PDM NETWORK Monthly Newsletter

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PDM NETWORK *Monthly Newsletter*

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

Primary Market

Feeling the Blues. Moral Hazard and Debt Dilution in Eurobonds Before 1914 (2014)

Esteves Rui - University of Oxford; Tuncer Ali Coskun - University College London

Abstract: Debt mutualisation through Eurobonds has been proposed as a solution to the Euro crisis. Although this proposal found some support, it also attracted strong criticisms as it risks raising the spreads for strong countries, diluting legacy debt and promoting moral hazard by weak countries. Because Eurobonds are a new addition to the policy toolkit, there are many untested hypotheses in the literature about the counterfactual behaviour of markets and sovereigns. This paper offers some tests of the issues by drawing from the closest historical parallel — five guaranteed bonds issued in Europe between 1833 and 1913. The empirical evidence suggests that contemporary concerns about fiscal transfers and debt dilution may be

overblown, whilst creditors' moral hazard may be as much of a problem as debtors'.

Euro as a Debt Currency in Eurozone Government Bonds (2014)

Czaja Jarosław - Uniwersytet Ekonomiczny we Wrocławiu

Abstract: The purpose of this article is to study the usage of the Euro as a currency of government bonds in the euro area. This currency has joined the group of international currencies gaining confidence and encouraging further growth in demand for assets denominated in it. This is important due to the large scale use of this money by Eurozone governments to systematically cover the growing financial needs. It was foreseen already before year 2000, when many authors have expressed the belief that the Euro will affect the nature of the financial needs of investors (and thus the functioning of markets) and it will increase the bond issuance and the market turnover.

Secondary Market

Official Demand for U.S. Debt: Implications for U.S. Real Interest Rates (2014)

Kaminska Iryna - International Monetary Fund; Zinna Gabriele - Bank of Italy

Abstract: By constructing and estimating a structural arbitrage-free model of demand pressures on US real rates, we find that recent purchases of US government debt securities by the Fed and foreign officials have significantly affected the level and the dynamics of US real rates. In particular, by 2008, foreign purchases of US Treasuries are estimated to have had cumulatively reduced long term real yields by around 80 basis points. The subsequent total impact of Fed purchases in 2008-2012 has been even larger: the quantitative easing (QE) has depressed real 10-year yields by around 140 basis points. Our findings also reveal that the Fed policy interventions and foreign official purchases affect longer term real bonds mostly through a reduction in the bond premium.

The Role of Country Concentration in the International Portfolio Investment Positions for the European Union Members (2014)

Brushko Iuliia - CERGE-EI, Prague; Hashimoto Yuko - International Monetary Fund

Abstract: This paper examines the international portfolio flows of European Union. Our analysis includes three dimensions: (1) the level of countries' portfolio investment concentration (those who invest evenly among counterparties versus those who invest more heavily in some counterparties); (2) the share of total portfolio investment assets invested at the destination; and (3) pre- and during the crisis periods. The authors find that portfolio investment positions respond differently to macroeconomic variables depending on the level of investment concentration and the share of invested assets. In particular, variables of health of the financial system become important determinants for portfolio investment during the crisis.

The Euro and The Geography of International Debt Flows (2014)

Hale Galina - Federal Reserve Bank of San Francisco
Obstfeld Maurice - University of California, Berkeley

Abstract: Greater financial integration between core and peripheral EMU members had an effect on both sets of countries. Lower interest rates allowed peripheral countries to run bigger deficits, which inflated their economies by allowing credit booms. Core EMU countries took on extra foreign leverage to expose themselves to the peripherals. The result has been asset-price bubbles and collapses in some of the peripheral countries, area-wide banking crisis, and sovereign debt problems. The authors analyze the geography of international debt flows using multiple data sources and provide evidence that after the euro's introduction, Core EMU countries increased their borrowing from outside of EMU and their lending to the EMU periphery.

Legal Issues and Conventions

The Fourth Zone of Presidential Power: Analyzing the Debt-Ceiling Standoffs Through the Prism of Youngstown Steel (2014)

DeVeaux Chad - Concordia University School of Law

Abstract: In this Article, I use the Youngstown Steel Seizure Case to assess the recent series of debt-ceiling standoffs between Congress and the White House. If the Treasury ever reaches the debt limit and Congress fails to act, the president will be forced to choose between three options: (1) cancel programs, (2) borrow funds in excess of the debt limit, or (3) raise taxes. Each of these options violates a direct statutory command. In Youngstown, Justice Jackson asserted that "[p]residential powers are not fixed but fluctuate, depending upon their disjunction or conjunction with those of Congress." He offered his famous three-zone template which evaluates executive power by fixing it on "a spectrum running from explicit congressional authorization to explicit congressional prohibition." Congress can sanction presidential action, it may be silent, or it may prohibit it. But by engaging in the standoffs, Congress directed the president to take specified action and forbade him from taking that very same action. Such contradictory legislative instructions cannot find a home anywhere within Youngstown's

existing taxonomy. As such, the standoffs require expansion of Youngstown's spectrum to accommodate a fourth zone of presidential power. In this new zone, I argue that Congress, by confronting the president with a no-win scenario, increased his power. Conflicting legislative commands necessarily invest the executive with a measure of discretion that resembles law making. By commanding the president to implement particular programs, while denying him the funds necessary to pay for those endeavors, Congress tacitly afforded the president the discretion to take any of the three corrective actions suggested above.

Risk Management Models

An indicator of systemic liquidity risk in the Italian financial markets (2013)

Iachini Eleonora - Bank of Italy; Nobili Stefano - Bank of Italy

Abstract: This paper introduces a coincident indicator of systemic liquidity risk in the Italian financial markets. In order to take account of the systemic dimension of liquidity stress, standard portfolio theory is used. Three sub-indices, that reflect liquidity stress in specific market segments, are aggregated in the systemic liquidity risk indicator in the same way as individual risks are aggregated in order to quantify overall portfolio risk. The aggregation takes account of the time-varying cross-correlations between the sub-indices, using a multivariate GARCH approach. This is able to capture abrupt changes in the correlations and makes it possible for the indicator to identify systemic liquidity events precisely. The authors evaluate the indicator on its ability to match the results of a survey conducted among financial market experts to determine the most liquidity stressful events for the Italian financial markets. The results show that the systemic liquidity risk indicator accurately identifies events characterized by high systemic risk, while not exaggerating the level of stress during calm periods.

Ending over-lending: Assessing systemic risk with debt to cash flow (2014)

Ramsay Bruce A. - Cascadia Monetary Research, Chestermere, Alberta, Canada; Sarlin Peter - Goethe University Frankfurt, Germany

Abstract: This paper operationalizes early theoretical contributions of Hyman Minsky and applies these in the context of economic sectors and nations. Following the view of boom-bust asset cycles, depicted by the endogenous build-up of risks and their abrupt unraveling, Minsky highlighted the relationship between debt obligations and cash flows. While leverage is oftentimes linked to the vulnerability of a nation, and hence systemic risk, one less explored measure of leverage is the debt-to-cash flow ratio (Debt/CF). Cash flows certainly have a well-known, academically verified connection to the ability of corporations to service and repay corporate debt. This paper investigates whether the relationship between the flow of a nation's savings to its stock of total debt provides a means for understanding systemic risks. For a panel of 33 nations, the authors explore historic Debt/CF trends, as well as apply the same procedure to individual economic sectors. This assessment of systemic risk is arranged for presentation within a four-zone framework. In terms of an early-warning indicator, the authors show that the Debt/CF ratio effectively stratifies systemic risks, and offers a useful platform toward macro-financial sustainability.

What Makes Systemic Risk Systemic? Contagion and Spillovers in the International Sovereign Debt Market (2014)

Kalotychou Elena - City University London; Remolona Eli - Bank for International Settlements; Wu Eliza - University of Technology, Sydney

Abstract: In this paper the authors analyze the cross-border propagation of systemic risk in the international sovereign debt market. Using daily data on CDS spreads for 67 sovereign borrowers from 2002 to 2013 the authors define sovereign credit events as those in which the spread widens by more than 99.9% of all spread changes within regions. The authors find a total of 89 such credit events, most of them taking place after 2007. The authors analyze contagion by studying the immediate effects of these events on CDS spreads of other sovereigns within the region and in the rest of the world. Although a few events had effects that were global in scope, the authors find that such "fast and furious" contagion has been by and large a regional phenomenon. To analyze "slow burn" spillover effects, the authors extract the first principal component of CDS spread changes to identify a global sovereign risk factor. The corresponding loadings on this factor then serve to measure the sensitivity of individual sovereign CDS spreads to the global factor. The authors allow these loadings to vary over time and interpret them as measures of vulnerability to global systemic risk. The authors find that the global "slow-burn" spillover of credit events works through the global risk factor rather than through sovereign obligors' systemic vulnerabilities. While the global factor and regional vulnerabilities are both influenced by investors' risk appetites, such vulnerabilities also depend on economic fundamentals, including the sovereign's level of government debt.

Transmission of Financial Stress in Europe: The Pivotal Role of Italy and Spain, but not Greece (2014)

González-Hermosillo Brenda - International Monetary Fund; Johnson Christian - International Monetary Fund

Abstract: This paper proposes a stochastic volatility model to measure sovereign financial distress. It examines how key European sovereign credit default swap (CDS) spreads affect each other; specifically, the paper analyses the volatility structure of Germany, Greece, Ireland, Italy, Spain and Portugal. The stability of Germany is a close proxy for the resilience of the euro area as markets use Germany's sovereign CDS as a hedge for systemic risk. Although most of the CDS changes for Germany during 2009–12 were due to idiosyncratic factors, market developments in Italy and Spain contributed significantly, likely due to their relative importance in the region. Changes in Greece's sovereign CDS had no significant effect on Germany's sovereign CDS despite initial widespread concerns about such linkages. Spain and Italy show a notable co-dependence in explaining each other's volatility while Germany also plays an important role. It is found that extreme bad news led to persistent and nearly permanent effects on the stochastic volatility of European sovereign CDS spreads.

Coordination with other Policies and Operations

India's Recent Macroeconomic Performance: An Assessment and Way Forward (2014)

Kapur Muneesh - International Monetary Fund; Mohan Rakesh - International Monetary Fund

Abstract: The macroeconomic policy response in India after the North Atlantic financial crisis (NAFC) was rapid. The overshooting of the stimulus and its gradual withdrawal sowed seeds for inflationary and BoP pressures and growth slowdown, then exacerbated by domestic policy bottlenecks and volatility in international financial markets during mid-2013. Appropriate domestic oil prices and fiscal consolidation will contribute to the recovery of private sector investment. Fiscal consolidation would also facilitate a reduction in inflation, which would moderate gold imports and favorably impact real exchange rate and current account deficit.

Bank Funding Costs for International Banks (2014)

Babihuga Rita - International Monetary Fund; Spaltro Marco - Morgan Stanley

Abstract: This paper investigates the determinants of bank funding costs for a sample of internationally active banks from 2001–12. The authors find that changes in banks' unsecured funding costs are associated with bank-specific characteristics such as an institution's credit worthiness and the return on its market value, and importantly, on the level and quality of capital. Similarly, market factors such as the level of investor risk appetite, as well as shocks to financial markets—notably the US subprime crisis and the Euro Area sovereign debt crisis—have also been key drivers of the sharp rise in bank funding costs. The authors also find evidence that large systemically important institutions have enjoyed a funding advantage, and that this advantage has risen since the onset of the two crises. With the exception of Euro Area periphery banks, by end-2012 the rise in funding costs had generally been reversed for most major banks as a result of improvements in bank asset quality as well as steps taken to increase resilience, notably higher capitalization. Our results suggest increased capital buffers may potentially support bank lending to the real economy by reducing bank funding costs.

Financial Integration in Europe (2014)

European Central Bank

Abstract: The ECB's annual report on financial integration in Europe contributes to the advancement of the European financial integration process by analyzing its development and the related policies. The Euro system has a keen interest in the integration and efficient functioning of the financial system in Europe, especially in the euro area, as reflected in the Euro system's mission statement. Financial integration fosters a smooth and balanced transmission of monetary policy throughout the euro area. In addition, it is relevant for financial stability and is among the reasons behind the Euro system's task of promoting well-functioning payment systems. Without prejudice to price stability, the Euro system also supports the objective of completing the EU Single Market, of which financial integration is a key aspect. In September 2005 the ECB published a first set of indicators of financial integration and an accompanying report assessing the state of euro area financial integration. Since then the work on financial integration has evolved and has resulted in the publication of a yearly report.

Lessons of the European Debt Crisis for China: A Law and Economics Perspective (2014)

Hu Jiye - China University of Political Science and Law

Abstract: From 2009, some European countries like Portugal, Italy, Greece, Spanish (PIGS), were fallen in sovereign debt crisis. It was found that PIGS rely heavily on a public pension system; at the same time they have little private pensions, so they may be more likely to face a pension payments crisis, sovereign debt crisis, and the plight of civil unrest. To the contrary, some countries like the Netherlands, Australia, Switzerland and the UK (NASU) were in a healthy economic situation where the financial system, the fiscal system, and the pension systems were more stable. China is currently facing the enormous

pressure of the one-child policy curing and aging peak arriving. It should hence learn from the experience of the NASU, and try to avoid the situation of the PIGS. The possible pension development proposal of China is based on the following ideas: encouraging the first pillar's individual account pension to invest in the capital market to ensure the preservation of their value; making the second pillar's enterprise annuity and occupational pension becoming mandatory or quasi-mandatory. This paper argues that both public and private pillars could make China's pension system more equal and sustainable.

Banking and Sovereign Debt Crises in Monetary Union Without Central Bank Intervention (2014)

Cheng Jin - Université de Strasbourg; Dai Meixing - Université de Strasbourg; Dufourt Frédéric - Aix-Marseille Université

Abstract: The authors propose a model to analyze the conditions of emergence of a twin banking and sovereign debt crisis in a monetary union with an institutional framework which is broadly similar to the Eurozone at the onset of the financial crisis. The authors show that when the responsibility of rescuing the banking system is entirely ascribed to domestic governments --in particular because the central bank is not allowed to intervene as a lender of last resort on sovereign bond markets --the main tool to fight against a systemic banking crisis (the financial safety net) may aggravate, instead of mitigate, the solvency problems of banks and of the government. Depending on investors' expectations, the banking system and the government may either survive a negative financial shock or fail together. In this context of negative self-fulfilling expectations, we also analyze the role of credit rating agencies as potential catalysts to the crisis, the authors emphasize possible contagion expects to "healthy" member states through the banking system, and the authors discuss proposed policy options like the creation of "Eurobonds" to avoid the resurgence of such crises.

What Should Surplus Germany Do? (2014)

Kirkegaard Jacob Funk - Peterson Institute for International Economics

Abstract: Germany's large current account surpluses have been criticized as a major cause of slower economic growth in the euro area periphery, especially Greece, Spain, and Italy. Critics repeatedly call on Germany to boost domestic demand and allow wages to rise. This Policy Brief argues that Germany should indeed act to reduce its current account surplus, but not for the reasons that critics give. Rather the German government should recognize that its large surpluses expose German savers to potential financial losses, bailout costs, and opportunity costs associated with low (negative) domestic real interest rates. Instead of accelerating wage growth in excess of productivity, Germany should increase public investments in the domestic economy and raise its ceiling on public indebtedness.

Monetary Policy

How to measure the unsecured money market? The Eurosystem's implementation and validation using TARGET2 data (2014)

Arciero Luca - Bank of Italy; Heijmans Ronald - De Nederlandsche Bank; Heuver Richard - De Nederlandsche Bank; Massarenti Marco - European Central Bank; Picillo Cristina - Bank of Italy

Abstract: This paper develops a methodology, based on Fur fine (1999), for identifying unsecured interbank money market loans from the transaction data of the euro payment processing system TARGET2, for maturities ranging from one day up to three months with the aim of building a database available internally at the Euro system for monetary policy, financial stability and research purposes. The implementation has been verified with (i) interbank money market transactions executed on the e-MID Italian electronic trading platform and (ii) aggregated reporting by the EONIA panel banks. The Type2 (false negative) error for the best performing algorithm setup is 0.92%. The authors find aggregated interest rates very close to the EONIA but observe a high degree of heterogeneity across countries and market participants. The different stages of the global financial crisis and of the sovereign debt crises are clearly revealed in the interbank money market by significant drops in turnover. The results focus on three levels: euro-area, country group and country (Italy and the Netherlands).

Monetary Policy in the New Normal (2014)

Bayoumi Tamim - International Monetary Fund; Dell'Ariccia Giovanni - International Monetary Fund; Habermeier Karl - International Monetary Fund; Mancini-Griffoli Tommaso - International Monetary Fund; Valencia Fabián - International Monetary Fund

Abstract: The proposed SDN would take stock of the current debate on the shape that monetary policy should take after the crisis. It revisits the pros and cons of expanding the objectives of monetary policy, the merits of turning unconventional policies into conventional ones, how to make monetary policy frameworks more resilient to the risk of being constrained by the zero-lower bound going forward, and the institutional

challenges to preserve central bank independence with regards to monetary policy, while allowing adequate government oversight over central banks' new responsibilities. It will draw policy conclusions where consensus has been reached, and highlight the areas where more work is needed to get more granular policy advice.

Monetary Policy Coordination and the Role of Central Banks (2014)

Mohan Rakesh - International Monetary Fund; Kapur Muneesh - International Monetary Fund

Abstract: The unconventional monetary policies (UMPs) pursued by the advanced economies (AEs) have posed macroeconomic challenges for the emerging market economies (EMEs) through volatile capital flows and exchange rates. AE central banks need to acknowledge and appreciate the spillovers resulting from such UMPs. Central banks of the AEs, who have set up standing mutual swap facilities, should explore similar arrangements with other significant EMEs with appropriate risk mitigation measures. These initiatives could do much to actually curb volatility in global financial markets and hence in capital flows to EMEs, thus obviating the need for defensive policy actions on the part of EMEs.

ECB Interventions in Distressed Sovereign Debt Markets: The Case of Greek Bonds (2014)

Trebesch Christoph - University of Munich; Zettelmeyer Jeromin - EBRD (European Bank for Reconstruction and Development)

Abstract: This paper analyses the determinants and effects of ECB interventions in times of severe distress. The authors focus on the Greek government bond market in mid-2010 and use a unique new dataset to show, for the first time, what type of bonds the ECB bought. The authors then explore the short-term effects of ECB purchases at the bond-level. The results show a large impact of the interventions on the targeted instruments. Bonds bought by the ECB see a much steeper drop in yields than those not bought. This is consistent with theories of "local supply effects" in segmented or illiquid bond markets.

Monetary Policy Drivers of Bond and Equity Risks (2014)

Campbell John Y. - Harvard University; Pflueger Carolin - University of British Columbia; Viceira Luis M. - Harvard Business School

Abstract: The exposure of US Treasury bonds to the stock market has moved considerably over time. While it was slightly positive on average in the period 1960-2011, it was unusually high in the 1980s and negative in the 2000s, a period during which Treasury bonds enabled investors to hedge macroeconomic risks. This paper explores the effects of monetary policy parameters and macroeconomic shocks on nominal bond risks, using a New Keynesian model with habit formation and discrete regime shifts in 1979 and 1997. The increase in bond risks after 1979 is attributed primarily to a shift in monetary policy towards a more anti-inflationary stance, while the more recent decrease in bond risks after 1997 is attributed primarily to a renewed emphasis on output stabilization and an increase in the persistence of monetary policy. Endogenous responses of bond risk premia amplify these effects of monetary policy on bond risks.

The exit from non-conventional monetary policy: what challenges? (2014)

Turner Philip – BIS

Abstract: Monetary policies pursued in response to the financial crisis have shown that changes in central bank balance sheets have major macroeconomic consequences. The New Classical Macroeconomics, which gained increasing sway from the late-1980s, had led to an exclusive focus on the policy rate and a neglect of balance sheet effects. Key financial market imperfections that had been demonstrated by earlier (or contemporaneous) advances in microeconomic theory were assumed away under the guise of Ricardian equivalence. Getting their balance sheets back to normal levels is important in order to preserve policy flexibility for the future, but will present central banks with formidable challenges. This task will require cooperation with Treasuries without surrendering monetary policy independence. As central banks pragmatically monitor market resilience, the financial dominance trap is to be avoided.

Fiscal Policy and Budget Management

Fiscal Spillovers and Monetary Policy Transmission in the Euro Area (2011)

Hollmayr Josef - Deutsche Bundesbank/Goethe University Frankfurt

Abstract: In this paper the author sets up a basic open New-Keynesian model with government spending shocks for each of the eleven original member countries of the Euro area that are tied together with the GVAR methodology of trade weights between the countries. Fiscal spillovers are positive if small countries increase their government spending and negative in the case of bigger countries as the increase in the common interest rate is overcompensating the positive effect. Because of Bayesian estimation of the single countries with lots of time series spillovers are mostly significant, unlike in most of the other GVAR studies. Through a shock to the common Taylor rule

monetary transmission with respect to output and inflation can be analyzed. The effect is qualitatively the same but differs in terms of magnitude depending on the countries, especially for inflation. Finally the author shows that it makes a difference if euro area aggregates are targeted by monetary policy or the single countries' response added up with interlinkages taken care of.

Fiscal Transfers and Fiscal Sustainability (2014)

Potrafke Niklas - University of Munich; Reischmann Markus - University of Munich

Abstract: In this paper the authors examine whether US and German state governments pursue sustainable fiscal policies taking into account fiscal transfers. Using panel data techniques the authors investigate whether the debt-to-GDP ratio had a positive influence on the primary surplus (Bohn-model). The authors show that including/excluding fiscal transfers changes the results. If fiscal transfers are not included in the primary surplus, the test results do not indicate that the US and German state governments pursued sustainable fiscal policies. Our results also suggest that fiscal transfers were positively related with debt. These findings indicate that intergovernmental transfers have implicitly subsidized debts.

Strengthening Post-Crisis Fiscal Credibility: Fiscal Councils on the Rise — A New Dataset (2014)

Debrun Xavier - International Monetary Fund; Kinda Tidiane - International Monetary Fund

Abstract: Institutions aimed at constraining policy discretion to promote sound fiscal policies are once again at the forefront of the policy debate. Interest in "fiscal councils," independent watchdogs active in the public debate, has grown rapidly in recent years. This paper presents the first cross-country dataset summarizing key characteristics of fiscal councils among IMF members. The data documents a surge in the number of fiscal councils since the crisis. It also illustrates that well-designed fiscal councils are associated with stronger fiscal performance and better macroeconomic and budgetary forecasts. Key features of effective fiscal councils include operational independence from politics, the provision or public assessment of budgetary forecasts, a strong presence in the public debate, and the monitoring of compliance with fiscal policy rules.

The Second Economic Adjustment Programme for Greece. Fourth Review - April 2014 (2014)

European Commission

Abstract: This report provides an assessment of the progress made by Greece with respect to its Second Economic Adjustment Program, based on the findings of a four-part joint Commission/ECB/IMF mission to Athens between 16-29 September 2013, 28 October-8 November 2013, 2-15 December 2013 and 24 February-17 March 2014. The report examines current macroeconomic, financial and fiscal developments and assesses compliance with program conditionality.

Cross-Country Experience in Reducing Net Foreign Liabilities: Lessons for New Zealand (2014)

Ding Ding Ding Ding - International Monetary Fund
Schule Werner - International Monetary Fund; Sun Yan - International Monetary Fund

Abstract: This paper studies the dynamics of net foreign liabilities across a number of countries. Our historical analysis suggests that an orderly reduction in a country's net foreign liabilities has mostly occurred when there was significant improvement in gross public savings through deliberate fiscal consolidation measures. Simulations of a dynamic general equilibrium model calibrated for New Zealand indicates that sustained government deficit reduction could improve the country's net foreign assets by about half of the accumulated public savings. However, given New Zealand's relatively strong fiscal positions and previous work noting structurally low household savings, an orderly improvement in New Zealand's external position in the medium term will depend on a structural improvement in private savings.

The Economic Adjustment Programme for Portugal - Eleventh Review (2014)

European Commission - EU Commission

Abstract: The report assesses compliance with the terms and conditions set out in the Memorandum of Understanding as updated following the Tenth Review of the Portuguese Economic Adjustment Program. The assessment is based on the findings of a joint European Commission (EC)/European Central Bank (ECB)/International Monetary Fund (IMF) staff mission to Lisbon between 20 February and 28 February 2014. The mission concluded that the program implementation is broadly on track. The 2013 budget deficit was 4.9 percent of GDP, significantly below the Program target of 5.5 percent of GDP. Most of the economic indicators point to a continued economic recovery and the authorities are committed to implement the required fiscal and structural reforms to recuperate sustainable growth. The Program's financing envelope remains sufficient. Approval of the conclusions of this review will allow the disbursement of EUR 2.5 billion (EUR 1.6 billion by the EU and EUR 0.9 billion by the IMF), bringing the total amount disbursed to Portugal to EUR 77 billion representing roughly 97 percent of total available financial assistance.

[Hard work, and More: How to successfully conduct adjustment with official assistance](#) (2014)

Larch Martin - EU Commission; Bernard Kristin Magnusson - International Monetary Fund; Tatar Balint - EU Commission

Abstract: What is needed for a country to successfully adjust after a crisis episode is a subject of much debate including in the euro area where four out of seventeen countries were in a full economic adjustment program by end 2013. The authors identify adjustment needs by a country's decision to approach the IMF for official assistance. The authors then investigate the factors conducive to successful exit from official assistance during more than 170 adjustment episodes by means of a panel regression framework. The authors define success as a resumption of growth and a significant debt reduction. Our econometric results suggest hard work, i.e. policy action such as fiscal adjustment and decisive financial sector repair, play an important role for the probability of a successful exit. The authors also find that more stringent conditionality, especially in the structural area, increases the chances of success. Supportive external conditions further enhance the prospects for a durable and successful exit. These results also hold up when success is instead defined as the ability of the country to finance itself on capital markets.

Grading Fiscal Policy in Latin America in the Last Decade (2014)

Fernández Arias Eduardo - Inter-American Development Bank; Pérez Pérez Jorge Eduardo - Brown University

Abstract: Fiscal policy in Latin America has been historically imprudent and continues to be viewed with skepticism. At the same time, most countries have remained out of trouble for several years and were able to successfully conduct proactive countercyclical fiscal policy to fight the Great Recession, a historical first. This paper examines the last decade to assess progress, highlight weaknesses, and chart the way forward. The paper looks at structural fiscal balances, filtering out the business cycle and commodity price fluctuations to assess prudent fiscal policy concerning cyclical management and long-run sustainability. Up to the Great Recession countries deserved good grades, in the B range, on both counts. Afterwards, satisfactory cyclical management continued but, critically, extraordinary circumstances led to a regime change in the level of the underlying structural balance. Successful countercyclical fiscal policy was prudently undertaken in the crisis but not decisively unwound in its aftermath, leaving behind an unsatisfactory fiscal stance. With this "Incomplete" grades slipped to the C range and may end up as an F unless there is normalization to pre-crisis levels to regain sustainability. On a constructive note, the paper distills lessons from experience and charts the path of fiscal reform to reach an A grade.

The Economic Adjustment Programme for Cyprus – Third Review - Winter 2014 (2014)

European Commission

Abstract: Following a request by Cyprus on 25 June 2012, the European Commission, the European Central Bank and the International Monetary Fund finally agreed an economic adjustment program with the Cypriot authorities on 2 April 2013. The program aims to address the financial, fiscal and structural challenges facing the economy in a decisive manner and should allow Cyprus to return to a sustainable growth path. The program was agreed by the euro area Member States on 24 April 2013 and by the IMF Board on 15 May 2013. It covers the period 2013-2016. The financial package will cover up to EUR 10 bn, including EUR 1 bn from the IMF. This report assesses compliance with the terms and conditions set out in the program with the Cypriot authorities.

Subnational Bond Markets

The Fiscal Performance of Overlapping Local Governments (2014)

Jimenez Benedict S. - Northeastern University

Abstract: Research on the fiscal consequences of multi-level governance has largely focused on the interaction between federal and state governments. Yet, the federal system in the United States is considerably more complex, and includes the vertical layering of governments at the local level. This research examines the relationship between the overlapping system of local governments and fiscal discipline in the public sector. It focuses on both the static and dynamic aspects of fiscal performance, specifically own-source revenues and debt. Using different measures of the vertical structure of the local governance system, and controlling for the effects of other factors including measures of horizontal competition, the empirical analysis finds that the overlaying of local governments creates a bias for a bigger public sector, but much of the bias can be traced to a specific type of government.

Public Debt in Macroeconomic Analysis

Financial Repression in the European Sovereign Debt Crisis (2014)

Becker Bo - Swedish House of Finance; Ivashina Victoria - Harvard University

Abstract: By the end of 2013, the share of government debt held by the domestic banking sectors of Eurozone countries was more than twice its 2007 level. The authors show that this type of increasing reliance on the domestic banking sector for absorbing government bonds generates a crowding out of corporate lending. For a given domestic firm, new debt is less likely to be a loan — i.e., the loan supply contracts — when local banks have purchased more domestic sovereign debt and when that debt is risky (as measured by CDS spreads). These effects are most pronounced in the period following the second Greek bailout in early 2010.

Threshold Effects of Public Debt on Economic Growth in the Euro Area Economies (2013)

Topal Pinar - Goethe University Frankfurt

Abstract: This paper sheds new light on the growth implications of public debt introducing a dynamic panel threshold model by accounting for regime dependent intercepts. The focus is on a panel of 12 Eurozone economies over the 1980-2012 period. The presence of threshold effects is tested and point estimates for debt-to-GDP ratio are estimated by using multiple threshold model advancing on Hansen (1999), Caner and Hansen (2004) and Bick (2010). The findings are based on five-year averages. My empirical results confirm the evidence for double threshold model by indicating a statistically significant nonlinear relationship between debt-to-GDP ratio and economic growth. The estimated threshold values are 71.66% and 80.21%.The impact of debt on GDP growth is positive and highly significant whenever debt-to-GDP ratio is below 71.66%, thus debt becomes a source of economic stability. This impact changes its direction and strength once debt-to-GDP ratio exceeds the first threshold value. Between 71.66% and 80.21%, debt-to-GDP ratio has negative impact on economic outcome. And above 80.21%, the impact remains negative but loses its strength. The decreasing negative relationship can be explained with the non-Keynesian impact of fiscal consolidation. [...]

The Causal Relationship between Debt and Growth: Evidence from OECD Countries (2014)

Puente-Ajovin Miguel – Independent; Sanso-Navarro Marcos - Universidad de Zaragoza

Abstract: This paper analyzes the possible causal relationship between debt and growth in 16 OECD countries from 1980 to 2009. This is done considering not only government debt but also non-financial corporate and household debt. The panel bootstrap Granger causality test applied allows us to control for both the presence of cross-country heterogeneity and cross-sectional dependence. Our results barely provide evidence against the null hypothesis according to which government debt does not cause real GDP per capita growth. More interestingly, the authors find evidence against the absence of causality from non-…financial private debt - especially that of households - to growth. Finally, government debt is found to be negatively influenced by growth.

The Political Economics of Austerity (2014)

Konzelmann Suzanne J. - University of London

Abstract: The 2007/8 financial crisis has reignited the debate about economic austerity. With the aim of understanding why a government would pursue such a policy in the current context of persistent economic recession, this article traces the social, political and economic developments that have together shaped the evolution of ideas about austerity, from the earliest theorizing by the Classical political economists some three hundred years ago. Throughout the historical narrative, important analytical themes revolve around the arguments used to justify austerity – notably appeals to ethics and morality (reinforced by misleading analogies drawn between government budgets and the accounts of firms and households). These include: concerns about inflation and the observed relationship between inflation and unemployment; 'Ricardian equivalence' and 'non-Keynesian' effects of austerity; and the correlation between public debt levels and economic growth. The class analytics of austerity – who bears the burden of austerity and who benefits – and the process by which alternative ideas penetrate the mainstream and reconstitute the conventional wisdom are also important analytical themes.

What drives the German current account? And how does it affect other EU member states? (2014)

Kollmann Robert - ECARES, Université Libre de Bruxelles; Ratto Marco - EU Commission ; Roeger Werner - EU Commission ; in't Veld Jan - EU Commission ; Vogel Lukas - EU Commission

Abstract: In this paper the authors estimate a three-country model using 1995-2013 data for Germany, the Rest of the Euro Area (REA) and the Rest of the World (ROW) to analyze the determinants of Germany's current account surplus after the launch of the Euro. The most important factors driving the German surplus were positive shocks to the German saving rate and to ROW demand for German exports, as well as German labour market reforms and other positive German aggregate supply shocks. The convergence of REA interest rates to German rates due to the creation of the Euro only had a modest effect on the German current account and on German real activity. The key shocks that drove the rise in the German current account tended to worsen the REA trade

balance, but had a weak effect on REA real activity. Our analysis suggests these driving factors are likely to be slowly eroded, leading to a very gradual reduction of the German current account surplus. An expansion in German government consumption and investment would raise German GDP and reduce the current account surplus, but the effects on the surplus are likely to be weak.

Measuring bilateral spillover and testing contagion on sovereign bond markets in Europe (2014)

Claeys Peter - Universitat de Barcelona; Vašíček Bořek - Czech National Bank

Abstract: The global financial crisis rapidly spread across borders and financial markets, and also distressed EU bond markets. The crisis did not hit all markets in the same way. The authors measure the strength and direction of linkages between 16 EU sovereign bond markets using a factor-augmented version of the VAR model in Diebold and Yilmaz (2009). The authors then provide a novel test for contagion by applying the multivariate structural break test of Qu and Perron (2007) on this FAVAR detecting significant sudden changes in shock transmission. Results indicate substantial spillover, especially between EMU countries. Differences in bilateral linkages are due to a combination of fiscal trouble and a large banking sector, as Belgium, Italy and Spain are central to shock transmission during the financial crisis. Contagion has been a rather rare phenomenon limited to a few well defined moments of uncertainty on financial assistance packages for Greece, Ireland and Portugal. Most of the frequent surges in market co-movement are driven by larger shocks rather than by contagion.

The EMS Crisis of the 1990s: Parallels with the present crisis? (2013)

Gros Daniel – CEPS

Abstract: The paper starts by providing a brief review of the EMS crisis, emphasising that the most interesting period might be the 'post-EMS' crisis of 1993-95. It then reviews in section 2 the crisis factors, comparing the EMS crisis to today's euro crisis. Section 3 outlines the main analytical issue, namely the potential instability of high public debt within and outside a monetary union. Section 4 then compares the pressure on public finance coming from the crises for the case of Italy. Section 5 uses data on 'foreign currency' debt to disentangle expectations of devaluation/inflation from expectations of default. Section 6 concludes.[...]

Credit Risk in the Euro area (2014)

Gilchrist Simon - Banque de France; Mojon Benoit - Banque de France

Abstract: The authors construct credit risk indicators for euro area banks and non-financial corporations. These are the average spreads on the yield of euro area private sector bonds relative to the yield on German federal government securities of matched maturities. The indicators are also constructed at the country level for Germany, France, Italy and Spain. These indicators reveal that the financial crisis of 2008 has dramatically increased the cost of market funding for both banks and non-financial firms. In contrast, the prior recession following the 2000 U.S. dot-com bust led to widening credit spreads of non-financial firms but had no effect on the credit spreads of financial firms. The 2008 financial crisis also led to a systematic divergence in credit spreads for financial firms across national boundaries. This divergence in cross-country credit risk increased further as the European debt crisis has unfolded since 2010. Since that time, credit spreads for both non-financial and financial firms increasingly reflect national rather than euro area financial conditions. Consistent with this view, credit spreads provide substantial predictive content for a variety of real activity and lending measures for the euro area as a whole and for individual countries. A VAR analysis indicates that disruptions in corporate credit markets lead to sizeable contractions in output, increases in unemployment, and declines in inflation across the euro area.

Historical Evolution of Debt Manageent

Varieties of Sovereign Crises: Latin America 1820-1931 (2014)

Kaminsky Graciela L. - George Washington University; Vega-Garcia Pablo - George Washington University

Abstract: The literature on sovereign defaults has focused on adverse shocks to debtors' economies, suggesting that defaults are of an idiosyncratic nature. Still, many of the sovereign crises are of a systemic nature, clustered around panics in the financial centers. Crises in the financial centers are rare events and their effects on the periphery can only be captured by examining long episodes. This paper examines sovereign defaults in Latin America from 1820 to 1931. The authors find that systemic crises are different. The international collapse of liquidity is at their core. Default spells and recovery rates are also affected by liquidity crashes.

Articles in reviews/in books

Core Topics

A Review of European Sovereign Debt Crisis: Causes and Consequences (2014)
Ullah G. M. Wali - Independent University, Bangladesh (IUB)

Abstract: This paper researched on the causes, current consequences and potential implication of the European debt crisis. The crisis was found to be a result of factors including international trade imbalances, the effects from the global crisis 2007-2012 and the failure in bailout approaches to cure Europe from the global financial distress. This has caused panic across the world due to the fact that negative financial situations in peripheral countries in Europe might further demolish the global financial markets. Even though significant growth was presumed from the introduction of Euro, the financial crisis resulted in sharp rise in bond yields, CDS, cross-correlation and spillover effects across bond markets of the Eurozone. Yield curves of the GIIPS countries acted as a cluster; differentiating from stronger and more stable economic forces. In addition, crisis resulted in significant dip of market confidence on Euro and depreciation of Euro against major currencies. Commodity prices i.e. spot price of gold rose to almost 300% over the time crisis period, utilized by governments as a defense mechanism against the economic downturns. Potential problems that might arise from this severe crisis and financial prospects of European states as well as governments over the world are also assessed and discussed.

Primary Market

Performance-Sensitive Government Bonds (2014)
Bank Matthias - CFA, University of Innsbruck, Department of Banking and Finance; Kupfer Alexander - University of Innsbruck, Department of Banking and Finance; Sendlhofer Rupert - University of Innsbruck, Department of Public Finance

Abstract: Steadily growing debt ratios indicate that current sovereign debt policy lacks important incentives for governments and politicians to fulfill it in a long-term sustainable way. To implement proper incentives, the authors propose the concept of performance- sensitive government bonds (PSGB) where coupon payments are closely linked to debt policy, giving strong incentives to limit debt levels and to timely restructure the economy. In addition, the authors show that the current mechanisms used to solve sovereign debt problems within the EMU are not only missing the right incentives but also setting the wrong ones.

Monetary Policy

Macroeconomic Shock Synchronization in the East African Community (2013)
Mafusire Albert - African Development Bank; Brixiova Zuzana - African Development Bank

Abstract: The East African Community's (EAC) economic integration has gained momentum recently, with the EAC countries aiming to adopt a single currency in 2015. This article evaluates empirically the readiness of the EAC countries for monetary union. First, structural similarity in terms of similarity of production and exports of the EAC countries is measured. Second, the symmetry of shocks is examined with structural vector auto-regression analysis (SVAR). The lack of macroeconomic convergence gives evidence against a hurried transition to a monetary union. Given the divergent macroeconomic outcomes, structural reforms, including closing infrastructure gaps and harmonizing macroeconomic policies that would raise synchronization of business cycles, need to be in place before moving to monetary union.

Fiscal Policy and Budget Management

Fiscal multipliers and the timing of consolidation (2014)
European Central Bank - European Central Bank

Abstract: This article seeks to link the debate surrounding short-term fiscal multipliers (defined as the change in real GDP that follows a unitary fiscal shock) with the medium and longer-term impact that fiscal consolidation has on debt sustainability and output. It recalls that there is considerable uncertainty surrounding the size of short-term fiscal multipliers. Notably, multipliers may be larger in deep recessions or financial crises, but the negative impact of fiscal consolidation is mitigated when public finances are weak. Nevertheless, there is a strong case for frontloading fiscal consolidation also in difficult times – particularly for countries that are under market pressure – and frontloading is advisable in view of political economy considerations. Simulations using plausible values for multipliers suggest that any increase in the debt

ratio following episodes of fiscal consolidation is likely to be short-lived at most and reversed over the medium term. Furthermore, back loading fiscal consolidation would generally require a larger overall fiscal effort to reduce debt ratios. Finally, there is evidence that multipliers are positive (i.e. that fiscal consolidation is conducive to higher output) in the long term. Overall, when determining the fiscal adjustment path and the composition of fiscal consolidation, both the short-term costs and the longer-term benefits need to be taken into account.

Public Debt in Macroeconomic Analysis

Commonalities, Mispricing, and Spillover: Another Look at the Euro Area Sovereign Risk (2012)

Sgherri Silvia - International Monetary Fund

Abstract: EA sovereign risk premiums reached an all-time high in November 2011. LTROs eased funding pressures in early 2012 but do not address underlying solvency issues and funding stresses have returned. Unsurprisingly, recent movements in sovereign risk premiums reflect predominantly EA risk commonalities. The key policy implication is that market concerns may not fully dissipate until the European policy framework as a whole (banking supervisory framework, fiscal liability sharing scheme, role of ECB as lender-of-last resort, etc.) is strengthened, thereby reducing the market perception of EA-wide risks. In terms of spillover risks to the rest of the world, increased EA sovereign risk is likely to worsen significantly the perceived credit riskiness of EA financial corporate bonds—given feedback loops between sovereign and financial balance sheets. In turn, if (and only if) global risk repricing is factored in, volatility spillovers from the EA financial sector have the potential to raise significantly not only the perceived riskiness of EA nonfinancial corporate bonds, but also that of EM sovereigns and US financial and nonfinancial corporate.

Interest-Rate Spread and Public-Debt Dynamics in a Two-Country Monetary-Union Portfolio Model (2014)

Tamborini Roberto

Abstract: Tracking, monitoring and steering the evolution of public debt over time will be a major policy challenge for almost all governments in the advanced countries in the years to come, in particular for those belonging to the European Monetary Union. In this paper I study public debt dynamics in a two-country monetary union where a representative, risk-averse wealth-owner optimizes his/her portfolio of sovereign bonds issued in the common currency. I obtain two main results with respect to the standard country-by-country approach. First, the interest-rate spread between the two countries is endogenized as the higher-debt country pays a risk premium which is proportional to the level of its own debt with respect to the debt of the other. Second, its debt dynamic path becomes nonlinear and dependent on the evolution of the other country's debt. The most important policy implication is that "dynamic interdependence" is not fully considered in the implementation of EMU fiscal rules, but it may may jeopardize their goal of convergence and stability of debt stocks.

External Imbalances and Fiscal Fragility in the Euro Area (2014)

Alessandrini Pietro; Fratianni Michele; Hallett Andrew J Hughes; Presbitero Andrea Filippo

Abstract: This paper presents two views of the European sovereign debt crisis. The first is that countries in the South of the Eurozone were fiscally irresponsible and failed to implement pro-competitive supply side policies. The second view holds that the crisis reflects a deep divide between the external surpluses of the North and external deficits of the South. Basic stylized facts cast doubt on the explanation based on the first thesis alone. A relatively simple model shows how poor fundamentals can create a debt problem independently of fiscal responsibility. The empirical analysis of the determinants of government bond yield spreads relative to Germany suggests that both views in fact provide useful insights into the roots of the current sovereign crisis. However, differences in growth and competitiveness and capital flows between North and South have assumed a much more dominant role since the onset of the global crisis.

Books

Active Debt Management

Counterparty Risk Management (2014)

Canabarro Eduardo - Director, Global Head of Risk Analytics at Morgan Stanley; Pykhtin Michael - Manager in the Quantitative Risk Management section at the U.S. Federal Reserve Board

Summary: Joining forces to update their respective bestsellers Counterparty Credit Risk and Counterparty Credit Risk Modelling, editors Eduardo Canabarro and Michael Pykhtin have assembled a team of experts to provide a comprehensive and contextualized understanding of the current status and key issues in counterparty risk management in the wake of the financial crisis.

Coordination with other policies

Directory of Financial Regulators (2014)

Horáková Martina - Head of Seminars and Advisory at Central Banking Publications (CBP); Jordan Amy - Books Editor at Central Banking Publications (CBP)

Summary: The Directory of Financial Regulators is the only single source of contact details for key regulatory decision-makers in 189 jurisdictions.

Managing the Euro Area Debt Crisis (2014)

Cline William R. - The Peterson Institute for International Economics

Summary: First came the financial and debt crisis in Greece, then government financing difficulties and rescue programs in Ireland in 2010 and Portugal in 2011. Before long, Italy and Spain were engulfed by financial contagion as well. Finally in 2012, the European Central Bank pledged to do "whatever it takes" to preserve the euro area with purchases of government bonds, a step that achieved impressive results, according to William R. Cline in this important new book.

Public Debt in Macroeconomic Analysis

What are the effects of the EU budget: Driving force or drop in the ocean? (2014)

Ferrer Jorge Núñez – CEPS; Katarivas Moni - independent consultant

Summary: The study presents an overview of the impact of the main investment tools of the EU budget. The focus is on the increasing role of the financial instruments, which are fundamentally changing the budget's nature and reach. Through these instruments, the EU can invest more efficiently in more areas and mobilise a multiple of funds. The EU budget has the potential to influence the European economy much more than its modest size in terms of GDP may suggest.

Asia-Pacific Economies after the Global Financial Crisis: Lessons Learned and the Way Forward (2014)

Isgut Alberto E. - United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)

Summary: Although the global financial crisis of 2008-2009 was the worst economic crisis in over 60 years for many industrial countries, most Asian and Pacific developing countries weathered it quite successfully. The resilience of the region is somewhat puzzling at first sight. In an increasingly globalized world, aren't economic shocks supposed to be transmitted faster and farther than ever before? And shouldn't the largest shock in decades affecting the central financial centres of the world cause substantial ripple effects? Yet, even those Asian and Pacific countries that were most exposed to drops in imports from the Western industrial countries and suffered significant drops in economic activity in 2009 recovered briskly in 2010. Furthermore, in contrast to the Asian financial crisis of 1997-1998, no country in the region experienced a collapse of its banking sector or a balance of payments crisis.[...]

Web Resources

Primary Market

World Bank Launches First Kangaroo Green Bond

The World Bank

The World Bank (International Bank for Reconstruction and Development, IBRD, rated Aaa/AAA) priced a AUD 300 million 5-year fixed rate Kangaroo green bond, the first of its kind in the Australian domestic market.

Secondary Market

International Debt Capital Markets Handbook

The World Bank
Today, investors can easily buy bonds issued in a variety of emerging market (EM) currencies and choose from a broad selection of issuers. Over the last three years, for example, investors could buy World Bank bonds denominated in some 20 different EM currencies. More investors are buying local currency government bonds as well. Even retail investors in some countries have embraced the variety of EM currencies offered –although the 'flavour of the month' has changed along the way. This was not always the case and, although it is a fairly new phenomenon, it is here to stay. Emerging bond markets are no longer the next frontier

Multilateral Debt

Haiti: Seventh Review Under the Extended Credit Facility, Requests for Waiver of Nonobservance of Performance Criterion, and Modification of Performance Criteria-Staff Report; Press Release;[...] - IMF Country Report No. 14/105
International Monetary Fund
The Staff Report prepared by a staff team of the IMF for the Executive Board's consideration on March 26, 2014, following discussions that ended on January 24, 2014, with the officials of Haiti 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 March 12, 2014.

Portugal: Eleventh Review Under the Extended Arrangement, and Request for Extension of the Arrangement and Waivers of Applicability of End-March Performance Criteria - IMF Country Report No. 14/102
International Monetary Fund
The Staff Report for the Eleventh Review Under the Extended Arrangement and Request for Extension of the Arrangement and Waivers of Applicability of end-March Performance Criteria, prepared by a staff team of the IMF for the Executive Board's consideration on April 17, 2014, following discussions that ended on March 2, 2014, with the officials of Portugal on economic developments and policies underpinning the IMF arrangement under the Extended Arrangement. Based on information available at the time of these discussions, the staff report was completed on April 1, 2014.

The IMF's preferred creditor status: Questions after the Eurozone crisis
VOX
The IMF has had a preferred creditor status throughout the history of its lending. This implies that borrowing countries are expected to give priority to meeting their obligations to the IMF over other creditors. This column reviews the onset of this preferred status, its purpose, and the way it changed after the recent Eurozone crisis. By lending €30 billion to Greece in 2010, the IMF introduced the option to permanently waive the requirement that a borrowing country is on the path to stability. This option increases the chance of moral hazard and undermines the strong framework for the preferred creditor status.

Developing Domestic Debt Management

World Bank Webinar: Reducing Exposure to Foreign Currency Risk by Attracting Non-resident investor to Invest in Local Currency Denominated Public Debt Instruments
World Bank
Many emerging market economies (EMEs) have performed remarkably well in recent years and macroeconomic conditions have improved substantially, leading to large capital inflows and upward pressure on exchange rates. This typically leads to increased liquidity in the financial system and challenges for central banks (CBs) in achieving monetary policy objectives such as exchange rate or price stability. Since the Federal Reserve has first signaled tapering in May 2013, however, capital flows have reversed in some countries. Outflows reduce liquidity in the financial system and create new challenges, such as an increase in funding costs and downward pressure on exchange rates.[…]

Legal Issues and Conventions

Frequently Asked Questions on Basel III's January 2013 Liquidity Coverage Ratio framework
BIS
A bank has a reverse repurchase agreement, receiving collateral that consists of a pool of assets including non-HQLA. Can the whole portion of Level 1 and Level 2 assets of the collateral basket be counted towards HQLA (subject to the other requirements on HQLA-eligible assets)?[...]

Progress report on implementation of the Basel regulatory framework
BIS
This report sets out the adoption status of Basel II, Basel 2.5 and Basel III regulations for each Basel Committee member jurisdiction as of end-March 2014. It updates the Committee's previous progress reports published on semi-annual frequency since October 2011. In addition, the report contains an overview of recently completed assessments on the consistency of domestic capital regulations with respect to the Basel III standards.[...]

Supervisory framework for measuring and controlling large exposures
BIS
One of the key lessons from the financial crisis was that banks did not always consistently measure, aggregate and control exposures to single counterparties or to groups of connected counterparties across their books and operations.[...]

ICMA Quarterly Report - April 2014
Icma
This Quarterly Report is produced by the Market Practice and Regulatory Policy team at ICMA. It outlines developments in the main areas in which the Association is currently engaged namely: response to the financial crisis, sovereign bond markets, short-term markets, primary markets, secondary markets, asset management and market infrastructure.

Derivatives

Regulation of Indian debt & derivatives markets – some perspectives on post-crisis paradigm
BIS
Keynote address by Mr H R Khan, Deputy Governor of the Reserve Bank of India, at the 15th FIMMDA-PDAI Annual Conference, Jaipur, 8 March 2014.

Accounting, Transparency and Accountability

Supplements to the Statistical Bulletin - Monetary and Financial Indicators - The Public Finances, borrowing requirement and debt, No. 21 - 2014
Bank of Italy
This series of the Supplements to the Statistical Bulletin,contains detailed information on local government debt. [...]

Supplements to the Statistical Bulletin - Monetary and Financial Indicators - The Financial Market, No. 20 – 2014
Bank of Italy
This series of the Supplements to the Statistical Bulletin, contains detailed information on local Monetary and Financial Indicators. [...]

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

BIS international banking statistics at end-December 2013
BIS
The cross-border claims of BIS reporting banks contracted by $93 billion (0.3%) between end-September and end-December 2013. Claims on banking offices as well as non-bank entities fell. While this was the decline was slower than in the preceding two quarters.[...]

Euro area balance of payments and international investment position statistics - 2013 quality report - April 2014
European Central Bank
This bi-annual quality report is required by Article 6 of Guideline ECB/2004/15. It follows the basic principles of the "Public commitment on European statistics by the ESCB", which is in line with the Eurosystem mission statement, and includes both descriptive and quantitative indicators. [...]

National Accounts of OECD Countries, Financial Accounts 2013
Oecd
The National Accounts of OECD Countries, Financial Accounts includes financial transactions by institutional sector and by financial operation.[...]

Calendar of DMFAS Programme missions (May - June 2014)
UNCTAD
Updated list of missions by UNCTAD's Debt Management Financial Analysis System (DMFAS) Programme over the period May - June 2014.

DMO's Programmes and Reports

Uruguay in focus – April 2014
Debt Management Unit – Uruguay
A quarterly bulletin issued by the Debt Management Unit. Recent economic developments in Uruguay.

Uruguay Debt Report – April 2014
Debt Management Unit – Uruguay
A quarterly report issued by the Debt Management Unit. The Central Government restarts its domestic issuances in local currency to further improve the local debt market in consistent with the Financial Strategy presented in the Annual Budget Law ("Rendición de Cuentas").[...]

Monthly bonds issuance plan - May 2014
Israeli Ministry of Finance Debt Office
As published, the tradable issuance size for May will be 3 Billion ILS face value. In addition, as part of the Government Debt Management Unit intention to issue sizable amounts of ILTBILs each moth, 0.75 Billion ILS face value of ILTBIL bond will be issued.

Spanish Ministry of Finance monthly bulletin – March 2014
Spanish Ministry of Finance
Monthly Central Government debt figures published by the Spanish Ministry of Finance.

Agence France Trésor – annual report 2014
Agence France Trésor
In 2013, Agence France Trésor (AFT) enjoyed historically favourable financing terms. We benefitted from our country's very high credit standing and the technical quality of its debt, as well as from an environment where action by governments and the ECB to stabilise the Eurozone has started to produce results. Major decisions were made to reduce the financial fragmentation seen in the Eurozone in recent years. The continuation of these efforts will be the key to making the Eurozone as attractive for investors, particularly bond investors, as it was before the crisis. […]

UK Debt Management Office Quarterly Review – March 2014
United Kingdom Debt Management Office
Contents: Details of the Gilt and Treasury bill portfolio at 31 March 2014; Conventional gilts; Index-linked gilts; Gilt market flows (£mn); 2013-14 and 2014-15 financing requirements; Index-linked gilt market turnover 2006-2014; Treasury bill tender results January – March 2014.

Market Information in April 2014
Iceland National Debt Management Agency
On 13 March, three- and six-month Treasury bills were auctioned in series RIKV 14 0616 and RIKV 14 0915. The auction was structured in the conventional manner, with the lowest accepted price (highest flat yield) determining the sale price. For the threemonth bills, a total of 10 valid bids were submitted, in the nominal amount of 3,680 m.kr., and bids totalling 3,450 m.kr. were accepted at a price of 98.905 (4.38% flat interest). For the six-month bills, a total of 13 valid bids were submitted, in the nominal amount of 3,110 m.kr., and bids totalling 2,760 m.kr. were accepted at a price of 97.776 (4.50% flat interest).

Coordination with other policies and operations

Global economic and financial challenges: a tale of two views
BIS - Jaime Caruana, General Manager
Why these challenges? What is the problem here? It has been over five years since the height of the global financial crisis, but the global economy is still struggling to shake off chronic post-crisis weakness.[...]

Growing out of the crisis – is fixing finance enough
BIS - Speech by Mr Vítor Constâncio, Vice-President of the European Central Bank
In the wake of the financial crisis which started in 2008 and two years later evolved into a sovereign debt crisis, there is little evidence that the European economy will soon be returning to robust growth.[...]

Europe's reforms beginning to pay off but continued effort needed, says OECD
Oecd
Action taken by many European countries to return their public finances to health are beginning to pay off, says the OECD. The Euro area economies which emerged from the crisis with serious current account deficits are now in surplus. Debt-to-GDP ratios are stabilising and market tensions have abated.[...]

Sovereign borrowing set to fall in 2014, says OECD
Oecd
Borrowing operations by OECD governments are set to decrease, as their borrowing needs continue to decline, according to a new OECD report. Net borrowing needs are projected to fall from USD 2.0 trillion in 2013 to USD 1.5 trillion in 2014, the lowest level since 2007.

Chad: 2013 Article IV Consultation and Assessment of Performance Under the Staff-Monitored Program-Staff Report; Press Release; and Statement by the Executive Director for Chad - IMF Country Report No. 14/100
International Monetary Fund
This paper is the for the periodic consultation with the member country […]

Economic, financial and supervisory developments in Saudi Arabia by H E Dr Fahad Bin Abdullah Al-Mubarak
BIS
The economy of the Saudi Arabian continued its growth for the 14th consecutive year. The real GDP grew by 3.8 percent during 2013, which was greater than the global economic growth of 2.9 percent for the same year.[...]

Mauritius: 2014 Article IV Consultation-Staff Report; Press Release; and Statement by the Executive Director for Mauritius - IMF Country Report No. 14/107
International Monetary Fund
This paper is the for the periodic consultation with the member country […]

Islamic Republic of Iran: 2014 Article IV Consultation-Staff Report; Press Release; and Statement by the Executive Director for the Islamic Republic of Iran - IMF Country Report No. 14/93
International Monetary Fund
This paper is the for the periodic consultation with the member country […]

Qatar: 2014 Article IV Consultation-Staff Report; Press Release; and Statement by the Executive Director for Qatar - IMF Country Report No. 14/108
International Monetary Fund
This paper is the for the periodic consultation with the member country […]

Qatar: Selected Issues - IMF Country Report No. 14/109
International Monetary Fund
This Selected Issues Paper for Qatar was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with the member country.

Republic of Korea: 2013 Article IV Consultation-Staff Report; Press Release and Statement by the Executive Director for the Republic of Korea - IMF Country Report No. 14/101
International Monetary Fund
This paper is the for the periodic consultation with the member country […]

Republic of San Marino: 2014 Article IV Consultation-Staff Report; Press Release; and Statement by the Executive Director for the Republic of San Marino - IMF Country Report No. 14/104
International Monetary Fund
This paper is the for the periodic consultation with the member country […]

Nigeria: 2013 Article IV Consultation-Staff Report; Press Release and Statement by the Executive Director for Nigeria - IMF Country Report No. 14/103
International Monetary Fund
This paper is the for the periodic consultation with the member country […]

Ukraine: Request for Stand-by Arrangement—Staff Report; Supplement; Staff Statement; Press Release; and Statement by the Executive Director for Ukraine - IMF Country Report No. 14/106
International Monetary Fund
The Staff Report prepared by a staff team of the IMF for the Executive Board's consideration on April 30, 2014, following discussions that ended on March 26, 2014, with the officials of Ukraine on economic developments and policies underpinning the IMF arrangement under the Stand-By Arrangement. Based on information available at the time of these discussions, the staff report was completed on April 22, 2014.

The Australian bond market
BIS
The evolution of the Australian bond market over the past several years has been shaped to a large extent by the fallout from the global financial crisis. Prior to the crisis, the market comprised mainly bonds issued by the Australian banks and asset-backed securities.[...]

Global Financial Development Report 2014 : Financial Inclusion
The World Bank
The second Global Financial Development Report seeks to contribute to the evolving debate on financial inclusion. It follows the inaugural 2013 Global Financial Development Report, which re-examined the state's role in finance following the global financial crisis. Both reports seek to avoid simplistic views, and instead take a nuance approach to financial sector policy based on a synthesis of new evidence.

Economic Survey of the European Union 2014
Oecd
Low productivity growth in the EU has deep structural causes. Strengthening human capital, work incentives and competition, and better integrating the Single Market would boost inclusive growth.

Speech by World Bank Group President Jim Yong Kim - Latin America and the Caribbean: Getting Fit for the Next Big Challenge
The World Bank
Speech at the at the Organization of American States on social and economic developments in Latin America and the Caribbean.

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.

Nepal Economic Update April 2014 - Dealing With Excess Liquidity
The World Bank
After a difficult year in FY13, economic growth in Nepal is expected to recover to 4.5% in 2014, according to the Nepal Economic Update April 2014. The rebound is expected to be driven by increased agricultural production and continued service sector growth supported by strong remittance inflows.

The credit cycle and vulnerabilities in emerging economies: the case of Latin America
VOX
In recent years credit growth in Latin America has been very strong, and countries have become more reliant on foreign bond issuances. This column argues that these phenomena are linked, and may have led to vulnerabilities which domestic and international supervisors are not well-equipped to assess. There is no systematic information on firms' currency mismatches and hedging activities, and none that includes those of subsidiaries that may be located in other jurisdictions, preventing an accurate analysis of the true risks.

Monetary Policy

Monetary policy communication in turbulent times by Mario Draghi
BIS
Communication and transparency have become more important for central banks like the ECB in recent decades, and will become even more important in the decades to come.[...]

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

Monetary policy and the economic recovery
BIS – Speech by Janet Yellen
Nearly five years into the expansion that began after the financial crisis and the Great Recession, the recovery has come a long way. More than 8 million jobs have been added to nonfarm payrolls since 2009, almost the same number lost as a result of the recession.[...]

Botswana's Monetary Policy Statement for 2014
BIS
Remarks by Ms Linah K Mohohlo, Governor of the Bank of Botswana, at the launch of the Monetary Policy Statement for 2014, Gaborone, 28 February 2014.

Fiscal policy and Budget Management

Republic of Palau: 2014 Article IV Consultation-Staff Report; Press Release; and Statement by the Executive Director for the Republic of Palau - IMF Country Report No. 14/110
International Monetary Fund
This paper is the for the periodic consultation with the member country […]

Best Practices Publications

Revised Guidelines for Public Debt Management
WB-IMF
The Guidelines for Public Debt Management (Guidelines) have been developed as part of a broader work program undertaken by the IMF and the World Bank to strengthen the international financial architecture, promote policies and practices that contribute to financial stability and transparency, and reduce countries' external vulnerabilities.

Public Debt in Macroeconomic Analysis

Economic Bulletin No. 2, April 2014
Bank of Italy
The global expansion continues, but new risks emerge. Global output and trade are continuing to expand, but with signs of weakness in some emerging countries, among which China's private sector leverage represents a risk.[...]

East Africa Quarterly Bulletin - Fourth Quarter 2013
African Development Bank
Economic Performance: Available data indicate that real GDP growth in Eastern Africa countries has been mixed in Q4 of 2013, and continues to be driven by diverse factors. In Comoros, annual real GDP growth improved from 3.0% in 2012 to 3.6% in 2013 mainly driven by political stability and domestic demand including public investment in road infrastructure; in Djibouti annual real GDP growth accelerated increased to 5.4% in 2013 compared to 4.5% in 2012, driven by foreign direct investment (FDI) and increased ports activities.

Monthly Market Brief - Africa Economic Financial Brief February 2014
African Development Bank

In recent months, emerging economies have witnessed capital outflows, higher interest rates, and sharp currency depreciations which have stoked inflation and threatened to reduce growth even more sharply at this stage in the economic cycle. A recent study showed that 36 of 53 emerging markets reviewed experienced some form of exchange rate depreciation in the first half of 2013 with average rates of depreciation hovering at over 6 percent. It attributed this largely to deteriorating macroeconomic fundamentals in some of the countries and the flight to safety of portfolio investments from emerging markets as a result of the US Federal Reserve's decision to scale back on monthly bond purchases (i.e. tapering implied increases in relative interest rates in the US).

Russia Is in No Economic Shape to Fight a War

The Peterson Institute for International Economics

In its March report on the Russian economy, the World Bank showed that the country's total foreign debt at the end of January was $732 billion. The distribution between public and private debt is only available from October last year. At that time, state banks had $128 billion of foreign debt and nonfinancial state corporations $164 billion. Adding $80 billion of government foreign debt, Russian total public foreign debt was $372 billion, while its international currency reserves are $477 billion, but much of those can be frozen as well.

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* (14.483 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

19 February 2014 - OECD Conference Centre, Paris, France
23rd Global Forum on Public Debt Management

12 March 2014 - Bucharest, Romania
4th Annual World Bank Government Bond Market Conference and Technical Workshop

09 April 2014 - Washington, DC
Global Economic Prospects: Spring 2014

24 April 2014 - Auckland
INFINZ Mentoring Programme

08 May 2014 - Kingston, Jamaica
CARTAC Steering Committee Meeting

12 May 2014 - web-based
Audit of Public Debt (2014)

15 May 2014 - Web-based
World Bank Webinar: Reducing Exposure to Foreign Currency Risk by Attracting Non-resident investor to Invest in Local Currency Denominated Public Debt Instruments

19 May 2014 - web-based
Economics of the Public Sector (2014)

19 May 2014 - web-based
Fundamentals of Central Banking and Monetary Policy

19 May 2014 - web-based
Numerical Methods for Finance and Capital Markets

22 May 2014 - Charlottesville, Virginia - University of Virginia, Darden School of Business
13th Annual Darden International Finance Conference: Investing in International Markets

10 June 2014 - Barcelona, Spain
Global ABS 2014

13 June 2014 - Otemachi First Square Conference - Tokyo
Swap Execution Facilities: The Evolution of OTC Trading

16 June 2014 - United Kingdom
Risk-Based Internal Auditing

17 June 2014 - Global Financial Conference Center - New York - NY
Fundamentals of Derivatives

18 June 2014 - Global Financial Conference Center - New York - NY
Basel III Conference

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

13 October 2014 - United Kingdom
Implementing Programme & Performance Budgeting

Previously signaled

23 May 2014 - The Sandton Convention Centre, Johannesburg
U.S. and European Swap Regulations

23 May 2014 - InterContinental Sydney, Sydney
Transaction Reporting Conference

26 May 2014 - Ljubljana, Slovenia
Program Budgeting, Evaluation and Spending Review

30 May 2014 - The Excelsior, Hong Kong
The New 2014 ISDA Credit Derivatives Definitions

02 June 2014 - Ethiopia
Trade Finance: Risk & Solutions

02 June 2014 - United Kingdom
Risk Management in Financial Services

10 June 2014 - London, United Kingdom
2014 IIF Executive Program on Country/Sovereign Risk Management & Crisis Resolution

10 June 2014 - Global Financial Conference Center, New York
Understanding the ISDA Master Agreements Conference

10 June 2014 - Allen & Overy LLP, One Bishops Square, London
Understanding the ISDA Master Agreements Conference

11 June 2014 - Otemachi First Square Conference, Tokyo
The New 2014 ISDA Credit Derivatives Definitions

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

30 June 2014 - United Kingdom
Strategies in Public Debt Management

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

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

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

Past Events' Documentation

12 -14 March 2014 - Bucharest, Romania
4th Annual World Bank Government Bond Market Conference and Technical Workshop

3-4 April 2014 – Brussels, Belgium
Debt Management Facility (DMF) Stakeholders' Forum

Presentations

Iceland: replacing the Neoliberal Model With a Sustainable Model

Mósesdóttir Lilja - Researcher at Fafo Institute for Labour and Social Research, Norway

Presentation held at the conference: „TOGETHER we can put an end to the problems of debt and austerity in Europe !" by the European Left, April, 10th, 2014, Brussels

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 22nd May 2014, the number of total resources of the PDM Network website is 19.556 (of which 14.483 news, 2.268 papers and articles in reviews and books, 207 books and 1.856 webresources). The Members are 760, coming from 110 countries. 404 Partners belong to sovereign debt management institutions of emerging and advanced countries. This newsletter is sent to 580 Partners.

Special thanks

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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).