal Model to compute shortrun multipliers of fiscal stimulus measures and long-run crowding-out effects of higher debt. Multipliers of two-year stimulus range from 0.2 to 2.2 depending on the fiscal instrument, the extent of monetary accommodation and the presence of a financial accelerator mechanism. A permanent 0.5 percentage point increase in the U.S. deficit to GDP ratio raises the U.S. tax burden and world real interest rates in the long run, thereby reducing U.S. and rest of the world output by 0.3-0.6 and 0.2 percent, respectively.

### Innovating Development Finance – From Financing Sources to Financial Solutions (2009)

Girishankar Navin (OEDCR)

**Abstract:** As early as 2000, development partners embarked on a decade-long search for innovative or alternative sources of Official Development Assistance to help finance achievement of the Millennium Development Goals. For their part, developing countries have sought not only more financial flows but better financial solutions, for example, through partnerships that mobilize private finance for public service delivery, risk mitigation efforts that promote private entry in the productive sectors, and support for carbon trading. This paper offers a framework to organize and understand this heterogeneous mix of innovations in fund-raising and financial solutions for development. It also provides, for the first time, a stocktaking of actual innovations that make up the international landscape and highlights the World Bank Group's role to date. The stocktaking shows that innovative finance mechanisms have played a more significant role in supporting financial solutions on the ground than in identifying and exploiting alternative sources of ODA. Innovative fund-raising therefore should be viewed as a complement to - rather than a substitute for - traditional efforts to mobilize official flows, in particular concessional flows. Going forward, innovations need to be tested and evaluated to determine value-added.

### Modernizing Cash Management (2009)

Lienert Ian - IMF Fiscal Affairs Department

**Abstract:** The five sections of this note1 address the following main issues: 1) What are the main objectives of modern cash management? 2) What are good cash management practices in developed countries? 3) What are the main features of the framework for short-term cash planning? 4) What are the main challenges for improving cash management in low- and middle-income countries? 5) How should cash management reforms be sequenced?

### La Sostenibilidad De La Polìtica Fiscal De Bogotà,2008-2020 (2009)

Céspedes Rangel Erick (Universidad Nacional de Colombia)

**Abstract:** Utilizando el indicador de sostenibilidad fiscal elaborado por Blanchard, el artículo analiza el caso de Bogotá. A continuación, se propone un indicador que examina la cantidad de recursos adicionales para inversión pública que es posible gastar sin incurrir en problemas de insostenibilidad fiscal. Además, se calcula una trayectoria óptima

de la inversión pública y de la deuda, incluyendo restricciones legales y ciertos supuestos.

### Fiscal Deficits and Current Account Deficits

Kumhof Michael*, Laxton Douglas* (*International Monetary Fund)

**Abstract:** The effectiveness of recent fiscal stimulus packages significantly depends on the assumption of non-Ricardian savings behavior. We show that, under the same assumption, fiscal deficits can have worrisome implications if they turn out to be permanent. First, if they occur in large countries they significantly raise the world real interest rate. Second, they cause a short run current account deterioration equal to around 50 percent of the fiscal deficit deterioration. Third, the longer run current account deterioration equals almost 75 percent for a large economy such as the United States, and almost 100 percent for a small open economy.

### A Term Structure Decomposition of the Australian Yield Curve (2008)

Finlay Richard*, Chambers Mark* (*Reserve Bank of Australia)

**Abstract:** The authors use data on coupon-bearing Australian Government bonds and overnight indexed swap (OIS) rates to estimate risk-free zero-coupon yield and forward curves for Australia from 1992 to 2007. These curves, and analysts' forecasts of future interest rates, are then used to fit an affine term structure model to Australian interest rates, with the aim of decomposing forward rates into expected future overnight cash rates plus term premia. The expected future short rates derived from the model are on average unbiased, fluctuating around the average of actual observed short rates. Since the adoption of inflation targeting and the entrenchment of low and stable inflation expectations, term premia appear to have declined in levels and displayed smaller fluctuations in response to economic shocks. This suggests that the market has become less uncertain about the path of future interest rates. Towards the end of the sample period, term premia have been negative, suggesting that investors may have been willing to pay a premium for Commonwealth Government securities. Due to the complexity of the model and the difficulty of calibrating it to data, the results should not be interpreted too precisely. Nevertheless, the model does provide a potentially useful decomposition of recent changes in the expected path of interest rates and term premia.

### The Debt-Growth Nexus in Poor Countries: A Reassessment (2008)

Presbitero Andrea F. (Department of Economics, Università Politecnica delle Marche - Italy)

**Abstract:** The paper investigates the relationship between external debt and economic growth, focusing on the role played by the policy and institutional framework. Results for a panel of 114 developing countries show that the debt-growth nexus depends on institutions and policies. The Debt-Laffer curve looses statistical significance once institutional quality is controlled for and debt overhang seems to be at work exclusively in countries with sound institutions. On the contrary, external debt proves to be irrelevant for countries with weak institutions. A policy implication is that efficient debt relief policies should be tailored to country-specific characteristics and conditional to a certain level of institutional quality.

## Books

### The Debt Sustainability Framework for Low-Income Countries (2009) (IMF Technical Note)

Le Manchec Marie-Helene, Barkbu Bergljot, Beddies Christian H.

**Summary:** Low-income countries continue to face significant challenges in meeting their vast development needs while maintaining a sustainable debt position, even after many of these countries have benefited from substantial debt relief. These challenges are further exacerbated by changes in the financial landscape, including the emergence of new creditors and investors, the use of more complex financing vehicles, and the development of domestic markets. The joint World Bank/IMF debt sustainability framework is well placed to help address these challenges and reduce the risks of renewed episodes of debt distress. This paper explains the analytical underpinnings of the framework and the means to ensure its full effectiveness.

### Deregulation. Where Do We Go from Here? (2009)

Joskow Paul L. (Massachusetts Institute Of Technology)

**Summary:** As the ongoing financial crisis fuels anti-market sentiment in Washington, the deregulation, industry restructuring, and regulatory reform initiatives of the last thirty years are increasingly coming under attack. In this timely monograph, Paul L. Joskow argues that the crisis in the financial market should not become an excuse for reversing beneficial regulatory reforms in other sectors. Indeed, the financial crisis presents a valuable opportunity to evaluate a broad range of regulatory

reform options and make reasoned decisions about their rightful application to financial products and markets.

**Elected Official's Guide to Debt Issuance (2005)**
Kurish J.B. (Center for Financial Research and Services)
**Summary:** This publication provides elected officials with an introduction to the principles and practices of issuing debt. Updates to this edition include the discussion of federal disclosure requirements, the use of derivatives, and competitive versus negotiated bond issuance. The book describes each step of the debt issuance process: the development of financing plans and debt policies before bonds are issued, the sales process, and outstanding debt management.

## Other Web Resources

**JGB curve hits steepest in 7 years on poor auction**
FOREXPROS.COM
TOKYO, Dec 15 (Reuters) - The Japanese government bond yield curve hits its steepest level in seven years on Tuesday, after a 20-year bond auction attracted the weakest demand in more than three years on worries about the government's fiscal discipline.[...]

**Moody's Downgrades Greece; Markets Rally**
The Wall Street Journal-December 22nd 2009
Moody's Investors Service on Tuesday became the third ratings agency to downgrade Greece's sovereign debt rating, saying that the Greek government's long-term credit strength was "eroding materially."

**Japan Plans $11 Billion In New Stimulus Spending**
The Wall Street Journal-December 22nd 2009
Japan's finance minister unveiled a plan Tuesday to earmark 1 trillion yen ($10.97 billion) in the national budget for the fiscal year beginning in April to rejuvenate jobs growth, support local economies and help small businesses.

**Ireland Stakes Own Recovery Path**
The Wall Street Journal-December 21st 2009
Ireland, the one-time Celtic Tiger, the first EU country officially to enter recession during this downturn is licking its wounds after a protracted period of rapid growth, fueled by a house-price and construction boom, and some rather relaxed bank lending.

**The global economy's decade of debt-fuelled boom and bust**
The Guardian - December 21st 2009
Borrowing was both the shaky foundation of global growth and the cause of its collapse.
It started with a bust and it ended with an even bigger bust. In between was sandwiched an unsustainable boom. Banks have been humbled. Economists have been found wanting. Geopolitical power began to shift from west to east. […]

## Network News

- AFME - A New Trade Body for Europe
- The Social Market Economy and the Solutions to the Global Financial and Economic Crisis (Speech of the Governor of the Bank of Italy)
- CARTAC NEWS (Caribbean Regional Technical Assistance Centre )

- Capital Markets Weekly (Crown Agents)
- Economic and Fiscal Policy Guidelines for the period 2010 – 2012 (Croatia)
- The Public Finances, borrowing requirement and debt, No. 65 – 2009 (Bank of Italy)

## Annual Reports & Guidelines

please go to the "*Information Corner*" on www.publicdebtnet.org

# Events and Courses

## Upcoming

### New

11 – 13 January 2010 - ICMA Centre, University of Reading, London
***SROCC Training Seminar: Implementing IOSCO Principles Secondary Markets***

20 January 2010 - Pacific Place Conference Center, Hong Kong
***Equity Derivatives 2010***

21 January 2010 - Brussels Stock Exchange
***2010 Economic Summit and New Year's Event***

28 January 2010 - Global Financial Conference Center, New York
***Understanding Collateral Arrangements and the ISDA Credit Support Documents Conference***

3 February 2010 - London
***AFME European Market Liquidity Conference 2010***

19 – 30 April 2010 - Crown Agents, UK
***Loan Evaluation & Negotiation***

10 May – 21 May - Crown Agents - UK
***Introduction to CS- DRMS***

26 July – 6 August 2010 Crown Agents -UK
***Best Practice in Public Debt Management***

4-15 October 2010 - London
***Advanced CS-DRMS User Training***

29 Nov- 10 Dec. 2010 - Crown Agents - UK
***Domestic Debt Management: Challenges & Techniques***

### Events documentations

11 November 2009 – Rome (Bank of Italy)
***Seminar on Islamic Finance***

25-26 November - Paris
***19th OECD Global Forum on Public Debt Management***

26-27 November - Paris
**4th OECD Forum on African Public Debt Management**

### Previously signalled

8 February 2010 - 18 March 2010 Online
***Course-Advance Risk Management (UNITAR / PFT Online Course)***

15 February 2010 - 17 February 2010; Ljubljana, Slovenia
***Course: Financial Stability Reports***

22 March 2010 - 26 March 2010; Ljubljana, Slovenia
***Course: Central Banking - Instruments and Goals*** 26 May 2010 –

24 March 2010 - 26 March 2010; Montego Bay, Jamaica
***Caribbean Bank Insolvency Conference***

3 May 2010 - 17 June 2010; Online
***Course-'Millennium Development Goals And Debt Management' (UNITAR / PFT Online Course)***

28 May 2010; Ljubljana, Slovenia
***Course: Integration of Cash and Debt Management***

7 September 2010 - 22 October 2010; Online
***Debt Rescheduling with the Paris Club (UNITAR / PFT Online Course)***

# Communication Corner

**The PDM Network Secretariat is pleased to announce you that the newly-redesigned website www.publicdebtnet.org is on-line, with an overall public and private area enhancement which allows users easier access to any information or document, in particular to the new Forum Area.**
**When accessing the new PDM Network website, the partners will have several simple interactive functions available, including forums for discussion of issues related to debt management policies. The forums will also be open to aspiring partners and other Internet users through basic registration in the public area.**
**In addition, the new website includes changes in the documentary area: an overall reorganisation of the information available to the public and that available to partners only, thereby allowing users easy access to any information or document with just a few basic commands; greater availability of documents in the public area and the complete list of weekly newsletters about emerging markets; and specific areas dedicated to books, various technical-assistance and training initiatives, and events and courses in process or to be offered which are organised in a functional calendar.**
**Finally, a specific area is shown for the "Academic Circle", an initiative designed to gather the scientific contributions of professors and researchers from Italy and other countries, with a particular focus on issues regarding the markets for public securities and the various problems related to the planning and implementation of efficient public debt management policies.**

## Participating Institutions in the PDM Network

**OECD:** Australian OFM, Austrian DMA, Belgian DMA, Belgian Central Bank, Canadian Foreign Affairs and International Trade, Czech Central Bank, Czech Mof, Danish DMO, Danish Central Bank, Dutch Central Bank, Dutch DMA, Dutch MoF, Finnish Treasury, Finnish MoF, French Central Bank, French DMA, French MoF, German Central Bank, German MoF, German FA, Greek DMA, Greek MoF, Greek Central Bank, Hungarian DMA, Hungarian MoF, Icelandic DMA, Irish NTMA, Irish MoF, Italian Central Bank, Italian Mof, Japanese MoF, Japanese Central Bank, Luxembourg Mof, Mexican MoF, New Zealander DMO, Norwegian MoF, Polish MoF, Polish Central Bank, Portuguese Central Bank, Portuguese DMA, Slovak MoF, Slovak DMA, Spanish Central Bank, Spanish MoF, Swedish DMO, Swedish Mof, Swiss State Secretary for Economic Affairs SECO, Turkish Treasury, US GAO, UK Central Bank, UK DMO, UK Treasury.

**Non OECD:** Albanian Mof, Angolan National Bank, Brazilian MoF, Brazilian Central Bank, Bulgarian MoF, Chilean Central Bank, Chinese MoF, Colombian MHCP, Cyprian Central Bank, Cyprian MoF, Dubai DMO, Dubai Government, Egyptian MoF, Estonian MoF, Ethiopian MoF, Ghanaian Central Bank, Ghanaian MoF, Hong Kong Monetary Auth., Indian Reserve Bank, Indian NIPF, Israeli MoF, Israeli Central Bank, Kenyan MoF, Latvian DMO, Lebanese MoF, Lesotho MoF, Lithuanian MoF, Macedonian MoF, Malawian Reserve Bank, Maltese Treasury, Maltese Central Bank, Moldovan MoF, Moroccan MoF, Nigerian DMO, Pakistani MoF, Papua New Guinean Treasury, Romanian MoF, Romanian Central Bank, Rwandan MoF, Singaporean MoF, Slovenian MoF, Solomon Islands MoF, South African National Treasury, Sri Lanka Central Bank, Thai Mof, Ugandan Central Bank, Uruguayan MoF.

**Multilateral Institutions:** OECD, European Commission, ADB, African Development Bank Group, Asian Development Bank Institute, Commonwealth Secretariat, Debt Relief International, European Central Bank, European Bank EBRD, Inter-American Development Bank, IFC, International Monetary Fund, MEFMI, WAIFEM, World Bank, UNCTAD.

**Universities:** Columbia University, George Washington University, Harvard University, London Business School, Stanford University, University of Bologna, University of Brussels, University of Cambridge, University of California, University of Milan, University of Molise, University of Padua, University of Rome "La Sapienza", CRIEP (Italy), University of Rome "Tor Vergata".

**Others** : Barclays Capital, Center of Excellence in Finance, Centre for Planning and Economic Research, Devfin Advisers AB, Finance for Development-FMO, ICMA, ISEDA, KFW Bankengruppe, Japan Bank for International Cooperation, Mckinsey & Company, Inc. International, Michele Robinson Consult, Oxford Policy Management, Pragma Corporation, Public Debt Finance, Reykjavik Academy, Sifma-Epda, Storkey & Co. Ltd.

## Some Figures

**On 14th January 2010, the number of documents of the PDM Network website is 927. The number of total enabled users is 365. Among them, Partners are 300, of which 141 are sovereign debt managers coming from emerging and advanced countries.**

### Special thanks

**The PDM Secretariat is grateful to Alessandro Missale (University of Milan), Sander Schol (Association for Financial Markets in Europe - AFME), for their resource contribution.**