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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, **signaling to the Network Secretariat** any documents, news and events of interest at **publicdebtnet.dt@tesoro.it**.

Contents

New Documents

Papers

Core Topics in Debt Management

The Damaging Bias of Sovereign Ratings **(2014)**

Vernazza Daniel - UniCredit Bank London; Nielsen Erik F. - UniCredit Bank London; Gkionakis Vasileios - UniCredit Bank London

Abstract: An eye-watering USD 50 trillion in outstanding sovereign debt is guided by sovereign credit ratings. And, since these set the benchmark for all other credit ratings, the implications of sovereign ratings extend much further.
Just three firms (Moody's, S&P and Fitch) dominate the market. They set ratings based on a combination of measurable fundamentals (the objective component) and the judgment of their in-house ratings committees (the subjective component).
In this paper, they decompose the ratings into their objective and subjective components. The authors find that, whilst the objective component of ratings is a good predictor of future sovereign default, the subjective component of ratings has no predictive

power on average for defaults one or more years ahead, but adds large distortions to individual ratings.

Primary Market

Effects of Eurobonds: a stochastic sovereign debt sustainability analysis for Portugal, Ireland and Greece (2014)

Tielens Joris - KU Leuven, van Aarle Bas - KU Leuven, Van Hove Jan - H.U. Brussel

Abstract: This paper assesses the impact of Eurobonds on sovereign debt dynamics for selected European member states (Greece, Ireland and Portugal). For each member state, the authors produce sovereign debt fan charts of (i) a baseline scenario (no Eurobonds) and (ii) a Full-Fledged Eurobond introduction. The key building blocks of our methodology are (i) a debt framework (which embeds the traditional recursive debt equation), (ii) a vector autoregressive model to take into account and parametrise macroeconomic uncertainty and (iii) a fiscal reaction function. Conditional on the absence of moral hazard, the authors find Eurobonds to be a good instrument to absorb macroeconomic shocks and to diminish uncertainty over future debt forecasts; for Ireland and Portugal, the authors find debt to be 20 percentage points lower than under our baseline scenario, by 2020.

Secondary Market

International capital flows and yields of public debt bonds (2014)

Leon Márcia Saraiva - Banco Central do Brasil

Abstract: The paper analyzes nominal yields of five-year fixed-rate Brazilian Domestic Federal Public Debt (DFPD) bonds in response to fluctuations in international net capital flows to Brazil for the period January 2007 to July 2012. The results show that estimation in differences with error correction obtains a long-run relationship between the yield, the foreign participation in the DFPD and the target Selic rate that reproduces previous results. When the ratio of net foreign long-term fixed-income investments relative to GDP is a substitute for foreign participation in the DFPD, the new explanatory variable is also significant in the long run, when the cointegrating equation includes the yield of five-year United States Treasury bonds. In turn, fiscal balance, investors' risk aversion, output gap, the tax rate on financial transactions made by nonresident investors and the effective rate of reserve requirements influence the yields in the short run.

Risk Management Models

How to Capture Macro-Financial Spillover Effects in Stress Tests? (2014)

Hesse Heiko - International Monetary Fund; Salman Ferhan - International Monetary Fund; Schmieder Christian - International Monetary Fund

Abstract: One of the challenges of financial stability analysis and bank stress testing is how to establish scenarios with meaningful macro-financial linkages, i.e., taking into account spillover effects and other forms of contagion. The authors come up with an approach to simulate the potential impact of spillover effects based on the "traditional" design of macro-economic stress tests. Specifically, the authors examine spillover effects observed during the financial crisis and simulate their impact on banks' liquidity and capital positions. The outcome suggests that spillover effects have a highly non-linear impact on bank soundness, both in terms of liquidity and solvency.

Accounting, Transparency and Accountability

Methodological Differences Among Maturity Indicators (2014)

Colbano Fabiano Silvio - Brazilian MoF; Dias Leister Mauricio - Brazilian MoF

Abstract: Although several countries report their maturity indicators under the same name, their methodology of calculation may be distinct. Accordingly, it is not possible to establish a direct comparison between indicators of different countries, even if these indicators have exactly the same name. The objective of this report is to analyze the methodological differences among the following indicators: Average Term to Maturity (ATM), Duration, Average Maturity and Average Life. The Brazilian National Treasury releases regularly two of them: ATM and Average Maturity, being this last one used as reference to year-end targets. On the other hand, the ATM appears to be the indicator most commonly used by other countries. The comparison among these indicators leads to the conclusion that, despite showing a greater conceptual coherence, the use of Average Maturity as the main debt indicator makes the Brazilian public debt be unfairly penalized when compared with international statistics, which are usually based on ATM.

Coordination with other Policies and Operations

[EMU Sovereign Debt Market Crisis: Fundamentals-Based or Pure Contagion?](#) (2014)

Gómez-Puig Marta - University of Barcelona; Rivero Simón Sosvilla - University of Madrid

Abstract: In this paper the authors empirically investigate whether the transmission of the recent crisis in euro area sovereign debt markets was due to fundamentals-based or pure contagion. To do so, the authors examine the behaviour of EMU sovereign bond yield spreads with respect to the German bund for a sample of both central and peripheral countries from January 1999 to December 2012. First the authors apply a dynamic approach to analyze the evolution of the degree of Granger-causality within the 90 pairs of sovereign bond yield spreads in our sample, in order to detect episodes of significantly increased causality between them (which the authors associate with contagion) and episodes of significantly reduced interconnection (which the authors associate with immunization). The authors then use an ordered logit model to assess the determinants of the occurrence of the episodes detected. Our results suggest the importance of variables proxying market sentiment and of variables proxying macro fundamentals in determining contagion and immunization outcomes. Therefore, our findings underline the coexistence of "pure" and "fundamentals-based contagion" during the recent European debt crisis.

A Fiscal-Monetary Policy Scheme Against Greek Indebtedness and Impoverishment (2014)

Soldatos Gerasimos T. - American University of Athens

Abstract: Troika economics has brought Greece to a serious depression at a zero lower bound, with near unlimited supply of labor and near unlimited demand for money. In this paper, it is argued that these circumstances dictate to Greece the implementation individually of a long-term self-financing deficit-spending plan as a means of putting money into circulation in the country. Such a seigniorage-based self-financing deficit-spending, will boost demand and in response, output, tax base and tax revenue given the tax rate, with the increase in revenue being more than enough to be covering the deficit, and the excess revenue being channeled to paying out the accumulated debt. A k-percent monetary growth rule and constant inflation rate should be put forward, domestic credit expansion should be kept below OECD average, and potential output and tax Laffer curve assessments should be keeping track of the changing hysteresis effect. In view of the political instability plaguing modern Greece, the k-percent, balanced-budget, and no-open-market operations (unless under acts of God) rules should be constitutionalized (along with the tax system).

Why Are Banks Not Recapitalized During Crises? A Political Economy Explanation (2014)

Crosignani Matteo - New York University (NYU)

Abstract: I develop a model where governments have an incentive to keep their financial sectors undercapitalized during crises. Protected by limited liability, highly levered banks buy domestic bonds that are correlated with their other sources of revenue. In anticipation, governments set milder capital requirements to increase their future debt capacities when they most need to borrow. Myopic governments are more likely to induce high private sector debt, triggering a "race to the bottom" in capital regulation among countries. Using a general equilibrium model, I can rationalize, in the context of the Euro crisis, the increasing demand for domestic government bonds in the periphery, the crowding-out effect in private lending, and the reluctance to recapitalize the banking sector.

What Happened in Cyprus? The Economic Consequences of the Last Communist Government in Europe (2014)

Orphanides Athanasios - Massachusetts Institute of Technology (MIT)

Abstract: This paper reviews developments in the Cypriot economy following the introduction of the euro on 1 January 2008 and leading to the economic collapse of the island five years later. The main cause of the collapse is identified with the election of a communist government in February 2008, within two months of the introduction of the euro, and its subsequent choices for action and inaction on economic policy matters. The government allowed a rapid deterioration of public finances, and despite repeated warnings, damaged the country's creditworthiness and lost market access in May 2011. The destruction of the island's largest power station in July 2011 subsequently threw the economy into recession. Together with the intensification of the euro area crisis in the summer and fall of 2011, these events weakened the banking system which was vulnerable due to its exposure in Greece. Rather than deal with its fiscal crisis, the government secured a loan from the Russian government that allowed it to postpone action until after the February 2013 election. Rather than protect the banking system, losses were imposed on banks and a campaign against them was coordinated and used as a platform by the communist party for the February 2013 election. The strategy succeeded in delaying resolution of the crisis and avoiding short-term political cost for the

communist party before the election, but also in precipitating a catastrophe right after the election.

[Adjustments in the Eurozone: Varieties of Capitalism and the Crisis in Southern Europe](#) (2014)

Hassel Anke - Hertie School of Governance

Abstract: This paper investigates the causes of, and reactions to, the Eurozone crisis, focusing in particular on the institutional foundations of the four Southern European Eurozone countries that have encountered an acute sovereign debt crisis. Applying the basic arguments featured in the Varieties of Capitalism literature, the paper aims to show how the interaction of the institutional set-up of coordinated and mixed market economies, with the effects of the common currency area, can explain both the evolution of the crisis, as well as the reactions to it. This paper interprets the sovereign debt crisis in the Eurozone as the combination of two features: firstly, the architecture of the common currency area, which instituted a common interest rate for widely heterogeneous regional economies, and secondly, the specific institutional foundations of two types of economies participating in the Eurozone, namely coordinated market economies and mixed market economies. Understanding these two factors and their interaction not only helps to explain why the Southern European countries were particularly vulnerable to exploding public debt, but also why, during the on-going resolution of the Eurozone crisis over the last two years, policy makers have persistently preferred austerity over the mutualization of debt. The compensatory role of the state in mixed-market economies thereby undermines the effectiveness of financial bail-outs for economic growth strategies.

Mauritania: counting on natural wealth for a sustainable future (2014)

Mele Gianluca - The World Bank

Abstract: A data set of key macro-sustainability indicators, constructed after several fact-finding missions, and World Bank methodologies on estimating wealth accounting are used to study Mauritania's wealth, which is estimated to be between USD50 and USD60 billion. The country's produced wealth represents roughly 12 percent of total wealth, much less than in lower-middle-income countries; by contrast, natural wealth represents approximately 45 percent of the total figure. Renewable resources account for slightly less than two-thirds of natural wealth, with fisheries alone equaling about one-fourth of natural wealth. This is good news for Mauritania, as sound management of these resources may ensure a constant flow of resources in the future and therefore -- with adequate policies -- the achievement of the same or higher levels of welfare for future generations. On the negative side, however, the ratio of net adjusted savings over gross national income is estimated to have been negative since 2006, meaning that the wealth of the country is being depleted. Mauritania has recently joined the ranks of lower-middle-income countries, largely thanks to its considerable natural resources endowment. Over time the mining sector's contribution to gross domestic product has grown significantly and important discoveries continue to be made. The overarching objective of this wealth accounting exercise is thus to support Mauritania to measure its assets better and achieve a more complete picture of the prospects for future income, with a view to better orienting public policies toward sustainable growth and shared prosperity. The paper concludes with several indicative policy recommendations

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Inflation Targeting and Fiscal Rules: Do Interactions and Sequencing Matter? (2014)

Combes Jean-Louis - University of Auvergne, France; Debrun Xavier - International Monetary Fund; Minea Alexandru - University of Auvergne, France; Tapsoba Rene - International Monetary Fund

Abstract: The paper examines the joint impact of inflation targeting (IT) and fiscal rules (FR) on fiscal behavior and inflation in a broad panel of advanced and developing economies over the period 1990-2009. The main contribution of the paper is to show that, as suggested by the theoretical literature, interactions between FR and IT matter a great deal for policy outcomes. Specifically, the combination of FR and IT appears to deliver more disciplined macroeconomic policies than each of these institutions in isolation. In addition, the sequencing of the monetary and fiscal reforms plays a role: adopting FR before IT delivers stronger results than the reverse sequence.

Overaccumulation, public debt, and the importance of land (2014)

Homburg Stefan - Leibniz Universität Hannover

Abstract: In recent contributions, Weizsäcker (2014) and Summers (2014) maintain that mature economies accumulate too much capital. They suggest large and lasting public deficits as a remedy. This paper argues that overaccumulation cannot occur in an economy with land. It presents novel data of aggregate land values, analyzes the issue in a stochastic framework, and conducts an empirical test of overaccumulation.

Disappearing government bond spreads in the eurozone – Back to normal? (2014)

De Grauwe Paul - London School of Economics; Ji Yuemei - Brunel University

Summary: Since the announcement of the Outright Monetary Transactions (OMT) program by Mario Draghi, President of the ECB, in 2012, the government bond spreads began a strong decline. This paper finds that most of this decline is due to the positive market sentiments that the OMT program has triggered and is not related to underlying fundamentals, such as the debt-to-GDP ratios or the external debt position that have continued to increase in most countries. The authors even argue that the market's euphoria may have gone too far in taking into account the same market fundamentals. They conclude with some thoughts about the future governance of the OMT program.

Monetary Policy

Debt Deflation Effects of Monetary Policy (2014)

Lin Li - International Monetary Fund; Tsomocos Dimitrios P. - University of Oxford; Vardoulakis Alexandros P. - Federal Reserve Board, Washington, D.C.

Abstract: This paper assesses the role that monetary policy plays in the decision to default using a General Equilibrium model with collateralized loans, trade in fiat money and production. Long-term nominal loans are backed by collateral, the value of which depends on monetary policy. The decision to default is endogenous and depends on the relative value of the collateral to face value of the loan. Default results in foreclosure, higher borrowing costs, inefficient investment and a decrease in total output. The authors show that pre-crisis contractionary monetary policy interacts with Fisherian debt-deflation dynamics and can increase the probability that a crisis occurs.

ECB monetary policy surprises: identification through cojumps in interest rates (2014)

Winkelmann Lars - Freie Universität Berlin; Bibinger Markus - Humboldt-Universität Berlin; Linzert Tobias - European Central Bank

Abstract: This paper proposes a new econometric approach to disentangle two distinct response patterns of the yield curve to monetary policy announcements. Based on cojumps in intraday tick-data of a short and long term interest rate, the authors develop a day-wise test that detects the occurrence of a significant policy surprise and identifies the market perceived source of the surprise. The new test is applied to 133 policy announcements of the European Central Bank (ECB) in the period from 2001-2012. Our main findings indicate a good predictability of ECB policy decisions and remarkably stable perceptions about the ECB's policy preferences.

Central Bank Financial Strength in Central America and the Dominican Republic (2014)

Swiston Andrew - International Monetary Fund; Frantischek Florencia - International Monetary Fund; Gajdeczka Przemek - International Monetary Fund; Herman Alexander - International Monetary Fund

Abstract: This paper examines the financial strength of central banks in Central America and the Dominican Republic (CADR). Some central banks are working off the effects of intervention in distressed financial institutions during the 1990's and early 2000's. Their net income has improved since then owing to lower interest rates, a reduction in interest bearing debt, and recapitalization transfers. Claims on the government have fallen, but remain high and are typically reimbursed at below-market rates, and capital is negative when adjusting for this. Capital is sufficient to back a low inflation target given that the income position is supported by unremunerated reserve requirements. Capital is likely to increase over time, but only gradually, leaving countries vulnerable to macroeconomic risks. The capacity of CADR central banks to engage in macroeconomic stabilization would benefit from increased emphasis on low inflation as the primary objective of monetary policy and a stronger commitment by governments to recapitalization

Time-Varying Neutral Interest Rate—The Case of Brazil (2014)

Perrelli Roberto - International Monetary Fund; Roache Shaun K. - International Monetary Fund

Abstract: Emerging markets have experienced a sizeable decline in their neutral real interest rates until recently. In this paper the authors try to identify the main factors that contributed to it, with a focus on Brazil. The authors estimate an interval for Brazil's time-varying neutral rate based on a range of structural and econometric models. The authors assess the implications of incorrectly estimating a time-varying neutral rate using a small structural model with a simple monetary policy instrument rule. The authors find that policy prescriptions are very different when facing uncertainty of neutral rate and of output gap. Our result contrasts sharply with Orphanides (2002), suggesting that the best response to neutral rate

uncertainty is to ensure policy remains highly sensitive to inflation and output variations.

Fiscal Policy and Budget Management

Political Competition and the Limits of Political Compromise (2014)

Cunha Alexandre B. - Federal University of Rio de Janeiro; Ornelas Emanuel - London School of Economics

Abstract: In this paper the authors consider an economy where competing political parties alternate in office. Due to rent-seeking motives, incumbents have an incentive to set public expenditures above the socially optimum level. Parties cannot commit to future policies, but they can forge a political compromise where each party curbs excessive spending when in office if it expects future governments to do the same. The authors find that if the government cannot manipulate state variables, more intense political competition fosters a compromise that yields better outcomes, potentially even the first best. By contrast, if the government can issue debt, vigorous political competition can render a compromise unsustainable and drive the economy to a low-welfare, high-debt, long-run trap. Our analysis thus suggests a legislative tradeoff between restricting political competition and constraining the ability of governments to issue debt.

Fiscal Adjustment and Income Inequality: Sub-national Evidence from Brazil (2014)

Azevedo João Pedro - World Bank; David Antonio C. - International Monetary Fund; Rodrigues Bastos Fabiano - International Monetary Fund; Pineda Emilio – IADB

Abstract: In this paper the authors combine state-level fiscal data with household survey data to assess the links between sub-national fiscal policy and income inequality in Brazil over the period 1995-2011. The results indicate that a tighter fiscal stance at the sub-national level is not associated with a deterioration in inequality measures. This finding contrasts with the conclusions of several papers in the burgeoning literature on the effects of fiscal consolidation on inequality using national data for OECD economies. In addition, the authors find that a tighter stance is typically positively associated with a measure of "shared prosperity". Hence, our results caution against extrapolating policy implications of the literature focusing on advanced economies to other settings.

Public Debt in Macroeconomic Analysis

Managing Credit Bubbles (2014)

Martin Alberto – CREI; Ventura Jaume – CREI

Abstract: In this paper the authors study a dynamic economy where credit is limited by insufficient collateral and, as a result, investment and output are too low. In this environment, changes in investor sentiment or market expectations can give rise to credit bubbles, that is, expansions in credit that are backed not by expectations of future profits (i.e. fundamental collateral), but instead by expectations of future credit (i.e. bubbly collateral). During a credit bubble, there is more credit available for entrepreneurs: this is the crowding-in effect. But entrepreneurs must also use some of this credit to cancel past credit: this is the crowding-out effect. There is an "optimal" bubble size that trades off these two effects and maximizes long-run output and consumption. The "equilibrium" bubble size depends on investor sentiment, however, and it typically does not coincide with the "optimal" bubble size. This provides a new rationale for macro prudential policy. A lender of last resort can replicate the "optimal" bubble by taxing credit when the "equilibrium" bubble is too high, and subsidizing credit when the "equilibrium" bubble is too low. This leaning-against-the-wind policy maximizes output and consumption. Moreover, the same conditions that make this policy desirable guarantee that a lender of last resort has the resources to implement it.

Understanding the Emergence of Public Debt (2014)

Fochmann Martin - University of Hannover, Germany Sadrieh Abdolkarim - University of Magdeburg, Germany; Weimann Joachim - University of Magdeburg, Germany

Abstract: In this paper the authors use a controlled laboratory experiment with and without overlapping generations to study the emergence of public debt. Public debt is chosen by popular vote, pays for public goods, and is repaid with general taxes. With a single generation, public debt is accumulated prudently, never leading to over-indebtedness. With multiple generations, public debt is accumulated rapidly as soon as the burden of debt and the risk of over-indebtedness can be shifted to future generations. Debt ceiling mechanisms do not mitigate the debt problem. With overlapping generations, political debt cycles emerge, oscillating with the age of the majority of voters.

A Politico-economic Approach on Public Debt in an Endogenous Growth Economy (2014)

Arai Real - Hiroshima University; Naito Katsuyuki - Asia University, Tokyo

Abstract: In this paper the authors consider an overlapping generations closed economy in which a government finances the cost of public good provision by labor income taxation and/or public debt issuance. The size of these public policies is determined in a repeated probabilistic voting game. The authors investigate the characteristics of a Markov perfect politico-economic equilibrium in which the size of public policies depends on both the stock of public debt and the level of physical capital, and show that individuals' stronger preferences for public good provision tighten fiscal discipline and promote economic growth.

Historical Evolution of Debt Management

Dealing with risk: Underwriting sovereign bond issues in London 1870-1914 (2014)

Mikkelsen Anders L. - King's College London

Abstract: Using the records of several leading 19th century issuing houses, this paper analyses the transformation of underwriting practices in London's primary sovereign bond market from 1870 to 1914. It shows how underwriting risk developed from being a liability, which market intermediaries sought to avoid, to becoming a valuable financial commodity. The impetus for this development was increased competition in the loan business from the 1880s onwards, which weakened the negotiating position of issuing houses and forced them to shoulder an increasing share of the underwriting risk. Issuing houses had to find methods to deal with this risk, but they were initially hamstrung by public perception of underwriting as detrimental to the interests of ordinary investors. Firms began to adopt informal underwriting arrangements, with limited scope, but these only allowed for a relatively limited distribution of underwriting risk to third parties, the danger of which was exposed during the Baring crisis. Consequently formal underwriting syndicates were developed, allowing for a greater dissemination of underwriting risk. This meant that the risk associated with issuing loans could be broken down into sufficiently small tranches so that no underwriter had to shoulder a risk greater than what he desired. As a result underwriting risk came to be seen as a profitable investment opportunity, a financial commodity in its own right, and a means of patronage for issuing houses.

Articles in reviews/in books

Core Topics

Debt Markets in Emerging Economies: Major Trends (2014)

Didier Tatiana, Schmukler Sergio – World Bank Group

Abstract: This paper documents the major trends in debt (bank and bond) markets in emerging economies since the early 1990s, when these markets started expanding. The paper shows that banks have increased in size in most emerging economies though from low bases. But bond markets have expanded even more, gaining importance relative to banks. The nature of financing has also changed. Local currency bond financing has expanded, the extent of dollarization of loans and bonds has declined, and the maturity of public and private sector bonds has typically increased. However, not all regions have moved in the same direction. Eastern Europe for instance increased its foreign currency debt before the global financial crisis. Relative to developed countries, emerging countries' financial systems still remain in many aspects underdeveloped. Except in a few cases, liquidity in secondary bond markets has been declining. And the public sector captures a significant share of bond markets.

Primary Market

Risk, ambiguity, and sovereign rating (2014)

Di Caro Paolo - University of Catania

Abstract: Decisions of investing in sovereign assets involve both risk and ambiguity. Ambiguity arises from unknown elements characterizing the value of a generic sovereign. In presence of ambiguity, ambiguity-averse investors are prone to pay for obtaining summary information such as ratings which reduces ambiguity. Ambiguity-neutral and ambiguity-averse investors, then, make decisions on

the basis of different informative sources. By presenting a simple model of sovereign rating under ambiguity, three facts occurring in today's financial markets are explained. Sovereign ratings influence decisions of investment of ambiguity-sensitive individuals. Rating-dependent regulations create distortions in financial markets by institutionalising specific summary signals. Providing ratings may be a profitable activity. Some final suggestions propose future areas of theoretical and empirical research.

Secondary Market

The determinants of euro area sovereign bond yield spreads during the crisis (2014)

European Central Bank - European Central Bank

Abstract: Sovereign bond yields are generally used as benchmark reference rates to price key interest rates, such as lending rates to households and corporations, and corporate bond yields. Therefore, the study of their determinants is important to understand the monetary transmission mechanism and its possible impairments. For example, when setting the remuneration on deposits, banks compete with yields on bonds and Treasury bills issued by the government. In countries where such yields have become less responsive to policy rates, monetary policy may be less effective in steering banks' funding costs.[...]

Legal Issues

The Relationship between the International Investment Arbitration and Sovereign Debt Restructuring (2014)

Chan Kai-wei - National Taiwan University

Abstract: The two cases of Abaclat and others v. Argentina Republic and Ambiente Ufficio S.p.A. and others v. Argentine Republic have attracted much attention in the application of international investment arbitrationin sovereign debt restructuring. However, the relationship between the international investment law and the sovereign debt restructuring is complex and controversial, since the widespread investment arbitration may hinder the process of sovereign debt restructuring. It may even eradicate its role in the sovereign debt issues under the international investment law framework.To avoid such problems, international investment arbitration under BITs should be applied to sovereign debt restructuring in a more restrictive manner.

Coordination with other Policies

Monetary and debt-concerned fiscal policies interaction in monetary unions (2014)

Foresti Pasquale - University of Catanzaro

Abstract: In this paper a monetary union model with debt-concerned fiscal authorities is presented. Under this circumstance it is assumed that monetary policy is implemented on the basis of union-average data, while in each member country fiscal policies are conducted on the basis of national data. It is shown that in this setup the effects of macroeconomic shocks on national debts and deficits are heterogeneous across countries and a country by country analysis is needed. Moreover, the gap between the debt in a single member country and its union average turns out to be a key element, more than the level of debt itself. Countries with a debt above the union average do not attain the targets and different equilibrium levels of debt can endanger the existence of the union.

Fiscal Policy and Budget Management

Advantages and Disadvantages of Fiscal Discipline in Bulgaria in Times of Crisis original article (2014)

Petkov Vasil S. - University of National and World Economy (UNWE)

Abstract: The global economic crisis of 2008 has posed serious challenges to the Bulgarian economy and was reflected in worsened macroeconomic indicators. The subsequent sovereign debt crisis in Europe further aggravated the situation and blocked its path to recovery. In line with the overall sentiment in the European Union (the EU), Bulgaria made maintaining fiscal stability a priority that it set out to accomplish by following a policy of austerity. The country managed to achieve the desired effect relatively quickly. It became one of the best performers in terms of budget deficit and government debt as a share of GDP (which are among the lowest in the EU). These accomplishments underlie international institutions' greater confidence in Bulgaria, which has led to an increase in its credit rating. Nevertheless, the state has not managed to reap the maximum benefits that this type of policy offers. Fiscal sustainability was accomplished at the expense of economic growth, the slow pace of which was accompanied by impoverishment of the population, high unemployment, restricted consumption, and operational difficulties faced by real-sector companies. These problems fueled doubts about the adequacy of strict budget discipline, especially in times of crisis. They provoked the author to examine in greater depth the benefits and the drawbacks that such a policy ultimately offers to Bulgaria. The results show that the strict fiscal measures have put

additional pressure on the already fragile economic growth and have a high social cost as well. All this justifies the need for the government to take on a new course to achieve economic recovery by means of more active state support that would stimulate a pickup in consumption and production activity.

[Fiscal policy, net exports, and the sectoral composition of output in Greece](#) (2014)

Tagkalakis Athanasios O. - Bank of Greece

Abstract: This paper investigates the effects of fiscal policy shocks on net export performance and the sectoral composition of output in Greece in the post 2000 period. A reduction in government spending (or tax hike) exerts a negative response on output which reduces import demand. A cut back in government spending boosts exports through the labor cost competitiveness channel further improving net exports. Tax hikes in particular on social security contributions and other indirect taxes reduce export performance. Although real aggregate output declines following a cut in government spending, the tradable sector output responds positively, further improving net exports.

Books

Institutional arrangements for Debt Management

The Little Data Book 2014

The World Bank

Summary: The Little Data Book 2014 is a pocket edition of World Development Indicators 2014. It is intended as a quick reference for users of the World Development Indicators database, book, and mobile app. The database covers more than 1,200 indicators and spans more than 50 years. The 214 country tables present the latest available data for World Bank member countries and other economies with populations of more than 30,000. The 14 summary tables cover regional and income group aggregates.

Inside the Euro Crisis: An Eyewitness Account (2014)

Djankov Simeon - New Economic School in Russia

Summary: In mid-2009 Simeon Djankov, who had dealt with a variety of economic and financial crises as chief economist for finance and private sector development at the World Bank, was suddenly thrust into the job of finance minister of his native Bulgaria. For nearly four years in that post, he attended more than 40 meetings of European finance ministers and had a front row seat at the intense discussions and struggles to overcome the economic and financial crisis that threatened to unravel the historic undertaking of an economically integrated Europe. In this personal account, Djankov details his odyssey on the front lines, observing Europe's fitful efforts to contain crises in Greece, Hungary, Ireland, Portugal, Spain, Italy, Cyprus, and France. He tells the inside story of how the European Central Bank assumed responsibility for the crisis, pledging to do "whatever it takes" to save the euro area. This candid book recounts the disagreements over fiscal austerity, monetary policy, and banking supervision, while focusing on the personalities who promoted progress—and those who opposed it. He also tells the dramatic story of the events that led to his own resignation as finance minister in 2013 over the policies he was pursuing to spare Bulgaria from getting sucked into the crisis.

Presupuestos para el desarrollo en América Latina (2014) Downloadable

Cullell Mario Marcel – OECD; Guzmán Salazar Marcela - International consultant; Sanginés Mario F. – IDB

Summary: This book seeks to explore the relationship between budget and performance of public administration in the proper context of the emerging countries in general and Latin America in particular.

Web Resources

Primary Market

S&P Revises Lebanon's Outlook to Stable - April 11, 2014
Republic of Lebanon - Ministry of Finance
The stable outlook reflects our view that deposit inflows to the financial system will enable the government to meet its financing needs over the coming year despite the difficult internal and external political environments. […]

Post Trading

List of Central Counterparties authorised to offer services and activities in the Union
ESMA
The European Securities and Markets Authority (ESMA) has updated its list of Central Counterparties (CCPs) that have been authorized to offer services and activities in the Union in accordance with the European Markets Infrastructure Regulation (EMIR). With the authorization of European Commodity Clearing (Germany) and LCH. Clearnet Ltd (UK), there are now eight CCPs authorized under EMIR.

Multilateral Debt

Republic of Mozambique: Second Review Under the Policy Support Instrument and Request for Modification of Assessment Criteria; Staff Report; Debt Sustainability Analysis; […] - IMF Country Report No. 14/148
International Monetary Fund
The Staff Report prepared by a staff team of the IMF for the Executive Board's consideration on May 9, 2014, following discussions that ended on March 14, 2014, with the officials of Mozambique on economic developments and policies underpinning the Policy Support Instrument. Based on information available at the time of these discussions, the staff report was completed on April 25, 2014. […]

Bangladesh: Fourth Review Under the Three-Year Arrangement Under the Extended Credit Facility and Request for Modification of Performance Criteria-Staff Report; Debt Sustainability Analysis Update; and Press Release - IMF Country Report No. 14/149
International Monetary Fund
The Staff Report prepared by a staff team of the IMF for the Executive Board's consideration on a lapse of time basis, following discussions that ended on April 2, 2014, with the officials of Bangladesh on economic developments and policies underpinning the IMF arrangement under the Extended Credit Facility. Based on information available at the time of these discussions, the staff report was completed on May 13, 2014.[...]

Jordan: 2014 Article IV Consultation, Third and Fourth Reviews Under the Stand-By Arrangement […] - IMF Country Report No. 14/152
International Monetary Fund
This paper is the for the periodic consultation with the member country […]

Key stakeholders in Ukraine's financial sector meet in Kiev to support reforms
The World Bank
The Ukrainian authorities, commercial banks, International Financial Institutions and other key stakeholders met in Kiev on 5 June to discuss ways to drive forward much-needed reforms in the financial sector.

World Bank Launches 1 Billion 5-year Canadian Dollar Global Bond
The World Bank
The World Bank (International Bank for Reconstruction and Development, IBRD, rated Aaa/AAA), launched a Canadian Dollar 1 billion 5-year fixed rate global bond. This is the World Bank's largest Canadian Dollar global bond and the largest single-tranche deal from a supranational issuer in this market. The last Canadian Dollar global bond from the World Bank was issued in October 2013 and was also a 5-year transaction.

World Bank and Nomura Announce Sale of new Green Bonds for Japanese investors
The World Bank
The World Bank (International Bank for Reconstruction and Development, IBRD, rated Aaa/AAA), and Nomura, Asia's global investment bank, finalized the terms of secondary distribution of World Bank Green Bonds for Japanese retail investors. The notes are denominated in Brazilian Real (Issue size: BRL465.5 million) and Turkish Lira (Issue size: TRY335.5 million) and have a 4-year tenor each.

Annual Report 2013 - African Development Bank Group
African Development Bank Group
In 2013, Africa continued to demonstrate resilience in the face of slow recovery of the global economy, although with broad variation across countries and regions. […]

Legal Issues and Conventions

Governor of the Reserve Bank of Australia Speaks on the Impact of Global Financial Regulatory Development in Asia - June 10, 2014
Reserve Bank of Australia
In a speech before the Federal Reserve Board of San Francisco's Symposium on Asian Banking and Finance, Reserve Bank of Australia Governor Glenn Stevens highlighted the importance of engaging Asian jurisdictions in Financial Stability Board and G20 deliberations on global financial regulatory cooperation. Stevens identified four major themes on which the global regulatory discussion should continue to focus: Basel III implementation, derivatives, shadow banking, and 'too big to fail' institutions.

Risk Management Models

Is Europe Overbanked?
ESRB
The European Systemic Risk Board's Advisory Scientific Committee published a report titled "Is Europe Overbanked?" The report claims that banking has expanded excessively for a number of reasons, including public bank support and inadequate prudential supervision, and political support encouraging banks to expand. It also includes recommendations for policies that could solve the problem by reducing excessive private credit creation, rebalance the EU's financial structure away from banks, and mitigate the risks of banks' "non-bank" activities.

Chancellor of the Exchequer announces Fair and Effective Markets Review - June 12, 2014
Bank of England
The Bank of England, the Financial Conduct Authority and HM Treasury announced that they will hold a joint review entitled the "Fair and Effective Financial Markets Review," which will cover trading practices, scope of regulation, the impact of recent and forthcoming regulation, and firm supervision.

Derivatives

Derivatives market continues to rise
International Debt Observatory
The outstanding notional amount of over-the-counter (OTC) derivatives totalled $710 trillion at the end of 2013, an increase from $693 trillion at end-June 2013 and $633 trillion at end-2012, the Bank for International Settlements (BIS) has said.[...]

OTC derivatives market activity in the second half of 2013
BIS
OTC derivatives markets continued to expand in the second half of 2013. The notional amount of outstanding contracts totalled $710 trillion at end-2013, up from $693 trillion at end-June 2013 and $633 trillion at end-2012.[...]

Institutional Arrangements for Debt Management

Spain - Post Programme Surveillance – Spring 2014 Report
European Central Bank
The European Commission published the first post-program surveillance report following Spain's exit from the Financial Assistance Program in January 2014. The report is based on the findings of the mission to Madrid on

24-28 March and on 3 April 2014 by a staff team from the European Commission, in liaison with staff from the European Central Bank. [...]

Accounting, Transparency and Accountability

Supplements to the Statistical Bulletin - Monetary and Financial Indicators - Public Finance Statistics in the European Union- No. 31 – 2014
Bank of Italy
The annual series refer to the consolidated general government accounts and gross debt of the European Union countries and of the remaining G-7 countries (the United States, Japan and Canada). [...]

MFI balance sheet and interest rate statistics, securities holdings and implementing technical standards on supervisory reporting - May 2014
European Central Bank
This Manual is prepared under the third mandate and provides a methodological bridge between statistical and supervisory reporting.

Statistics Pocket Book, May 2014
European Central Bank
Statistics Pocket Book is updated monthly and contains the Area Euro Statistical series.

EMTA Survey: Emerging Markets CDS Trades at US $ 409 billion in first quarter
Emta
Emerging Market CDS trading jumped 93% in the first quarter of 2014, according to a Survey of 12 major dealers released today by EMTA, the EM debt trading and investment industry trade association.[...]

East Africa Quarterly Bulletin - First Quarter 2014
African Development Bank Group
The Bulletin is based on information gathered through consultations, review of country documents, and other relevant sources.

Geographical Distribution of Financial Flows to Developing Countries 2014
OECD
This publication provides comprehensive data on the volume, origin and types of aid and other resource flows to around 150 developing countries.

National Accounts of OECD Countries, Financial Balance Sheets 2013
OECD
The National Accounts of OECD Countries, Financial Balance Sheets includes financial stocks by institutional sector and by financial instrument.

DMO's Programmes and Reports

Cyprus Central Government Debt – Quarterly Bulletin: 1st Quarter 2014
Cypriot MoF
Public debt management: review of operations, 1st Quarter 2014

Coordination with other policies and operations

Good Practices on Reducing Reliance on CRAs in asset management - Consultation Report
IOSCO
The International Organization of Securities Commissions today published a consultation report on Good Practices on Reducing Reliance on CRAs in asset management. The report is aimed at gathering the views and practices of investment managers, institutional investors and other interested parties, with a view to developing a set of good practices on reducing over reliance on external credit rating in the asset management space.

Questions and Answers - Implementation of the Regulation (EU) No 462/2013 on Credit Rating Agencies
EBA
The European Securities and Markets Authority issued an updated set of questions and answers on Implementation of the Regulation (EU) No 462/2013 on Credit Rating Agencies. The updated Q&A provides

clarifications regarding the publication of sovereign ratings and conflict of interests concerning investments in CRAs.

EBA FINAL draft Regulatory Technical Standards
EBA
The European Banking Authority (EBA) published final draft Regulatory Technical Standards (RTS) on the methodology for identifying Global Systemically Important Institutions (G-SIIs), final draft Implementing Technical Standards (ITS) on special disclosure rules applicable to G-SIIs, and final guidelines on special disclosure rules for large institutions. These standards and guidelines will be part of the EU Single Rulebook in banking and aim at enhancing regulatory harmonisation and disclosure across the EU.

Ghana: 2014 Article IV Consultation-Staff Report; Press Release; and Statement by the Executive Director for Ghana -IMF Country Report No. 14/129
International Monetary Fund
This paper is the for the periodic consultation with the member country […]

Panama: 2014 Article IV Consultation-Staff Report; Press Release; and Statement by the Executive Director for Panama - IMF Country Report No. 14/157
International Monetary Fund
This paper is the for the periodic consultation with the member country […]

New Zealand: 2014 Article IV Consultation-Staff Report; Press Release - IMF Country Report No. 14/158
International Monetary Fund
This paper is the for the periodic consultation with the member country […]

Hungary: 2014 Article IV Consultation-Staff Report; Press Release; and Statement by the Executive Director for Hungary - IMF Country Report No. 14/155
International Monetary Fund
This paper is the for the periodic consultation with the member country […]

Kiribati: 2014 Article IV Consultation-Staff Report; Press Release; and Statement by the Executive Director for Kiribati - IMF Country Report No. 14/138
International Monetary Fund
This paper is the for the periodic consultation with the member country […]

The Debt Crisis : From Europe to Where?
International Debt Observatory
Via internet, CADTM is very pleased to make this book, "Debt crisis from Europe to Where ?" published by VAK in Mumbai (India), available to a wide public.[...]

Turbulence in Emerging Economies: From Easy Money to Hard Landing?
International Debt Observatory
Before the world economy has been able to fully recover from the crisis that began more than five years ago, there is a widespread fear that we may be poised for yet another crisis, this time in emerging economies (EEs).[...]

How much do countries benefit from membership in the European Union?
VOX
In the wake of the recent crisis, the debate about the economic benefits from EU membership has intensified. This column presents new results about the benefits countries derive from becoming EU members, using data from the 1980s and 2004 enlargements. There are substantial positive pay-offs, with a gain in per capita GDP of approximately 12%. Despite differences across countries, the evidence shows that the benefits of EU membership outweighed the costs for most countries – except for Greece. An important research question would be to identify factors that allow countries to better exploit EU entry.

Financial innovation and financial stability – comments
BIS
Speech by Mr Seppo Honkapohja, Member of the Board of the Bank of Finland, at the Shanghai Forum, Shanghai, 26 May 2014.

OECD Economic Surveys: Euro Area 2014
OECD
This 2014 edition of OECD's Economic Survey of the Euro Area examines recent economic developments, prospects and policies. A special chapter covers making the Euro Area function better: the banking union and fiscal framework.

OECD Economic Surveys: European Union 2014
Oecd
OECD's 2014 Economic Survey of the European Union examines recent economic developments, prospects and policies. A special chapter covers reinvigorating the EU single market.

MPDD Policy Briefs No. 23, May 2014 "Macroeconomic policies in post-conflict resource rich countries"
Unescap.org
Many resource-rich countries have failed to achieve sustained and stable growth, with economic diversification elusive and poverty reduction slower than in countries without such endowments Stable growth, diversification and poverty reduction become much harder to achieve when a resource rich country suffers from internal conflict. The problem becomes even greater in resource rich countries because of the domestic instability generated by global commodity markets even in the absence of conflict. The purpose of this Policy Brief is to suggest guidelines for macroeconomic policy when the challenge of natural resource management confronts the need for post-conflict peace building.

Republic of Latvia: 2014 Article IV Consultation-Staff Report; Press Release; and Statement by the Executive Director for the Republic of Latvia - IMF Country Report No. 14/115
International Monetary Fund
This paper is the for the periodic consultation with the member country [...]

United Republic of Tanzania: 2014 Article IV Consultation, Third Review Under the Standby Credit Facility Arrangement, [...] - IMF Country Report No. 14/120
International Monetary Fund
This paper is the for the periodic consultation with the member country [...]

Switzerland: 2014 Article IV Consultation-Staff Report; Press Release; and Statement by the Executive Director for Switzerland - IMF Country Report No. 14/142
International Monetary Fund
This paper is the for the periodic consultation with the member country [...]

Colombia: 2014 Article IV Consultation-Staff Report; Press Release; and Statement by the Executive Director for Colombia -IMF Country Report No. 14/141
International Monetary Fund
This paper is the for the periodic consultation with the member country [...]

Finland: 2014 Article IV Consultation-Staff Report; Press Release; and Statement by the Executive Director for Finland - IMF Country Report No. 14/139
International Monetary Fund
This paper is the for the periodic consultation with the member country [...]

Finland: Selected Issues - IMF Country Report No. 14/140
International Monetary Fund
This Selected Issues Paper on Finland says of , an economy known for its dynamic performance after the crisis of the early 1990s, is struggling to recover from the Great Recession, indicating that deeper, structural issues may be holding back growth. [...]

Luxembourg: 2014 Article IV Consultation-Staff Report; Press Release; and Statement by the Executive Director for Luxembourg - IMF Country Report No. 14/118
International Monetary Fund
This paper is the for the periodic consultation with the member country [...]

Islamic Republic of Afghanistan: 2014 Article IV Consultation-Staff Report; Press Release; and Statement by the Executive Director for the Islamic Republic of Afghanistan - IMF Country Report No. 14/128
International Monetary Fund
This paper is the for the periodic consultation with the member country [...]

Republic of Estonia: 2014 Article IV Consultation-Staff Report; Press Release; and Statement by the Executive Director for the Republic of Estonia - IMF Country Report No. 14/112
International Monetary Fund
This paper is the for the periodic consultation with the member country […]

Yves Mersch: Finance in an environment of downsizing banks
BIS
Keynote speech by Mr Yves Mersch, Member of the Executive Board of the European Central Bank, at the Shanghai Forum 2014 "Asia Transforms: Identifying New Dynamics", Shanghai, 24 May 2014.

Mugur Isărescu: The macroeconomic perspective in Romania
BIS
Welcome speech by Mr Mugur Isărescu, Governor of the National Bank of Romania, at the Romanian-Czech Business Forum, Bucharest, 20 May 2014.

Monetary Policy

Monthly Bulletin- May 2014
European Central Bank
The monthly bullettin contains information on Economic and Monetary developments [...]

Concerns about competitive monetary easing
BIS
Remarks by Dr Raghuram Rajan, Governor of the Reserve Bank of India, in the Policy Panel Discussion, at the "2014 BOJ-IMES Conference on Monetary Policy in a Post-Financial Crisis Era", organised by the Institute of Monetary and Economic Studies and Bank of Japan, Tokyo, 28 May 2014.

How Should China Ease Monetary Policy?
The Peterson Institute for International Economics
There is increasing inconsistency between China's economic fundamentals and the monetary policy, which appears to be too tight. There has been no major monetary policy change in China since 18 May 2012 when the People's Bank of China (PBoC) cut the required reserve ratio (RRR) by 50 basis points on 18 May 2012. However, the Chinese economy and financial markets have experienced significant changes over the past two years.

Kuroda's Plan Is Working
The Peterson Institute for International Economics
The Bank of Japan's policies over the last 14 months are a welcome return to sanity. Mainstream economists inside and outside Japan had been asking the BOJ to stand up against deflation for nearly two decades.
Under Governor Haruhiko Kuroda's leadership, there are three important improvements that the BOJ has made to its monetary regime. It is not just about the specific targets and tools pursued—a new monetary regime is one that creates a larger set of expectations about policy that ripple through to price- and wage-setting decisions in the entire economy.

The ECB Can and Should Make the ABS Market Happen
The Peterson Institute for International Economics
The European Central Bank (ECB) clearly will announce some package of expansionary measures on Thursday—as well it should, given sustained below target inflation in the euro area and forecasts of further falls. The most important and promising policy it will announce is the one with the longest lead time: fostering a market in securitized lending in Europe, primarily for loans to small and medium-sized enterprises (SMEs), through direct purchases of such asset-backed securities (ABS). This is absolutely the right initiative for the ECB to take because it is not only going to be effective (unlike limited interest rate cuts or very long-term refinancing of bank loans, also likely to be announced), but will address the right problems and do so with lasting structural benefits.

Redesigning the central bank for financial stability responsibilities
BIS
Central banks are being redesigned to better deal with their financial stability responsibilities - in just five years, over 60 central banks' laws have been changed. Since much of the responsibility for financial stability policy is shared, integrating financial stability considerations into monetary policy, and vice versa, presents tough institutional challenges. Independence of action against the build-up of financial imbalances is important. It is crucial to avoid a bias towards inaction.

William C Dudley: The economic outlook and implications for monetary
BIS
Remarks by Mr William C Dudley, President and Chief Executive Officer of the Federal Reserve Bank of New York, before the New York Association for Business Economics, New York City, 20 May 2014.

Mario Draghi: Monetary policy in a prolonged period of low inflation
BIS
Speech by Mr Mario Draghi, President of the European Central Bank, at the ECB Forum on Central Banking, Sintra, Portugal, 26 May 2014.

Ravi Menon: Getting in all the cracks or targeting the cracks? Securing financial
BIS
Opening remarks by Mr Ravi Menon, Managing Director of the Monetary Authority of Singapore, at the Asian Monetary Policy Forum (AMPF), Singapore, 24 May 2014.

Fiscal policy and Budget Management

Inequalities and the Essential Role of Fair Taxation Report Launched
African Forum and Network on Debt and Development (AFRODAD)
Unprecedented economic growth in a number of African countries is going hand in hand with soaring inequality which national tax systems are failing to address, according to the Africa Rising? - Inequalities and the Essential Role of Fair Taxation Report launched on 26 February 2014 by the African Forum and Network on Debt and Development (AFRODAD) in collaboration with Tax Justice Network Africa (TJN-A) and Christian Aid (CA).

Budget Speech 2014-15 – Pakistan
Ministry of Finance Pakistan
This budget 2014-15 is a very comprehensive agenda of economic reforms aimed to reinvigorate the economy, spur growth, maintain price stability, provide jobs to the youth and rebuild the key infrastructure of the country. […]

Russian Federation: Fiscal Transparency Evaluation - IMF Country Report No. 14/ 134
International Monetary Fund
The Fiscal Affairs Department (FAD) and Statistics Department (STA) of the International Monetary Fund (IMF) visited Moscow during the period October 15-30, 2013 to conduct a pilot Fiscal Transparency Evaluation (FTE). The objective of the mission was to evaluate Russia's fiscal reporting, fiscal forecasting and budgeting, and fiscal risk management practices against the standards set by the revised draft of the IMF's Fiscal Transparency Code (FTC). […]

Public Debt in Macroeconomic Analysis

Determinants of the growth and sovereign debt correlation
VOX
Public debt and economic growth are historically negatively correlated. This column discusses new evidence that rejects the debt-to-growth causality. After estimating the effects between debt and growth in both directions, there is no evidence that high indebtedness suppresses economic growth. The effect of growth on debt is the main driver of the negative correlation.

The macroeconomic importance of capital markets
BIS
Speech by Dr Jens Weidmann, President of the Deutsche Bundesbank, at the annual reception of Deutsches Aktieninstitut e. V.,Frankfurt am Main, 22 May 2014.

Network News

From January 2011 the "Network News" section is present also in the *Public area* of the Network's website. The Partners can find *daily news* (14.856 items inserted by the Secretariat since January 2011) extracted from best online newspapers and info providers and classified by geographical areas.

Annual Reports & Guidelines go to the "*Information Corner*" on www.publicdebtnet.org

Events and Courses

Newly uploaded

23 June 2014 - Warsaw, Warsaw School of Economics
7th International Risk Management Conference IRMC 2014 "The Safety of the Financial System. From Idiosyncratic to Systemic Risk"

26 – 27 June 2014 - Palace Hotel, Lucerne, Switzerland
13th BIS Annual Conference

02 July 2014 - Venice, Ca` Foscari University
5th World Finance Conference

3 – 4 July 2014
9th Economic and Social Outlook Conference 2014 "Pathways to Growth: the reform imperative"

07 July 2014 - Kingston, Jamaica
Empirical Finance for Monetary Policy

10 July 2014 - 360 Madison Avenue, 17th Floor - New York City
EMTA Special Seminar: Assessing Public Debt Sustainability

16 July 2014 - Allen & Overy LLP, One Bishops Square, London
The New 2014 ISDA Credit Derivatives Definitions

04 August 2014 - Asunción, Paraguay.
Curso sobre Instrumentos Financieros y Normas Internacionales de Información Financiera, 2014

11 August 2014 - Asunción ,Paraguay
X Annual Meeting of the LAC Debt Group

01 September 2014 - United Kingdom
Budget Execution through Strategic Financial Management

09-11 September 2014 - Offices of Credit Suisse (11 Madison Ave) - New York
2014 IIF Executive Program on Risk Management - Risk Strategy Beyond Basel III

09 – 12 September 2014 - Christ's College Cambridge
Government Debt Management: New Trends and Challenges

09 – 12 September 2014 - Christ's College, Cambridge
Effective Oversight of Financial Market Infrastructures.

09 – 12 September 2014 - Christ's College Cambridge
Legal Risks and Good Governance for Central Banks

24 September 2014 - International Capital Market Association (ICMA) Limited - 23 College Hill - London
Global Master Agreements for Repo and Securities Lending Workshop

01 October 2014 - Deutsche Nationalbibliothek (German National Library) - Adickesallee 1 - 60322 Frankfurt am Main
The 7th Annual bwf and ICMA Capital Markets Conference

Previously signaled

30 June 2014 - United Kingdom
Strategies in Public Debt Management

2 – 4 July 2014; entre de Convencions Internacional de Barcelona, Barcelona, Spain
2014 Misys EMEA Market Forum

14 July 2014 - United Kingdom
Public Financial Management: Issues & Solutions

8 September - 10 October 2014 - e-learning
Public Funds and their Auditing

13 October 2014 - United Kingdom
Implementing Programme & Performance Budgeting

17-18 November 2014; Basel, Switzerland
Fifth Joint BIS/World Bank Public Investors Conference

27 November 2014 - University of Geneva, Switzerland
2nd Geneva Summit on Sustainable Finance
[Call for Papers]

1 January 2015 - London, UK
The New 2014 ISDA Credit Derivatives Definitions

Communication Corner

At the link below, Partners can find details on the *Thailand* study visit held on February 2014 at the Italian Ministry of Economy and Finance premises.

http://www.publicdebtnet.org/public/MoreAboutUs/Study/

REMINDER…

e-LEARNING COURSE MATERIALS
The PDM network website hosts materials from e-learning course "**ADVANCED RISK MANAGEMENT**" organized by UNITAR thanks to Enrique Cosio-Pascal contribution.
The four modules course is downloadable from the Reserved Area of the website in the Section "*Learning Area*". This course is oriented toward those economists and financial specialists that would be dealing with financial risk management issues.

Some figures

On 26th June 2014, the number of total resources of the PDM Network website is 20.038 (of which 14.856 news, 2.308 papers and articles in reviews and books, 211 books and 1.919 webresources). The Members are 761, coming from 110 countries. 405 Partners belong to sovereign debt management institutions of emerging and advanced countries. This newsletter is sent to 580 Partners.

Special thanks

The PDM Secretariat is grateful to Iohanna Markidou (Cypriot MoF), Muchenje Ruvimbo (AFDB), Alvaro Manoel (World Bank), IIF – Institute of International Finance and Brazilian MoF for their resource contributions.

Participating Institutions in the PDM Network

OECD
Australian OFM, Austrian DMA, Belgian DMA, Belgian Central Bank, Canadian Foreign Affairs and International Trade, Canadian Government, Chilean Central Bank, Chilean MOF, Czech Central Bank, Czech Mof, Danish DMO, Danish Central Bank, Danish Mof, Dutch Central Bank, Dutch DMA, Dutch MoF, Finnish Treasury, Finnish MoF, French Central Bank, French DMA, French MoF, German Central Bank, German MoF, German Finance Agency, Greek DMA, Greek MoF, Greek Central Bank, Hungarian DMA, Hungarian MoF, Hungarian National Bank, Icelandic DMA, Irish NTMA, Irish MoF, Israeli MoF, Israeli Central Bank, Italian Development Co-operation Office, Italian Ministry of Foreign Affairs, Italian MoF, Italian Senate, 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, Slovenian MoF, Spanish Central Bank, Spanish MoF, Swedish DMO, Swedish Mof, Swiss State Secretary for Economic Affairs SECO, Turkish Treasury, US GAO, US Treasury, UK Central Bank, UK DMO, UK Treasury.

Non-OECD
Afghan Mof, Albanian Mof, Angolan National Bank, argentine Central Bank, Argentine MoF, Bangladeshi MoF,The Audit Board of The Republic of Indonesia, Autonomous Sinking Fund of Cameroon, Barbados Central Bank, Bosnia and Herzegovina Federal Ministry of Finance, Brazilian Central Bank, Brazilian MoF, Bulgarian MoF, Chinese MoF, Colombian MHCP, Cypriot Central Bank, Cypriot MoF, Dubai Government, Dubai MoF, Eastern Caribbean Central Bank, Egyptian MoF, Estonian MoF, Ethiopian MoF, Fiji MoF, Georgian Mof, Ghanaian Central Bank, Ghanaian MoF, Hong Kong Monetary Auth., Indian Reserve Bank, Indian NIPF, Indonesian Central Bank, Jordanian Central bank, Kenyan Central Bank, Kenyan MoF, , Latvian DMO, Lebanese MoF, Lesotho Central Bank, Lesotho MoF, Lithuanian MoF, Republic of Macedonia MoF, Malawian Reserve Bank, Maldives MoF, Maltese Treasury, Maltese Central Bank, Mauritius Ministry of Finance and Economic Development, Moldovan MoF, Moldovan Court of Accounts, Moroccan MoF, Mozambique Ministry of finance, National Analytical Centre of the Government of Kazakhstan, Nicaraguans Ministry of Finance and Public Credit, Nigerian DMO, State Bank of Pakistan, Pakistani MoF, Papua New Guinean Treasury, Paraguayan Ministry of Finance, Philippine Bureau of the Treasury, Romanian MoF, Romanian Central Bank, Romanian Court of Accounts, Rwandan MoF, Sain Kitts & Nevis MoF, Santa Lucia Ministry of Finance Economic Affairs and National Development, Serbian Mof, Singaporean MoF, Solomon Island Central Bank, Solomon Islands MoF, South African National Treasury, South Korean MoF, Bank Of Korea, Sri Lanka Central Bank, Swaziland's MoF, Tanzanian MoF, Thai Central Bank, Thai Mof, The People's Bank of China, Ugandan Central Bank, United Arab Emirates MoF and Central Bank, Uruguayan MoF, Vietnamese Mof, Zimbabwean DMO.

Multilateral Institutions
ADB-Asian Development Bank, African Development Bank Group, African Forum and Network on Debt and Development (Afrodad), Asian Development Bank Institute, CEF-Center of Excellence in Finance, Commonwealth Secretariat, Debt Relief International, European Bank EBRD, European Central Bank, European Commission, Inter-American Development Bank (IADB), International Monetary Fund (IMF), International Finance Corporation (IFC), International Monetary Fund (IMF), MEFMI, OECD, West African Institute for Financial and Economic Management (WAIFEM), World Bank, United Nations Conference on Trade and Development (UNCTAD).

Universities
Columbia University, CRIEP (Italy), Duke University's Fuqua School of Business, Harvard University, Harvard Business School, Johns Hopkins University, London Business School, Mays Business School at Texas A&M University, National Chengchi University, National University of Science and Technology, Norwegian School of Economics and Business Administration, Stanford University, The George Washington University, University "Dunarea de Jos" Galati – Romania, University of Bologna, University of Brussels, University of California, University of Chicago, University of Colorado, University of London Birkbeck, University of Maryland, University of Milan, University of Molise, University of Padua, University of Rome "La Sapienza", University of Rome "Tor Vergata", University of Tokyo, University of Tuzla, University of Vienna, University of Viterbo "La Tuscia".

Other Institutions
Afrifocus Securities; Association for Financial Markets in Europe (AFME), Barclays Capital, BE Berlin Economics GmbH, Belgrade Banking Academy, Business Monitor International Limited, Cass Business School, CCM - Carolina Capital Markets, Centre for Planning and Economic Research, Crown Agents, CfC Stanbic Bank, Colchester Global Investors, Comitè de Inversiones Extranjeras, Concorde Capital, Devfin Advisers AB, DIFC-Dubai International Financial Centre, Digital Bridge Institute, Econviews, Euromoney, Exchange Data International Limited, Finance for Development-FMO, FTI, HSBC, International Capital Market Association (ICMA), International Social-Economic Development for Africa (ISEDA), Institut d'Anàlisi Econòmica (CSIC), Japan Bank for International Cooperation, JCVP Consulting, Johannesburg Stock Exchange Limited (JSE), KFW Bankengruppe, Korea Bond Pricing, Linus Capital, MAK Azerbaijan Ltd, Mckinsey & Company, Inc. International, Michele Robinson Consult, Morgan Stanley, NEDBANK, Newstate Partners LLP, Oxford Policy Management (OPM), Pragma Corporation, Public Debt Finance, Reykjavik Academy, Századvég Economic Research, Sifma-Epda, Storkey & Co. Ltd., The ONE Campaign, Tudor Investment Corporation, United Bank For Africa (UBA) PLC., U.S. Agency for International Development (USAID).