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

Contents

New Documents

Papers

Primary Market

Tracking Global Demand for Emerging Market Sovereign Debt (2014)
Arslanalp Serkan - International Monetary Fund; Tsuda Takahiro - Ministry of Finance Japan

Abstract: This paper proposes an approach to track US$1 trillion of emerging market government debt held by foreign investors in local and hard currency, based on a similar approach that was used for advanced economies (Arslanalp and Tsuda, 2012). The estimates are constructed on a quarterly basis from 2004 to mid-2013 and are available along with the paper in an online dataset. The authors estimate that about half a trillion dollars of foreign flows went into emerging market government debt during 2010–12, mostly coming from foreign asset managers. Foreign central bank holdings have risen as well, but remain concentrated in a few countries: Brazil, China, Indonesia, Poland, Malaysia, Mexico, and South Africa. The authors also find that foreign investor flows to emerging markets were less

differentiated during 2010–12 against the background of near-zero interest rates in advanced economies. The paper extends some of the indicators proposed in our earlier paper to show how the investor base data can be used to assess countries' sensitivity to external funding shocks and to track foreign investors' exposures to different markets within a global benchmark portfolio.

Secondary Market

Sovereign credit ratings, market volatility, and financial gains (2014)

Afonso António - University of Lisbon; Gomes Pedro - Universidad Carlos III de Madrid; Taamouti Abderrahim - Universidad Carlos III de Madrid

Abstract: The reaction of EU bond and equity market volatilities to sovereign rating announcements (Standard & Poor's, Moody's, and Fitch) is investigated using a panel of daily stock market and sovereign bond returns. The parametric volatilities are filtered using EGARCH specifications. The estimation results show that upgrades do not have significant effects on volatility, but downgrades increase stock and bond market volatility. Contagion is present, with sovereign rating announcements creating interdependence among European financial markets with upgrades (downgrades) in one country leading to a decrease (increase) in volatility in other countries. The empirical results show also a financial gain and risk (value-at-risk) reduction for portfolio returns when taking into account sovereign credit ratings' information for volatility modelling, with financial gains decreasing with higher risk aversion.

Integration of European bond markets (2014)

Christiansen Charlotte

Abstract: I investigate the time variation in the integration of EU government bond markets. The integration is measured by the explanatory power of European factor portfolios for the individual bond markets for each year. The integration of the government bond markets is stronger for EMU than non-EMU members and stronger for old than new EU members. For EMU countries, the integration is weaker the lower the credit rating is. During the recent crisis periods, the integration is weaker, particularly for EMU countries.

Sovereign Risk, Uncertainty and Policy (2011)

Kilponen Juha - European Financial Stability Facility; Laakkonen Helina - University of Helsinki; Vilmunen Jouko - Bank of Finland

Abstract: Inspired by the seminal article of Knight (1921), finance literature has started to develop theoretical models where both risk and uncertainty affect the pricing of financial assets. In the traditional models of finance theory, pricing of assets reflect only risk, since the probability distributions of the outcomes are assumed to be known, or at least, are assumed to be predictable from the past behaviour. Recent theoretical research suggests that Merton's (1973) inter-temporal asset pricing model can be extended to allow disentangling risk and uncertainty in a simple way: the traditional risk-return relationship is simply augmented by a measure of uncertainty. The authors apply this theory to the European sovereign bond market data and estimate different variations of GARCH-M models, seeking to explain excess bond returns primarily by bid-ask spread (measure of uncertainty) and by conditional volatility (measure of risk). The authors also study to which extent the European crises resolution policies have had impact on risk-uncertainty-return trade-off. Our preliminary findings suggest that both risk and uncertainty matter for excess bond returns and the European sovereign crises resolution policies have been only partly successful in mitigating the sovereign risk.

Legal Issues and Conventions

The Impact of Foreign Governing Law on European Government Bond Yields (2014)

Clare Andrew - The Sir John Cass Business School; Schmidlin Nicolas - The Sir John Cass Business School

Abstract: The European debt-crisis and Greece's government debt restructuring in 2012 in particular, have highlighted the importance of the law governing bonds for investors and authorities alike. Sovereign bonds issued under foreign law are generally harder to restructure given the issuers' limited ability to change bond terms without the consent of a qualified majority or even the entirety of bondholders. In contrast, local law bonds can be restructured by simply changing domestic law. This paper examines the impact of the governing law on European government bond yields between 2008 and 2012. The authors find strong evidence to suggest that bonds issued under foreign law trade at a premium when political risk and restructuring risk are at their greatest. The authors find that the size of this premium can be used as a direct measure of restructuring or 'breach-of-contract' risk in government bond markets. The authors find that the average premium paid for foreign law bonds, as compared to bonds governed by local law, peaked at 262bp in terms of yield during the height of the crisis, when the very future of the Eurozone was at stake. However, by the end of 2012 investors seemed once again to be factoring a very low level of restructuring risk, despite the fact that between 88% and 100% of each Eurozone members' debt is currently issued under local law. Our view is that investors in Eurozone government debt would do well to remember the phrase: 'caveat emptor'.

Derivatives

[Sovereign Debt Renegotiation and Credit Default Swaps] (2013)

Salomao Juliana - Stanford University

Abstract: A credit default swap (CDS) contract provides insurance against default. After a country defaults, the country and its lenders usually negotiate over the share of the defaulted debt to be repaid. This paper incorporates CDS contracts into a sovereign default model and demonstrates that the existence of a CDS market results in lower default probability, higher debt levels, and lower financing costs for the country. Since the CDS payout is not automatically triggered by losses from renegotiations, the lender needs to be compensated for lower expected insurance payments. This leads to higher debt repayment in renegotiation, decreasing the benefits of defaulting, and hence allowing the country to borrow more at lower rates. Uncertainty over the insurance payout when the debt is renegotiated also explains the price discrepancy between CDS and bonds. Furthermore, this pricing dynamic during a debt crisis can be used to infer market perceptions of the probability of the CDS paying out after a renegotiation. To quantitatively illustrate the above effects, the model is calibrated to Greek data and the results show that increasing CDS levels from 0 to 5% of debt lowers the unconditional default probability from 2.6% to 2.0% per year with no impact on debt level. Further increasing the CDS to 40% of debt increases the equilibrium debt level by 15%.

[Monitoring the European CDS Market through Networks: Implications for Contagion Risks] (2014)

Clerc Laurent - Banque de France ; Gabrieli Silvia - Banque de France ; Kern Steffen - Banque de France El Omari Yanis - Banque de France

Abstract: Based on a unique data set referencing exposures on single name credit default swaps (CDS) on European reference entities, the authors study the structure and the topology of the European CDS market and its evolution from 2008 to 2012, resorting to network analysis. The structural features revealed show bilateral CDS exposures describing growing scale-free networks whose highly interconnected hubs constitute both a strength and weakness for the stability of the system. The potential "super spreaders" of financial contagion, identified as the most interconnected participants, consist mostly of banks. For some of them net notional exposures may be particularly large relative to their total common equity. Our findings also point to the importance of some non-dealer/non-bank participants belonging to the shadow banking system.

[Recovering from Derivatives Funding: A Consistent Approach to DVA, FVA and Hedging](2014)

Gunnesson Johan – BBVA; Muñoz de Morales Alberto Fernández – BBVA

Abstract: The inclusion of DVA in the fair-value of derivative transactions has now become standard accounting practice in most parts of the world. Furthermore, some sophisticated banks are including an FVA (Funding Valuation Adjustment), but since DVA can be interpreted as a funding benefit the oft-debated issue regarding a possible double-counting of funding benefits arises, with little consensus as to its resolution. One possibility is to price the derivative by replication, by constructing a portfolio that completely hedges all risks present in the instrument, guaranteeing a consistent inclusion of costs and benefits. However, as has recently been noted, DVA is (at least partially) un hedge able, having no exact market hedge. Furthermore, current frameworks shed little light on the controversial question, raised by Hull (2012), of whether the effect a derivative has on the riskiness of an institution's debt should be taken into account when calculating FVA. In this paper the authors propose a solution to these two problems by identifying an instrument, a fictitious CDS written on the hedging counterparty which, although not available in the market for active hedging, is implicitly contained in any given derivatives transaction. This allows us to show that the hedger's un hedged jump-to-default risk has, despite not being actively managed, a well-defined value associated to a funding benefit. Carrying out the replication including such a CDS, the authors obtain a price for the derivative consisting of its collateralized equivalent, a CVA contingent on the survival of the hedger, a contingent DVA, and an FVA, coupled to the price via the hedger's short-term bond-CDS basis. [...]

Institutional Arrangements for Debt Management

[The Path Towards an International Public Policy for Sovereign Debt Contracts] (2014)

Bismuth Regis - University of Poitiers

Abstract: Recent times have been rich in events highlighting the shortcomings of mechanisms for dealing with sovereign debt crises, especially when they involve private creditors. Both the Greek financial debacle and the spate of litigation arising from Argentina's 2001 default have exposed the obstacles to both the successful implementation of restructuring plans and the attempts to block the legal actions brought by private creditors not willing to participate in the restructuring of sovereign debt. Given this seeming disarray and the impediments to the establishment of sovereign insolvency

proceedings, the loan contract emerged as one of the most suitable instrument to ensure an orderly resolution of sovereign insolvency issues. In this context, it seems reasonable to examine the possible emergence of an "international public policy" for sovereign debt, the cornerstone of which would be the loan contract concluded between the State and its creditors.

Fairness and Reflexivity in the Cyprus Banking Crisis (2014)

Zenios Stavros A. - University of Cyprus

Abstract: The Cyprus debt crisis provides some unique lessons on crisis management. By the time an assistance program was agreed with the Troika, the problem had become so complex that a depositor bail-in was implemented. This was a policy first for Eurozone and is now becoming a blueprint for dealing with future banking crises. This paper examines the events for the one-year period before the two euro group meetings on Cyprus on 17 and 25 March 2013 and the resulting resolution of the two systemic banks of the country with depositor bail-in. The authors show how delays in dealing with the crisis exacerbated the problem but also how the tools brought in to solve the problem created significant adverse side effects. Available evidence questions the validity of confidential studies guiding the policy decisions on depositor haircut and argues that the implemented bail-in violated international principles of fairness.

Institutional Framework

Post-crisis economic governance in Latvia: the European Semester, the Balance-of-Payments programme, and euro accession convergence (2013)

Eihmanis Edgars - University of Amsterdam

Abstract: Following-up on Latvia's formal adoption into the Eurozone this July 2013 and the regular European Semester policy coordination cycle, the paper explores recent economic governance in Latvia – the only country which has been under three distinct EU economic governance frameworks. Aside the euro accession convergence procedure and the European Semester, Latvia recently also accomplished the Balance-of-Payments (BoP) programme as it faced a default in 2008. Covering the time period approximately from early 2011 to mid-2013, the paper aims to explore the procedures and implications of these three frameworks, as various economic policies have been designed by collaborations between the national authorities, on the one hand, and Brussels institutions, on the other. By 'process tracing' via the relevant policy documents and 'elite interviews' with policy makers in Riga and Brussels, the paper finds that until Latvia's formal accession to the Eurozone this summer the Latvian government – inspired by a particular set of rationales and ideas prioritizing 'market confidence' and 'financial stability' – has exercised considerable discretion, strategically cherry-picking the governance frameworks to comply with its preferences. Specifically, the government secured compliance with the euro accession inflation target at the cost of (postponing) urgent reforms in social policy, as set out by the Country-Specific Recommendations (CSRs).[...]

Accounting, Transparency and Accountability

The Strange Case of Doctor Jekyll (Alias the UK HM Treasury) and Mr Hyde (Alias its Public Debt Management) in the Aftermath of the Global Financial Crisis (2014)

Biondi Yuri - French National Center for Scientific Research (CNRS)

Abstract: Since the 1990s at least, UK HM Treasury has been leading a general transformation of public service and the relationship between public and private sectors, driven by a distinctive preference for the private sector. This preference has led to transplant the IFRS to provide a balance sheet accounting representation of public administration, while favoring the recourse to private actors for financing, delivering and even auditing the public service. However, in the aftermath of the Global Financial Crisis, since 2007-8, the joint action of the HM treasury and the Bank of England has been running exceptional policies that belong to and activate the very financial-economic core which constitutes the specific economy of public administration: (i) its use of public borrowing for redistributive purposes; and (ii) its public debt management based upon issuance and progressive refinancing over time. Our analysis provides clear-cut evidence of these policies and their material impact on public debt management. Indeed the authors shall tell the strange case of Doctor Jekyll who advocates the imitation of private sector by the public administration, while Mister Hyde does actually foster action based upon the specific economic nature of public administration, which makes it and its public debt different from private entities and their corporate securities.

Coordination with other Policies and Operations

Efficient Energy Investment and Fiscal Adjustment in Senegal (2014)

Issoufou Salifou - International Monetary Fund; Buffie Edward F. - Indiana University; Diop Mouhamadou Bamba – Indipendent ; Thiaw Kalidou - Université de Bourgogne

Abstract: Senegal's fiscal deficit and public debt have been on the rise in recent years owing partly to an ailing and inefficient oil-based energy sector. In this paper the authors use a two-sector, open-economy, dynamic general equilibrium model to investigate the effects of varying fiscal policy instruments one at a time and of policy packages that increase public investment in energy and infrastructure in scenarios with varying degrees of debt finance and with different types of supporting fiscal adjustment. Lowering the fiscal deficit by raising taxes and cutting government expenditure has adverse effects on growth, real wages and the supply of public services. Senegal does not need, however, to undertake such difficult fiscal adjustment. A public investment program that coordinates new investment in low-cost hydroelectric, coal or gas-fired power with a phased contraction of the oil-based sector raises the total supply of energy by 70 percent, increases real wages and real GDP, stimulates private investment, and significantly reduces the fiscal deficit in the medium long term. More aggressive investment programs borrow against future fiscal gains to combine new energy investments with either delayed or frontloaded investments in non-energy infrastructure. These programs lead to much higher real wages and real GDP while keeping public debt sustainable and the fiscal deficit low in the medium and long term.

[Fiscal activism and the zero nominal interest rate bound](#) (2013)

Schmidt Sebastian - European Central Bank

Abstract: I show that the zero nominal interest rate bound may render it desirable for society to appoint a fiscally activist policymaker who cares less about the stabilization of government spending relative to inflation and output gap stabilization than the private sector does. I work with a simple New Keynesian model where the government has to decide each period afresh about the optimal level of public consumption and the one period nominal interest rate. A fiscally activist policymaker uses government spending more aggressively to stabilize inflation and the output gap in a liquidity trap than an authority with preferences identical to those of society as a whole would do. The appointment of an activist policymaker corrects for discretionary authorities' disregard of the expectations channel, thereby reducing the welfare costs associated with zero bound events.

[Honoring Sovereign Debt or Bailing Out Domestic Residents: A Theory of Internal Costs of Default](#) (2013)

Mengus Eric - Banque de France

Abstract: The internal cost of default, an important driver of sovereign debt repayment, increases with domestic portfolios' home bias. And so, when using capital controls or other instruments to steer these portfolios, a country faces a trade-off between commitment to repay and diversification. But why does a borrowing country not eschew the internal cost of default through domestic sector bailouts? And why does their sovereign not intermediate the diversification through swaps and other hedging devices? Answering these two questions is key to fathom the nature of internal costs of default. This paper investigates sovereign debt sustainability in a model where domestic and foreign investors optimally select their portfolios and the sovereign optimizes over its debt, default and bailout policies. It derives conditions under which internal bailouts do not preclude sovereign borrowing and establishes when, despite their disciplining benefits, capital controls are undesirable.

[The Transmission of Federal Reserve Tapering News to Emerging Financial Markets](#) (2014)

Aizenman Joshua - University Park; Binici Mahir - Central Bank of Turkey; Hutchison Michael M. - University of California

Abstract: This paper evaluates the impact of tapering "news" announcements by Fed senior policy makers on financial markets in emerging economies. The authors apply a panel framework using daily data, and find that emerging market asset prices respond most to statements by Fed Chairman Bernanke, and much less to other Fed officials. The authors group emerging markets into those with "robust" fundamentals (current account surpluses, high international reserves and low external debt) and those with "fragile" fundamentals and, intriguingly, find that the stronger group was more adversely exposed to tapering news than the weaker group. News of tapering coming from Chairman Bernanke is associated with much larger exchange rate depreciation, drops in the stock market, and increases in sovereign CDS spreads of the robust group compared with the fragile group. A possible interpretation is that tapering news had less impact on countries that received fewer inflows of funds in the first instance during the quantitative years and had less to lose in terms of repatriation of capital and reversal of carry-trade activities.

[Improving the Monitoring of the Value of Implicit Guarantees for Bank Debt](#) (2014)

Schich Sebastian - OECD Deputy Secretary General - Chief Economist; Bijlsma Michiel - CPB Netherlands - Head of the DCR; Mocking Remco - CPB Netherlands – researcher

Abstract: The value of implicit guarantees has declined from its peak at the height of the financial crisis, which is consistent with progress made

regarding the bank regulatory reform agenda, as one would expect that many of the reform measures imply a more limited value of implicit guarantees for bank debt. Implicit guarantees persist however and their value continues to be significant, estimated here to be equivalent to EUR 50 billion of annual funding costs savings for a sample of more than 100 large European banks. This estimated funding cost advantage is a conservative estimate as it only focuses on one type of debt that can be measured in 'real-time', that is as data on credit ratings, debt issuance and prices of debt become available. In any case, bank debt continues to be considered "special" by market participants and this observation implies that the substantial economic distortions, including distortions to risk-taking incentives and competition, arising from this situation also persist.

[Foreign exchange intervention and the banking system balance sheet in emerging market economies]() (2014)

Gadanecz Blaise – BIS; Mehrotra Aaron – BIS; Mohanty M S – BIS

Abstract: Large-scale forex intervention in emerging market economies (EMEs) aimed at resisting currency appreciation has major implications for the composition of banking system balance sheets. The domestic monetary consequences depend on the nature of central bank liabilities that are the counterpart of forex reserves. Even if the immediate change in bank reserves due to FX intervention is offset by the sale of securities, bank lending may still be stimulated, running counter to the aims of the monetary authority. In this paper, the authors empirically investigate the impact of banks' holdings of liquid government securities, generated by such intervention, on bank credit in a panel of EMEs. The authors find that, for well capitalised banking systems, holdings of government and central bank paper over time lead to an expansion in their credit to the private sector. This result is confirmed at both country and bank level. The balance sheet effects of large-scale FX intervention therefore require close attention.

Monetary Policy

Cross-country insurance mechanisms in currency unions (2013)

van Beers Nancy - Netherlands Bureau for Economic Policy Analysis; Bijlsma Michiel - Netherlands Bureau for Economic Policy Analysis

Abstract: Countries in a monetary union can adjust to shocks either through internal or external mechanisms. The authors quantitatively assess for the European Union a number of relevant mechanisms suggested by Mundell's optimal currency area theory, and compare them to the United States.
For this purpose, we update a number of empirical analyses in the economic literature that identify (1) the size of asymmetries across countries and (2) the magnitude of insurance mechanisms relative to similar mechanisms and compare results for the European Monetary Union (EMU) with those obtained for the US.

Debt Redemption Fund: Conditio Sine Qua Non? Government Bonds in the Euro Area Crisis (2013)

Tober Silke

Abstract: Fiscal austerity has not led to a return of confidence and it is not at all certain that the current crisis strategy can be sustained politically and will eventually succeed. Government bonds of crisis-hit countries have lost their safe asset status and high risk premiums are impairing monetary transmission. Within its mandate the ECB is in principal able to do what it takes to put an end to this crisis, but only if euro area governments tow the same line. A well-designed debt redemption fund could restore confidence and enhance growth by repairing the monetary transmission mechanism and allowing the expansionary monetary policy of the ECB to reach the crisis-hit countries. Combined with additional policies to foster growth and rebalancing in the euro area, a temporary debt redemption fund could be instrumental in engineering an economic turn-around. The paper touches upon the recent OMT-decision of the German Federal Constitutional Court, euro(basket)bonds and eurobills.

Financial conditions index and credit supply shocks for the euro area (2014)

Darracq Paries Matthieu - European Central Bank; Maurin Laurent - European Central Bank; Moccero Diego - European Central Bank

Abstract: In this paper the authors implement a two-step approach to construct a financing conditions index (FCI) for the euro area and its four larger member states (Germany, France, Italy and Spain). The method, which follows Hatzius et al. (2010), is based on factor analysis and enables to summarise information on financing conditions from a large set of financial indicators, controlling for the level of policy interest rates, changes in output and inflation. We find that the FCI tracks successfully both worldwide and euro area specific financial events. Moreover, while the national FCIs are constructed independently, they display a similar pattern across the larger euro area economies over most of the sample period and varied more widely since the start of the sovereign debt crisis in 2010. Focusing on the euro area, the authors then incorporate the FCI in a VAR model comprising output, inflation, the monetary policy rate, bank

loans and bank lending spreads. The credit supply shock extracted with sign restrictions is estimated to have caused around one fifth of the decline in euro area manufacturing production at the trough of the financial crisis and a rise in bank lending spreads of around 30 basis points. The authors also find that adding the FCI to the VAR enables an earlier detection of credit supply shocks.

The Safety Trap (2014)

Caballero Ricardo J. – MIT; Farhi Emmanuel - Harvard University

Abstract: Recently, the global economy has experienced recurrent episodes of safe asset shortages. In this paper the authors present a model that shows how such shortages can generate macroeconomic phenomena similar to those found in liquidity trap scenarios. Despite the similarities, there are also subtle but important differences which carry significant impacts on the relative effectiveness of economic policy and potential market solutions to the underlying problem. For example, while forward guidance policies are typically more effective than quantitative easing ones in the standard liquidity trap environment, the opposite holds in safety trap contexts. Also, while asset bubbles (market solutions) and public debt are both effective in liquidity traps, only the latter are in safety traps. Essentially, a safe asset shortage is a deficit of a particular form of wealth (safe wealth), which the government has comparative advantage in supplying. Forward guidance and financial bubbles, which increase risky wealth and stimulate the economy in liquidity traps, fail to do so in safety traps as they are dissipated through higher spreads.

Reforming the international monetary system in the 1970s and 2000s: would an SDR substitution account have worked? (2014)

McCauley Robert N – BIS; Schenk Catherine R – BIS

Abstract: This paper analyses the discussion of a substitution account in the 1970s and how the account might have performed had it been agreed in 1980. The substitution account would have allowed central banks to diversify away from the dollar into the IMF's Special Drawing Right (SDR), comprised of US dollar, Deutsche mark, French franc (later euro), Japanese yen and British pound, through transactions conducted off the market. The account's dollar assets could fall short of the value of its SDR liabilities, and hedging would have defeated the purpose of preventing dollar sales. In the event, negotiators were unable to agree on how to distribute the open-ended cost of covering any shortfall if the dollar's depreciation were to exceed the value of any cumulative interest rate premium on the dollar. As it turned out, the substitution account would have encountered solvency problems had the US dollar return been based on US Treasury bill yields, even if a substantial fraction of the MF's gold had been devoted to meet the shortfall at recent, high prices for gold. However, had the US dollar return been based on US Treasury bond yields, the substitution account would have been solvent even without any gold backing.

Fiscal Policy and Budget Management

The Output Effect of Fiscal Consolidations (2013)

Alesina Alberto - Harvard University, IGIER-Bocconi, CEPR and NBER; Favero Carlo - Deutsche Bank Chair, IGIER-Bocconi, and CEPR; Giavazzi Francesco - IGIER-Bocconi, CEPR and NBER

Abstract: Fiscal consolidations achieved by means of spending cuts are much less costly in terms of output losses than tax-based ones. The difference cannot be explained by accompanying policies, including monetary policy, and it is mainly due to the different response of business confidence and private investment.

Fiscal Limits, External Debt, and Fiscal Policy in Developing Countries (2014)

Bi Huixin - Bank of Canada; Shen Wenyi - Oklahoma State University; Yang Shu-Chun S. - International Monetary Fund

This paper studies fiscal policy effects in developing countries with external debt and sovereign default risks. State-dependent distributions of fiscal limits are simulated based on macroeconomic uncertainty and fiscal policy specifications. The analysis shows that expected future revenue plays an important role in the low fiscal limits of developing countries, relative to those of developed countries. External debt carries additional risks since large devaluation of the real exchange rate can suddenly raise default probabilities. Consistent with majority views, fiscal consolidations are counterproductive in the short and medium runs. When an economy approaches its fiscal limits, government spending can be less expansionary than in a low-debt state. As more revenue is required to service debt in a high-debt state, higher tax rates raise the economic cost of increasing consumption, reducing the fiscal multiplier.

Deep Roots of Fiscal Behavior (2013)

Cevik Serhan - International Monetary Fund; Teksoz Katerina - Columbia University

Abstract: This paper investigates the determinants of fiscal policy behavior and its time-varying

volatility, using panel data for a broad set of advanced and emerging market economies during the period 1990–2012. The empirical results show that discretionary fiscal policy is influenced by policy inertia, the level of public debt, and the output gap in both advanced and emerging market economies. In addition, the paper finds that macro-financial factors—such as real exchange rate, financial development, interest rates, asset prices, and natural resource rents—and demographic and institutional factors—such as the old-age dependency ratio, the quality of institutions, and policy anchors such as fiscal rules and IMF-supported stabilization programs—tend to have a significant effect on fiscal policy behavior. The results also indicate that higher government debt leads to more volatile fiscal behavior, while fiscal rules and higher institutional quality reduce the volatility of fiscal policy over time.

From Volatility to Stability in Expenditure: Stabilization Funds in Resource-Rich Countries (2014)
Sugawara Naotaka - International Monetary Fund

Abstract: This paper examines the effect of stabilization funds on the volatility of government expenditure in resource-rich countries. Using a panel data set of 68 resource-rich countries over 1988–2012, the results find that the existence of stabilization funds contributes to smoothing government expenditure. The spending volatility in countries that have established such funds is found to be 13 percent lower in the main estimation, and similar impacts are found in robustness tests. The analysis also shows that political institutions and fiscal rules are significant factors in reducing the expenditure volatility, while highlighting the roles of the size of economy, diversified exports, real sector management, and financial markets.

Credibility on the (Bottom) Line: The Fiscal Accountability of Canada's Senior Governments, 2013
Robson William - C.D. Howe Institute; Busby Colin - C.D. Howe Institute

Abstract: Each spring, Canada's federal, provincial and territorial legislatures vote budgets that set out their spending and revenue goals for the fiscal year. Budget votes are critical for holding governments accountable to legislators, and in turn to voters and taxpayers. Over the last decade, however, Canada's senior governments have overshot their spending targets by some $47 billion combined. More accuracy in hitting budgeted amounts would have made today's taxes and public debt lower. A related problem is deficiencies in financial reporting. In many provinces and territories, the average citizen or legislator would have trouble simply finding and comparing the key numbers in the budget and in the end-of-year financial reports. While Ottawa and Ontario prepare their principal financial documents using the same basis of accounting, display the relevant numbers prominently, and provide informative reconciliations between budgets and results, in most of the other provinces and territories, inconsistent presentations of multiple revenue and spending figures would stump any but the most expert reader. Our 2013 fiscal accountability survey of Canada's senior governments' evaluates the clarity and adherence to public sector accounting standards in each government's budgets and public accounts, and assigns letter grades to each one.

Fiscal challenges after the global financial crisis : a survey of key issues (2014)
Lopez-Claros Augusto - World Bank.

Abstract: The global financial crisis and the response to it have contributed to a sharp increase in public indebtedness in a large number of countries. While there have been episodes of high debt in the past, there are a number of long-term challenges today that are likely to complicate the implementation of sustainable fiscal policies in the coming years. Population aging and climate change are factors that are likely to contribute to rising fiscal pressures and the crisis has highlighted the risks and vulnerabilities stemming from reduced fiscal space. This paper argues that heightened fiscal challenges can only be dealt with successfully by adopting a long-term fiscal planning horizon. The paper analyzes a range of available policy tools that countries have used in the past to improve fiscal management. Particular attention is paid to the role of rules-based policies, improvements in the budget process, better accounting of long-term liabilities in the government budget, the deleterious effects of unproductive expenditures, and the painful trade-offs created by the crisis and the toolkit at hand to address them.

Public Debt in Macroeconomic Analysis

Sovereign Debt and CDS - A Welfare Analysis (2012)
Baumert Jeanine - European University Institute

Abstract: This paper develops a game theoretic model of government borrowing, where the lender can insure himself against government default. Under quite general specifications the authors characterize the sub-game perfect equilibrium with and without credit insurance and compare both equilibria in order to understand the welfare implications. The authors find that under risk-neutrality credit insurance always leads to a welfare improvement. In case of risk-aversion on the other

hand, the welfare impact is ambiguous and depends on the level of initial wealth.

Debt Sustainability, Public Investment, and Natural Resources in Developing Countries: the DIGNAR Model (2014)

Melina, Giovanni - City University London; Yang Shu-Chun S. - International Monetary Fund; Zanna Luis-Felipe - International Monetary Fund

Abstract: This paper presents the DIGNAR (Debt, Investment, Growth, and Natural Resources) model, which can be used to analyze the debt sustainability and macroeconomic effects of public investment plans in resource-abundant developing countries. DIGNAR is a dynamic, stochastic model of a small open economy. It has two types of households, including poor households with no access to financial markets, and features traded and no traded sectors as well as a natural resource sector. Public capital enters production technologies, while public investment is subject to inefficiencies and absorptive capacity constraints. The government has access to different types of debt (concessional, domestic and external commercial) and a resource fund, which can be used to finance public investment plans. The resource fund can also serve as a buffer to absorb fiscal balances for given projections of resource revenues and public investment plans. When the fund is drawn down to its minimal value, a combination of external and domestic borrowing can be used to cover the fiscal gap in the short to medium run. Fiscal adjustments through tax rates and government non-capital expenditures—which may be constrained by ceilings and floors, respectively—are then triggered to maintain debt sustainability. The paper illustrates how the model can be particularly useful to assess debt sustainability in countries that borrow against future resource revenues to scale up public investment.

Assessing Bias and Accuracy in the World Bank-IMF's Debt Sustainability Framework for Low-Income Countries (2014)

Abstract: The World Bank and the IMF have adopted a debt sustainability framework (DSF) to evaluate the risk of debt distress in Low Income Countries (LICs). At the core of the DSF are empirically-based thresholds for each of five different measures of the debt burden (the "debt threshold approach" DTA). The DSF contains a rule for aggregating the information contained in these five different variables which the authors label the "worst-case aggregator" (WCA) in view of the fact that the DSF considers a breach of any one of the thresholds sufficient to indicate a high risk of debt distress. However, neither the DTA nor the WCA has heretofore been subject to empirical testing. The authors find that: (1) the DTA loses information relative to a simple proposed alternative; (2) the WCA is too conservative (predicting crises too often) in terms of the loss function used in the DSF; and (3) the WCA is less accurate than some simple proposed alternative aggregators as a predictor of debt distress.

Surging Investment and Declining Aid: Evaluating Debt Sustainability in Rwanda (2014)

Clark Will - International Monetary Fund; Arnason Birgir - International Monetary Fund

Abstract: Rwanda is a unique case among its Sub-Saharan African peers in that it has already undergone a large scaling-up of public investment. The Rwandan government has made clear its desire to lower its reliance on foreign aid while still maintaining high public investment levels. The authors use the model of public investment, growth, and debt sustainability in Buffie et al. (2012) to evaluate the macroeconomic consequences of a possible scaling-down of investment in Rwanda. Using the model, the authors can gauge the consequences of different financing mechanisms and investment efficiency levels on the economy. The authors find that with some commercial borrowing and a modest tax adjustment, the authorities may be able to retain their high investment spending while still reducing their reliance on foreign aid.

Wealth shocks, credit-supply shocks, and asset allocation: evidence from household and firm portfolios (2014)

Kick Thomas; Onali Enrico - Bangor University; Ruprecht Benedikt - Deutsche Bundesbank; Schaeck Klaus - Bangor University

Abstract: In this paper the authors use a unique dataset with bank clients' security holdings for all German banks to examine how macroeconomic shocks affect asset allocation preferences of households and non-financial firms. Our analysis focuses on two alternative mechanisms which can influence portfolio choice: wealth shocks, which are represented by the sovereign debt crisis in the Euro area, and credit-supply shocks which arise from reductions in borrowing abilities during bank distress. While households with large holdings of securities from stressed Euro area countries (Greece, Ireland, Italy, Portugal, and Spain) decrease the degree of concentration in their security portfolio as a result of the Euro area crisis, nonfinancial firms with similar levels of holdings from stressed Euro area countries do not. Credit-supply shocks at the bank level result in lower concentration, for both households and non-financial corporations. Only shocks to corporate

credit bear ramifications on bank clients’ portfolio concentration. Our results are robust to falsification tests, and instrumental variables estimation.

External and macroeconomic adjustment in the larger euro area countries (2014)

Angelini Elena - European Central Bank; Ca’ Zorzi Michele - European Central Bank; Forster Katrin - European Central Bank

Abstract: A balanced current account in the euro area has disguised sizeable net lending imbalances at the country level, exposing the common currency area to severe pressures during the…financial crisis. The key contribution of this paper is to evaluate the adjustment process through the lenses of the New Multi Country Model at the country and sectorial level. The authors find that shocks to the external, fiscal and monetary environment help explain, to a large degree, the sizable current account adjustment and rise in unemployment in Spain. The model also suggests that a recovery in wage competitiveness helps to reduce external deficits at the cost of higher net borrowing by households. The stimulus effects on aggregate demand, via the interest rate response of the common monetary authority and the competitiveness channel, are present but not overly large, as the rebound in economic activity depends mainly on global demand, supportive monetary policy, business and consumer confidence.

Debt and Economic Growth: Is There Any Causal Effect? An Empirical Analysis with Structural Breaks and Granger Causality for Greece (2014)

Tasos Stylianou - University of Macedonia

Abstract: During the last decade Greece has faced many economic problems. The economy is teetering on the brink of bankruptcy and the debt deepens. In this paper the authors will examine whether the debt is promoting economic growth in Greece. The authors use time series data from 1980 to 2010. The data is fitted into the regression equation using econometric techniques such as Phillips – Perron, Augment Dickey – Fuller and KPSS. The authors are testing the variables with techniques such as Zivot Andrew’s, Perron’s and Bai Perron’s tests to find any structural breaks. Then the authors are testing to see if there is any causal effect in our model with Granger causality test. The results reveal that there are structural breaks in the economy of Greece but no causality between the variables.

Credit Markets, Limited Commitment, and Government Debt (2014)

Carapella Francesca - Federal Reserve Board; Williamson Stephen D. - University of Iowa

Abstract: A dynamic model with credit under limited commitment is constructed, in which limited memory can weaken the effects of punishment for default. This creates an endogenous role for government debt in credit markets, and the economy can be non-Ricardian. Default can occur in equilibrium, and government debt essentially plays a role as collateral and thus improves borrowers’ incentives. The provision of government debt acts to discourage default, whether default occurs in equilibrium or not.

Intergenerational Justice and Public Policy in Europe (2014)

Vanhuysse Pieter - European Centre Vienna

Abstract: The essay summarizes European findings from the Bertelsmann Stiftung report 'Intergenerational Justice in Aging Societies' (Vanhuysse, 2013). Sustainability is the moral starting point for developing this four-dimensional snapshot intergenerational justice index: ‘enough and as good’ ought to be left by each generation to the next. I show that EU member states occupied 8 of the 9 highest positions on the pro-elderly bias of social spending in the late 2000s. Poland was in pole position as the most pro-elderly biased European welfare state, followed by Southern and Eastern European countries, and Austria. A new section, entitled 'The special trouble with Central Europe,' argues that adverse labor market, lifestyle and social policy cultures in the past two decades, combined with fast population aging in the next two decades, add up to a bleak ’generational politics’ picture for Poland, Hungary, the Czech Republic, Slovakia and Slovenia. The essay briefly discusses policy options for boosting intergenerational equity, ranging from the obvious (early childhood investment) to the radical (proxy votes for children).

Debt, Taxes, and Liquidity (2014)

Bolton Patrick - Columbia Business School; Chen Hui - MIT Sloan School of Management; Wang Neng - Columbia Business School

Abstract: The authors analyze a model of optimal capital structure and liquidity choice based on a dynamic tradeoff theory for financially constrained firms. In addition to the classical tradeoff between the expected tax advantages of debt and bankruptcy costs, the authors introduce a cost of external financing for the firm, which generates a precautionary demand for liquidity and an optimal liquidity management policy for the firm. An important new cost of debt financing in this context is an endogenous debt servicing cost: debt

payments drain the firm's valuable liquidity reserves and thus impose higher expected external financing costs on the firm. The precautionary demand for liquidity also means that realized earnings are separated in time from payouts to shareholders, implying that the classical Miller-formula for the net tax benefits of debt no longer holds. Our model offers a novel perspective for the "debt conservatism puzzle" by showing that financially constrained firms choose to limit debt usages in order to preserve their liquidity. In some cases, they may not even exhaust their risk-free debt capacity.

Articles in reviews

Core Topics

Debt Policy in Ukraine: Realities and Prospects (2014)

Liliia Ya. Bench - Kyiv National Economic University named after. V. Getman; Roksolana M. Kornatska - Kyiv National Economic University named after. V. Getman

Abstract: The article speaks about specific features of debt policy of Ukraine in the post-crisis period. It focuses on a necessity of stabilisation of the debt situation in countries with different levels of socio-economic development. It marks out reasons and analyses measures realised by governments for strengthening the country's solvency and ensuring the budget space required for economic development. It analyses individual risks of the debt portfolio of Ukraine that are of top importance in the process of the state debt management. These risks include the risk of high share of debt in the debt structure, risk of the level of development of internal market of borrowings, etc. Taking into account the world progressive technologies of realisation of the debt policy the article offers directions of improvement of the state debt management in Ukraine. This would allow use of the potential of debt finances as an efficient tool of ensuring macro-financial stability and sustainable economic growth.

Accounting, Transparency and Accountability

Private credit and public debt in financial crises (2014)

Jorda Oscar; Schularick Moritz - University of Bonn
Taylor Alan M. - University of California, Davis

Abstract: Recovery from a recession triggered by a financial crisis is greatly influenced by the government's fiscal position. A financial crisis puts considerable stress on the government's budget, sometimes triggering attacks on public debt. Historical analysis shows that a private credit boom raises the odds of a financial crisis. Entering such a crisis with a swollen public debt may limit the government's ability to respond and can result in a considerably slower recovery.

Fiscal Policy and Budget Management

Approaches to the "State Debt" Term Definition (2014)

Svitlana M. Zhylyenko - Black Sea State University named after P. Mohyla; Olena O. Lyakhovets - Black Sea State University named after P. Mohyla

Abstract: Insufficiency of fiscal possibilities of taxation for fulfillment by state its functions cause budget unbalances, which manifest themselves in exceeding budget expenditures over receipts. In order to cover the budget deficit the government attracts state loans, which cause appearance and accumulation of the state debt. Development of efficient debt policy and mechanism of state debt administration requires its clear conceptualisation. To achieve this the article applies philosophic and semantic approaches for the study of the essence of the state debt. The use of the philosophic approach allowed the study of multi-aspect nature of the state debt through the prism of such correlative categories as "essence", "phenomenon", "content" and "form". Using the semantic approach the article differentiates "debt" and "indebtedness" notions. The article also studies definitions of domestic and foreign scientists, analyses them and offers a clarified definition of the state debt, which takes into account the multi-aspect nature of this notion.

Public Debt in Macroeconomic Analysis

ECB staff macroeconomic projections for the euro area

European Central Bank - European Central Bank

The article summaries the macroeconomic projections for the euro area not only for the period 2014 and 2015 but also, for the first time, for the year 2016. Projections for a period over such a long horizon, however, are subject to very high uncertainty. This needs to be borne in mind when interpreting the macroeconomic projections.

International banking and financial market developments (2014)

Borio Claudio – BIS; Domanski Dietrich – BIS; Upper Christian – BIS; Turner Philip – BIS

Abstract: The retrenchment from emerging market economies resumed in full force around the turn of the year, as their subdued growth outlook continued to diverge from the optimistic sentiment in mature markets and as US monetary policy reduced the flow of easy money. Investors were also unsettled by signs of economic weakening and growing financial risks in China. The upshot was portfolio outflows and declining asset values. In parallel, some emerging market currencies depreciated sharply, prompting authorities to defend them by raising policy rates and intervening in foreign exchange markets.[...]

Books

Active Debt Management

Collateral and Financial Plumbing (2014)

Singh Manmohan – IMF

Summary: Collateral is one of the building blocks on which the financial markets are constructed. Used for a number of purposes - including trading with central counterparties (CCPs), secured funding with market counterparties and central banks, OTC derivatives margining and settlement - the role of effective collateral management in monetising assets has never been more important. Until now, policy makers have tended to ignore the complex collateral plumbing that is fundamental to lending and enabling growth in the economy. Attention is now focused on this important issue. This book, the first of its kind, is written by the leading authority on collateral Manmohan Singh. He leads you through the complex world highlighting the importance of financial plumbing and provides a practical understanding of how financial collateral moves across jurisdictions. This is a must have guide to navigating the future as rules and regulations for the global financial markets are redrawn. Through a thorough examination of the role collateral plays in the market you will gain a deep understanding of complex and important topics such as central clearinghouses, OTC derivatives, repo and securities.

Reinventing Retail Lending Analytics - 2nd Impression (2014)

Breeden Joseph - President and chief operating officer of Strategic Analytics Inc

Summary: This book describes the components necessary for creating robust and effective models for portfolio performance diagnostics, forecasting, stress testing and economic capital. These concepts are also extended to account-level scoring to show how to move from simple rank-ordering to scenario-based prediction of default probabilities for individual loans. All retail loan types are considered, including the modeling of securitised pools. This book describes retail models in simple language yet it goes beyond just describing implementation as the majority of the book is filled with best practices from the author's 15 years of experience in the industry and a wide range of industry examples. The book shows you the right way to use these models in many specific problem areas, typical results, how best to validate the models and pitfalls to avoid. This is the only book describing a class of models that worked through the US mortgage crisis, it is the only book that presents models for all retail lending functions that can be integrated across an institution, and it is the only book that captures industry best practices for retail lending. Every retail lending analyst should read this as the textbook for their industry.

Web Resources

Core Topics in Debt Management

Debt Sustainability Analysis (DSAx)
International Monetary Fund
All government officials are welcome to apply. This course is particularly relevant for officials from ministries of finance, debt agencies, central banks, or other government agencies of IMF member countries involved in advice or implementation of macroeconomic and debt policies.

OECD Sovereign Borrowing Outlook 2014
OECD
Each year, the OECD circulates a survey on the borrowing needs of member countries. The responses are incorporated in the OECD Sovereign Borrowing Outlook to provide regular updates of trends and developments associated with sovereign borrowing requirements and debt levels from the perspective of public debt managers.[...]

Sovereign borrowing set to fall in 2014, says OECD
OECD
The Sovereign Borrowing Outlook 2014 estimates that gross borrowing requirements will total USD 10.6 trillion in 2014, down from USD 10.8 trillion in 2013.[...]

Post Trading

The euro swaps surprise
ISDA
As surprises come, it should have been a non-event. On March 18, Swedish clearing house Nasdaq OMX announced it had been authorised as a central counterparty (CCP) under the European Market Infrastructure Regulation (EMIR), the first in Europe to get the regulatory nod of approval.[...]

Multilateral Debt

Cyprus: Third Review Under the Extended Arrangement Under the Extended Fund Facility and Request for Modification of Performance Criteria-Staff Report; Press Release; and Statement by the Executive Director
International Monetary Fund
On May 15, 2013, the Executive Board approved a three-year Extended Arrangement under the Extended Fund Facility in the amount of SDR 891 million (563 percent of quota; about €1 billion).[...]

Republic of Armenia: Request for Arrangement Under the Extended Fund Facility; Staff Report; Press Release; and Statement by the Executive Director for the Republic of Armenia
International Monetary Fund
This Report describe the country's macroeconomic, structural, and social policies. [...]

St. Kitts and Nevis: 2014 Article IV Consultation and the Seventh and Eighth Reviews Under the Stand-by Arrangement and Request for Waivers of Applicability and Nonobservance of Performance Criterion-Staff Report; Press Relea
International Monetary Fund
This paper is the for the periodic consultation with the member country […]

Albania: 2013 Article IV Consultation and Request for Extended Arrangement
International Monetary Fund
This paper is the for the periodic consultation with the member country […]

First World Bank Green Bond Benchmark in Euros
The World Bank
The World Bank (International Bank for Reconstruction and Development, IBRD, rated Aaa/AAA) launched a EUR 550 million 3-year fixed rate global green bond, its inaugural green benchmark in this currency and its

second green bond of the year. World Bank Green Bonds support its lending to eligible development programs that are designed to address the challenges of climate change.

Burundi: Fourth Review Under the Extended Credit Facility Arrangement-Staff Report; Press Release
International Monetary Fund
This Report describe the country's macroeconomic, structural, and social policies. [...]

IMF Announces Staff Level Agreement with Ukraine on US$14-18 Billion Stand-By Arrangement
International Monetary Fund (IMF)
An International Monetary Fund (IMF) mission worked in Kyiv during March 4-25, to assess the current economic situation and discuss the authorities' economic reform program that could be supported by the IMF.[...]

Jamaica - Fiscal and Debt Sustainability Development Policy Project
The World Bank
Ratings for the Fiscal and Debt Sustainability Development Policy Project for Jamaica were as follows: outcome was moderately satisfactory, risk to development outcomes was high, Bank performance was moderately satisfactory, Borrower performance was moderately satisfactory, and monitoring and evaluation was modest. Some lessons learned included: it is essential for the Bank to work in close collaboration with the International Monetary Fund (IMF) and other development partners in development policy loan (DPL) operations to ensure complementarities and increase the likelihood of success of the overall program. […]

IMF Reform Is Waiting on the United States
The Peterson Institute for International Economics
The failure in mid-January by the US Congress to approve IMF reform legislation halted progress on Fund governance and damaged the US reputation around the world. If the IMF is to benefit strong and troubled economies alike, the administration and the Congress must make every effort to pass this legislation before the early-April meeting of the International Monetary and Financial Committee (IMFC). The reform legislation is designed to strengthen the IMF without the need to authorize additional funding, and there is no economic, financial, or political downside for the United States. The main issue before the US Congress is to ensure that the institution is credible in the eyes of all regions and countries. US formal approval is the only thing standing in the way of its implementation.

Developing Domestic Debt Management

Asian Bond Monitor – March 2014
Asian Development Bank
Emerging East Asian bond markets remained relatively stable in 4Q13 amid the financial turmoil swirling in emerging markets. However, global liquidity is likely to tighten as the United States (US) Federal Reserve is expected to continue tapering its monthly asset purchases. Bond yields in the region have risen since the tapering began in December 2013, and could rise further in the months ahead.

Legal Issues and Conventions

Assessment of Basel III capital regulations in Australia concluded by the Basel Committee
BIS
APRA completed the adoption of the Basel III risk-based capital regulations in November 2012 (Prudential Standards) and brought them into force on 1 January 2013. In Australia, Prudential Standards apply to all locally incorporated ADIs, including small and medium-sized commercial banking institutions that are not internationally active.[...]

Active Debt Management

Macroeconomic Imbalances- Italy 2014
European Commission
In this report there are results of in-depth reviews under Regulation (EU) No 1176/2011 on the prevention and correction of macroeconomic imbalances.

Emta Survey: 2013 Annual Emerging Markets Debt Trading At US$5.571 Trillion
Emta
Emerging Markets debt trading volumes stood at US$5.571 trillion in 2013, according to a report released today by EMTA, the trade association for the Emerging Markets debt trading industry. Trading rose just slightly from the US$5.559 trillion reported by EMTA Survey participants in 2012.[...]

Jamaica: Third Review Under the Extended Arrangement Under the Extended Fund Facility and Request for Modification of Performance Criteria-Staff Report; Press Release and Statement by the Executive Director
International Monetary Fund
This Report describe the country's macroeconomic, structural, and social policies. [...]

Risk Management Models

The standardised approach for measuring counterparty credit risk exposures
BIS
This document presents the Basel Committee's formulation for its Standardised Approach (SA-CCR) for measuring exposure at default (EAD) for counterparty credit risk (CCR). The SA-CCR will replace both current non-internal models approaches, the Current Exposure Method (CEM) and the Standardised Method (SM).[...]

Institutional Arrangements for Debt Management

Can Venezuela Learn from Ukraine
The Peterson Institute for International Economics
Even as the crisis in Ukraine abates, with an incumbent president on the run and a prominent opposition leader freed from prison, a similar crisis in Venezuela rages on. While the nature and details of the two conflicts differ, both have been spurred by a fundamental disagreement regarding the country's economic development model.

Europe's Newest Steps Forward to Deal with Failing Banks
The Peterson Institute for International Economics
After 16 hours of marathon negotiations, the European Union struck a deal on March 20 to create a single resolution mechanism (SRM) and single resolution fund (SRF) for failing European banks.

Ukraine's Odious Bonds: Part II
The Peterson Institute for International Economics
In an earlier post, They suggested that the United Kingdom should refuse to enforce $3 billion in English-law Ukrainian bonds sold to Russia just before President Viktor Yanukovych fled the coop. This debt is special for two reasons. First, it came about as a lifeline to an unsavory government. Second, it was blatantly political lending trying to gain repayment advantage by masquerading as plain-vanilla private eurobonds.

Ukraine's Odious Bonds: Part I
The Peterson Institute for International Economics
Ukraine's debt payments over the next two years could easily eat up most of the pledged aid from the United States and the European Union.

Accounting, Transparency and Accountability

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

Statistics for Economic and Monetary Union. Enhancements and new directions, 2003-12, by Peter Bull
European Central Bank
This is the sequel to a book entitled "The development of statistics for Economic and Monetary Union", published by the ECB in 2004. [...]

Denmark Central government finance and debt, Febuary 2014
Denmarks National Bank
Danmarks Nationalbank publishes monthly statistics regarding the central government finance and debt.

Denmark Financial accounts - Quarterly, 4th quarter 2013
Denmarks National Bank
Danmarks Nationalbank publishes quarterly statistics regarding the Danish financial market.

DMO's Programmes and Reports

Quarterly Government Debt Management Prospect
Iceland National Debt Management Agency
In the Government Debt Management Prospect for 2014, it was announced that Treasury bonds would be issued in the amount of 50 b.kr. during the year. Issuance in the first quarter totals 20.2 b.kr. (market value), including 15.7 b.kr. in conventional auctions and 4.5 b.kr. in Central Bank of Iceland foreign currency auctions. A breakdown of the amounts sold can be seen in the table below.

A guide to the roles of the DMO and Primary Dealers in the UK government bond market
United Kingdom Debt Management Office
This Guidebook sets out the UK Debt Management Office's (DMO) relationship with and expectations of its primary dealer firms, Gilt-edged Market Makers (GEMMs). It updates and replaces previous versions of this document, the most recent of which was published in January 2013. Readers should note that the DMO has separate arrangements and counterparty relationships for the execution of its cash management operations.

Agence France Trésor Monthly Bulletin – March 2014
Agence France Trésor
L'État a emprunté à des taux historiquement bas en 2013 : le coût de financement à moyen et long terme a atteint un plancher de 1,54%, contre 1,86% en 2012, et une moyenne de 4,15% sur la période 1998-2007. Dans ces conditions, l'AFT a émis par syndication une nouvelle obligation à 30 ans à un taux historiquement bas de 3,26% en mars 2013 (cf. bulletin mensuel N°275 d'avril 2013) et poursuivi sa stratégie basée sur la flexibilité des adjudications (cf. bulletin mensuel N°276 de mai 2013 et n° 283 de décembre 2013) et la qualité de ses relations avec les investisseurs (cf. bulletin mensuel N°277 de juin 2013).

Coordination with other policies and operations

Banking structural reform (follow-up to the Liikanen report)
European Commission
In February 2012, the Commission established a High-level Expert Group to examine possible reforms to the structure of the EU's banking sector. In agreement with President Barroso, Commissioner Barnier appointed Erkki Liikanen - Governor of the Bank of Finland and a former member of the European Commission – as the chairman. The Group's mandate was to determine whether, in addition to ongoing regulatory reforms, structural reforms of EU banks would strengthen financial stability and improve efficiency and consumer protection, and, if so, to make proposals as appropriate. The Group started its work in February 2012 and presented its final report to the Commission on 2 October 2012. The Commission examined the possible reform options and their implications and, on January 2014, it adopted a proposal for a regulation.

The chartbook of economic inequality
VOX
Inequality -long ignored- is now centre stage in debate about economic policy around the globe. This column introduces the Chartbook of Economic Inequality, a summary of long-run changes in economic inequality for 25 countries over more than 100 years.

Angola: Second Post-Program Monitoring; Press Release; and Statement by the Executive Director for Angola
International Monetary Fund
Angola has returned to a path of solid economic growth, with single-digit inflation, a strong international reserves position, and a stable exchange rate. The authorities have made progress in strengthening some areas of fiscal and monetary policies. [...]

Myanmar: Second Review Under the Staff-Monitored Program-Staff Report and Press Release
International Monetary Fund
The authorities are pursuing a wide-ranging economic reform program against a background of political liberalization. Challenges are formidable, however, as the authorities' capacity to design and implement far-reaching reforms and absorb international assistance is being stretched. Macroeconomic situation and outlook: Growth has strengthened, led by services. [...]

Malaysia: 2013 Article IV Consultation-Staff Report; Press Release; and Statement by the Executive Director for Malaysia
International Monetary Fund
This paper is the for the periodic consultation with the member country […]

West African Economic and Monetary Union: Staff Report on Common Policies for Member Countries; Press Release; Statement by the Executive Director
International Monetary Fund
The region continued to experience a strong upswing in 2013 and the immediate outlook is for further vigorous growth and moderate inflation. Sustaining this performance over the medium term, however, will require ambitious growth-enhancing reforms, high quality public investment, and consolidation of the recent improvements in the regional political and security situation.[...]

Injecting a Little Risk into the Chinese Financial System
The Peterson Institute for International Economics
Moral hazard is a large and ongoing problem in the Chinese financial system. The past few years are full of examples of investors seeking government intervention on their behalf when a financial product goes bad. They have seen this type of behavior for bonds, trust products, wealth management products, real estate investments, and even individual stocks. The moral hazard problem isn't limited to investors; financial institutions themselves have been the recipients of frequent government bailouts and ongoing support in the form of an implicit government guarantee. It was heartening, therefore, to see regulators take two small steps towards addressing these problems over the past week.

Flying Blind: Monitoring Shadow Banking in Emerging Markets
The Peterson Institute for International Economics
The international focus on shadow banking is recent. This is understandable given that the concept of shadow banking itself is relatively new. The first usage of the term is ascribed to former-PIMCO economist Paul Mculley in 2007. Awareness of shadow banking grew during the global financial crisis, when many bank-linked special purpose vehicles went bad and brought down the banks down with them. In the subsequent years, the label of shadow banking has been applied to a variety of financial structures, ranging from relatively common financial products like money market mutual funds and real estate investment trusts to the more exotic, such as hedge funds and structured finance vehicles.

Evolving global challenges and policy options for Latin America
BIS
Remarks by Manuel Sánchez, Deputy Governor of the Bank of Mexico, at the 2014 IIF (Institute of International Finance) Latin America Economic Forum, Bahia, Brazil, 29 March 2014.

Monetary Policy

The European Central Bank Remains on Hold
The Peterson Institute for International Economics
Mario Draghi, president of the European Central Bank (ECB), noted in his recent testimony before the Committee on Economic and Monetary Affairs of the European Parliament that "in exceptional circumstances, our [the ECB's] measures were exceptional." The question now is whether current circumstances are exceptional enough to warrant additional nonstandard ECB measures, or perhaps whether there is a consensus on the ECB Governing Council that this is the case.

Forward guidance at the zero lower bound
BIS
Four major central banks have adopted new approaches to policy rate forward guidance with the aim of enhancing the effectiveness of monetary policy at the zero lower bound. In this special feature, the authors examine these approaches and assess their impact. So far, the forward guidance appears to have led to lower volatility of near-term expectations of the future path of policy rates, but the effects on the level of interest rate expectations and on the responsiveness of financial markets to news are less clear. At the same time, the

forward guidance raises a number of significant challenges. How they are managed will ultimately determine the enduring value of this communication tool.

The exit from the sovereign debt crisis: national policies, European reforms and monetary policy
BIS
Lectio magistralis by Mr Ignazio Visco, Governor of the Bank of Italy, at the Almo Collegio Borromeo, Pavia, 25 March 2014.

Mario Draghi: A consistent strategy for a sustained recovery
BIS
Lecture by Mr Mario Draghi, President of the European Central Bank, at Sciences Po, Paris, March 2014.

US monetary policy and emerging market economies
BIS
Remarks by Mr William C Dudley, President and Chief Executive Officer of the Federal Reserve Bank of New York, at the Roundtable Discussion in Honor of Terrence Checki "Three Decades of Crises: What Have We Learned?", Federal Reserve Bank of New York, New York City, 27 March 2014.

Fiscal policy and Budget Management

Asian Development Outlook 2014: Fiscal Policy for Inclusive Growth
ADB - Asian Development Bank
Developing Asia is expected to extend its steady growth. The region's growth is projected to edge up from 6.1% in 2013 to 6.2% in 2014 and 6.4% in 2015. Moderating growth in the People's Republic of China (PRC) as its economy adjusts to more balanced growth will offset to some extent the stronger demand expected from the industrial countries as their economies recover. [...]

Public Debt in Macroeconomic Analysis

World Economic Outlook (WEO) Update: Is the Tide Rising?
International Monetary Found
Global activity strengthened during the second half of 2013, as anticipated in the October 2013 World Economic Outlook (WEO). Activity is expected to improve further in 2014–15, largely on account of recovery in the advanced economies. Global growth is now projected to be slightly higher in 2014, at around 3.7 percent, rising to 3.9 percent in 2015, a broadly unchanged outlook from the October 2013 WEO.[…]

Egypt Economic Quarterly Review - Volume 5 - February 2014
African Development Bank
Economic activity in Egypt continues to be weighed down by political unrest, structural bottlenecks, and fiscal challenges. Growth has slowed down to about 2% post January 2011 revolution, and for the rest of 2014 and way into 2015, risks posed by political and security instability will continue to put stress on growth, fiscal balance, and public finances.

Macroeconomic Imbalances - Slovenia 2014
European Commission
In this report there are results of in-depth reviews under Regulation (EU) No 1176/2011 on the prevention and correction of macroeconomic imbalances.

Macroeconomic Imbalance - Malta 2014
European Commission
In this report there are results of in-depth reviews under Regulation (EU) No 1176/2011 on the prevention and correction of macroeconomic imbalances.

Macroeconomic Imbalances - Hungary 2014
European Commission
In this report there are results of in-depth reviews under Regulation (EU) No 1176/2011 on the prevention and correction of macroeconomic imbalances.

Macroeconomic Imbalances - Croatia 2014
European Commission

In this report there are results of in-depth reviews under Regulation (EU) No 1176/2011 on the prevention and correction of macroeconomic imbalances.

Macroeconomic Imbalances - Ireland 2014
European Commission
In this report there are results of in-depth reviews under Regulation (EU) No 1176/2011 on the prevention and correction of macroeconomic imbalances.

Macroeconomic Imbalances - Spain 2014
European Commission
In this report there are results of in-depth reviews under Regulation (EU) No 1176/2011 on the prevention and correction of macroeconomic imbalances.

Macroeconomic Imbalances - United Kingdom 2014
European Commission
This is the third IDR for the United Kingdom. The previous IDR was published on 10 April 2013 on the basis of which the Commission concluded that the UK was experiencing macroeconomic imbalances, in particular as regards developments related to household debt, the housing market and, to some extent, external competitiveness. [...]

Macroeconomic Imbalances- France 2014
European Commission
In this report there are results of in-depth reviews under Regulation (EU) No 1176/2011 on the prevention and correction of macroeconomic imbalances.

Macroeconomic imbalances - Sweden 2014
European Commission
In this report there are results of in-depth reviews under Regulation (EU) No 1176/2011 on the prevention and correction of macroeconomic imbalances.

Delivering the Eurozone 'Consistent Trinity'
VOX
Although progress has been made on resolving the Eurozone crisis – vulnerable countries have reduced their current-account deficits and implemented some reforms – more still needs to be done. This column argues for a 'consistent trinity' of policies: structural reforms within countries, more symmetric macroeconomic adjustment across countries, and a banking union for the Eurozone.

Developing economies need robust blueprints to sustain growth
World Bank
Five years after the global financial crisis, the world economy is showing signs of bouncing back this year, pulled along by a recovery in high-income economies, says the World Bank's latest Global Economic Prospects report.

Russian Economic Report 31: Confidence Crisis Exposes Economic Weakness
The World Bank
The lack of more comprehensive structural reforms has led to the erosion in businesses' and consumers' confidence, which became the decisive factor for the downward revision of the World Bank's November growth projections for Russia, says the World Bank's Russian Economic Report №31 launched in Moscow.

Belgium: 2014 Article IV Consultation-Staff Report; Press Release
International Monetary Fund
This paper is the for the periodic consultation with the member country [...]

The Bahamas: 2013 Article IV Consultation-Staff Report; Press Release
International Monetary Fund
This paper is the for the periodic consultation with the member country [...]

The recent turmoil in emerging economies
UNCTAD
Since early 2014, heightened volatility in international financial markets has hit emerging economies hard. In the year leading up to 5 March 2014, emerging economies saw about US$30 billion in equity outflows, which was twice as much as the total outflows for the whole of 2013 (Reuters, 2014a and 2014b).[...]

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* (14.151 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

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

15 April 2014 - Toulon, Palais des Congrès Neptune - France
2nd International Conference on Debt Crises and Financial Stability: Global Issues and Euro-Mediterranean Perspectives

21 April 2014 - Course Conducted Online
Debt Sustainability Analysis (DSAx)

24 April 2014 - National School of Applied Sciences in Agadir, IBN ZOHR University - Morocco
5th Euro-African Conference in Finance and Economics (CEAFE 2014)

25 April 2014 - Rochester, New York, Simon School of Business, University of Rochester
Carnegie-Rochester Conference on Public Policy "Uncertainty and the Macroeconomy"

28 April 2014 - Washington, D.C.
Conference "Macroeconomic and Financial Challenges Facing Latin America and the Caribbean after the Crisis"

29 April 2014 - Frankfurt am Main, European Central Bank - Germany
International dimensions of conventional and unconventional monetary policy

05 May 2014 - on line
Golden Growth: Restoring the Lustre of the European Economic Model

05 May 2014 - Danilovgrad, Montenegro
Macroeconomic Forecasting

07 May 2014 - Ljubljana, Slovenia
Medium-Term Budgeting

08 May 2014 - The Ritz-Carlton Hotel - Los Angeles, CA
EMTA Investor Forum in Los Angeles

08 May 2014 - European Bank for Reconstruction and Development, One Exchange Square, London
ICMA Capital Market Lecture Series 2014 - Sajid Javid

12 May 2014 - web-based
Fundamentos del Mercado de Capitales: Desarrollo y Regulación

19 May 2014 - Palais des Nations, Geneva, Switzerland
Multi-year Expert Meeting on Promoting Economic Integration and Cooperation, second session

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

Previously signaled

21 April - 22 May 2014 - web-based
Principles of Central Bank Reserve Management

21 April - 30 May 2014 - web-based
Capital Market Development & Regulation - Advanced Course

22 April 2014 - 250 Franklin Street - Boston, Ma
EMTA Investor Forum in Boston

28 April - 7 June 2014 - web-based
Basic Course on Public Debt Management

29 April 2014 - Cumberland Lodge, Windsor, UK
Financial Stability: Designing and Implementing Macroprudential Policy

29 April 2014 - Cumberland Lodge, Windsor, UK
Strategic Planning and Change Management for Central Banks

30 April 2014 - Washington, DC
International Retail Debt Management Symposium

2 - 3 May 2013 - Mövenpick Hotel Berlin, Germany
Fourth Debt Management Facility (DMF) Stakeholders' Forum

05 May 2014 - on line
Golden Growth: Restoring the Lustre of the European Economic Model

6 - 9 May 2014 - Cumberland Lodge, Windsor, UK
Central Bank Governance: the Role of the Board

7 May 2014 - Rosenwood, London, UK
The New Post-Trade World

8 May 2014 - The Langham – Auckland
2014 INFINZ Awards

8 May 2014 - Grand Hyatt Shanghai, Shanghai
OTC Derivatives Clearing Conference

15 May 2014 - Frankfurt am Main, Germany
The ICMA CBIC & The Covered Bond Report Conference

19 May 2014 - 8 Place Saint Augustin, Paris
ICMA Capital Market Lecture Series 2014 - Benoît Cœuré

22 May 2014 - Sandton Convention Centre, Johannesburg
ISDA Legal and Documentation Update

22 May 2014 - InterContinental Sydney, Sydney
Swap Execution Facilities: The Evolution of OTC Trading

22 - 23 May 2014 - Mexico City
National Asset Liability Management Americas Symposium

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

23 May 2014 - InterContinental Sydney, Sydney
Transaction Reporting 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

Presentations

Italy's Strategy for Reforms, Fiscal Sustainability and Economic Growth (2014)
Treasury Department - Italian Ministry of Economy and Finance

Contents: Italy's economy to strengthen on a structural basis; Clear signs of economic recovery, as projected by leading indicators of economic activity; Public finances are under control, with projected age-related expenditure among the lowest in the EU; Resilient financial system thanks to strict regulation and prudent strategy by Italian banks; Further structural reforms coupled with execution of the privatisation programme will lead to an increase in competitiveness and growth potential for the Italian economy.

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 19th March 2014, the number of total resources of the PDM Network website is 19.171 (of which 14.171 news, 2.160 papers and articles in reviews and books, 195 books and 1.787 webresources). The Members are 752, coming from 110 countries. 399 Partners belong to sovereign debt management institutions of emerging and advanced countries. This newsletter is sent to 573 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).