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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**.

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New Documents

Papers

Primary Market

Strategy and tactics in public debt management (2015)

Dottori Davide - Bank of Italy; Manna Michele - Bank of Italy

Abstract: In this paper the authors examine the public debt management problem with respect to the maturity mix of new issues in a mean-variance framework. After identifying the main determinants of the long-run target (strategy), the authors focus on which interest rate conditions allow for a temporary deviation (tactics). The study is partly motivated by the apparent 'window of opportunity' to issue more heavily at longer maturities given the recent historically low yields. The authors show that the room for long tactical positions on the long-term bond is actually narrower than predicted by rules of thumb based on Sharpe-like ratios. Once the model is augmented to embed real world features such as no price-taking and transaction costs, the scope for tactical position shrinks further. The authors discuss the model results and its implications in terms of the

principal-agent dilemma (government vs. debt manager); the paper also explores the financial stability implications arising from public debt issuance choices. All in all, our findings provide a rationale for the degree of caution often shown by many public debt managers in fulfilling their mandate.

Financial Innovation in Sovereign Borrowing and Public Provision of Liquidity (2015)

Gómez-González Patricia - Bank of Spain

Abstract: This paper studies how financial innovation in sovereign debt markets can increase a country's level of private investment and welfare. I propose a model where public debt has a liquidity purpose for the domestic private sector and is demanded as a saving vehicle by more patient international investors. The public bond is risky, it has a low (high) return when the government's fiscal capacity is low (high), but the government cannot strategically default on it. The main result of the paper is that the government can increase private investment by increasing the number of assets supplied, tranching its fiscal capacity, and issuing a safe and a risky bond. The risky bond is held only by international investors and the domestic private sector demands the safe bonds. Safe bonds lower the cost of liquidity hoarding for the private sector which enables it to increase investment. I test the predictions of the model using a dataset on public debt and local currency sovereign debt ownership for a group of emerging economies. I find that domestic collateral constraints are key determinants of the shares held abroad of total public debt and especially of relatively riskier debt instruments (local currency debt).

Secondary Market

A measure of redenomination risk (2015)

De Santis Roberto A. - European Central Bank

Abstract: Euro redenomination risk is the risk that a euro asset will be redenominated into a devalued legacy currency. The authors propose a time-varying, country-specific market perception of intra-euro area redenomination risk measure, defined as the quanto CDS of a member country relative to the quanto CDS of a benchmark member country. Focusing on Italy, Spain and France and using Germany as benchmark, the authors show that the redenomination risk shocks, defined as the unexplained component of the market perception of redenomination risk orthogonal to exchange rate, global, regional and liquidity risks, significantly affect sovereign yield spreads, with Italy and Spain being the countries most adversely affected, followed by France. Finally, foreign redenomination risk shocks spill over and above local redenomination risk shocks, corroborating the fact that this risk is systemic.

How Important are Debt and Growth Expectations for Interest Rates? (2015)

Rafiq Sohrab - International Monetary Fund

Abstract: This paper uses a dataset on private-sector risk aversion as well as expectations of long-run growth and debt to explain trends in implied forward rates on government bonds in the G-7 countries. The results show, consistent with the literature, that a one-percent rise in the long-run projected debt-to-GDP ratio causes an increase in bond yields of a relatively modest 1-to-6 basis points. Shocks to growth expectations and risk aversion have been comparatively more successful in explaining the behavior of long-term rates. The findings imply that growth policies rather than long-run projections of fiscal outcomes may be more important in helping influence long-term borrowing costs.

The Stability of Short-Term Interest Rates Pass-Through in the Euro Area During the Financial Market and Sovereign Debt Crises (2015)

Avouyi-Dovi Sanvi - Banque de France ; Horny Guillaume - Banque de France; Sevestre Patrick - Aix-Marseille University

Abstract: In this paper the authors analyze the dynamics of the pass-through of banks' marginal cost to bank lending rates over the 2008 crisis and the euro area sovereign debt crisis in France, Germany, Greece, Italy, Portugal and Spain. The authors measure banks' marginal cost by their rate on new deposits, contrary to the literature that focuses on money market rates. This allows us to account for banks' risks. The authors focus on the interest rate on new short-term loans granted to non-financial corporations in these countries. Our analysis is based on an error-correction approach that the authors extend to handle the time-varying long-run relationship between banks' lending rates and banks' marginal cost, as well as stochastic volatility. Our empirical results are based on a harmonized monthly database from January 2003 to October 2014. The authors estimate the model within a Bayesian framework, using Markov Chain Monte Carlo methods (MCMC).The authors reject the view that the transmission mechanism is time invariant. The long-run relationship moved with the sovereign debt crises to a new one, with a slower pass-through and higher bank lending rates. Its developments are heterogeneous from one country to the other. Impediments to the transmission of monetary rates depend on the heterogeneity in banks marginal costs and therefore, its risks. The authors also find that rates to small firms increase compared to large firms in a few countries. Using a VAR model, the authors show that overall, the effect of a shock on the rate of new deposits on the unexpected variances of new loans has been less important since 2010. These results confirm the slowdown in the transmission mechanism.

What Drives Interest Rate Spreads in Pacific Island Countries? An Empirical Investigation (2015)

Jamaludin Fazurin - International Monetary Fund; Klyuev Vladimir - International Monetary Fund; Serechetapongse Anuk - International Monetary Fund

Abstract: Growth has been sluggish in Pacific island countries (PICs). High cost of credit is likely one of the reasons. While the small scale, geographic dispersion, and vulnerability to shocks increase the cost and risk of credit in this country group, there is considerable variability in interest rate spreads both across countries and over time. This paper examines the determinants of lending rates and interest rate spreads in a panel of six PICs, extending the literature that was largely descriptive in nature or focused on a single country. Our results are in line with economic theory. The authors find that the size of the economy is negatively correlated with spreads, confirming the importance of scale. Inflation appears to have only marginal impact on spreads. High loan loss provisions and nonperforming loans increase the cost of credit. So does banking system concentration. Higher institutional quality is associated with lower spreads.

Legal Issues and Conventions

What Explains Sovereign Debt Litigation? (2015)

Schumacher Julian - Johannes Gutenberg University Mainz; Trebesch Christoph - Ludwig-Maximilians-University Munich; Enderlein Henrik - Hertie School of Governance

Abstract: In this paper the authors study the occurrence of holdout litigation in the context of sovereign defaults. The number of creditor lawsuits against foreign governments has strongly increased over the past decades, but there is a large variation across crisis events. Why are some defaults followed by a “run to the courthouse” and others not? What explains the general increase in lawsuits? The authors address these questions based on an economic model of litigation and a new dataset capturing the near-universe of cases filed against defaulting sovereigns. The authors find that creditors are more likely to litigate in large debt restructurings, when governments impose high losses (“haircuts”), and when the defaulting country is more vulnerable to litigation (open economies and those with a low legal capacity). The authors conclude that sovereign debt lawsuits can be predicted reasonably well with a simple framework from the law and economics literature.

Accounting, Transparency and Accountability

What has Capital Liberalization Meant for Economic and Financial Statistics (2015)

Heath Robert M. - International Monetary Fund

Abstract: The liberalization of capital flows both in the domestic economy and cross-border has been among the most important policies adopted by IMF member countries over recent decades. The impact has been wide-ranging. This paper looks at the impact on the field of economic and financial statistics in the past two decades, as statisticians have responded to the changing policy needs. The paper considers the historical context of changes that have occurred, draws out the key trends, and asks where these trends might lead statisticians in the foreseeable future. The paper considers that there has been nothing short of a revolution in the field of economic and financial statistics over the past two decades led by a need for greater transparency; greater standardization; new data sets to support understanding of financial interconnections and financial sector risks; and the strengthening of the governance of the statistical function through greater independence of statistical agencies.

Coordination with other Policies and Operations

The international monetary and financial system: Its Achilles heel and what to do about it (2015)

Borio Claudio - Bank for International Settleme

Abstract: This essay argues that the Achilles heel of the international monetary and financial system is that it amplifies the "excess financial elasticity" of domestic policy regimes, ie it exacerbates their inability to prevent the build-up of financial imbalances, or outsize financial cycles, that lead to serious financial crises and macroeconomic dislocations. This excess financial elasticity view contrasts sharply with two more popular ones, which stress the failure of the system to prevent disruptive current account imbalances and its tendency to generate a structural shortage of safe assets - the "excess saving" and "excess demand for safe assets" views, respectively. In particular, the excess financial elasticity view highlights financial rather than current account imbalances and a persistent expansionary rather than contractionary bias in the system. The failure to adjust domestic policy regimes and their international interaction raises a number of risks: entrenching instability in the global system; returning to the modern-day equivalent of the divisive competitive devaluations of the interwar years; and, ultimately, triggering an epoch-defining seismic rupture in policy regimes, back to an era of trade and financial protectionism and, possibly, stagnation combined with inflation.

Is There a European Solidarity? Attitudes Towards Fiscal Assistance for Debt-Ridden European Union Member States (2015)

Lengfeld Holger - University of Leipzig; Schmidt Sara - University of Hamburg; Häuberer Julia - University of Hamburg

Abstract: This paper analyses if European citizens are willing to show solidarity with debt-ridden EU member states during the recent crisis. Based on a theoretical concept comprehending four dimensions of solidarity - generalized willingness to support, existence of social cleavages, reasons of supporting others, acceptance of conditions a crisis country has to meet to receive assistance - we derived hypotheses stating that the existence of a European wide solidarity is rather unlikely. We analyzed data from two Eurobarometer surveys 2010 and 2011 and a unique survey conducted in Germany and Portugal in 2012. Descriptive and multilevel analyses indicated that in 2010 and 2011, a narrow majority of all EU citizens supported fiscal assistance for crisis countries, and socio-economic and cultural cleavages in attitudes regarding financial assistance for crisis countries were rather low. Findings from the two country comparison showed that the willingness to show solidarity was predominantly guided by moral reasoning instead of the respondent's self-interest. However, German and Portuguese respondents disagree on austerity measures, with the exception of social spending cuts. Taken all together, we come to the conclusion that recent years have brought a new legitimacy to the use of EU bailout measures which are now a given European practice.

Monetary Policy

Central Bank Interventions, Demand for Collateral, and Sovereign Borrowing Costs (2015)

Crosignani Matteo - New York University; Faria-e-Castro Miguel - New York University; Fonseca Luís - Banco de Portugal

Abstract: In this paper the authors analyze the effect of unconventional monetary policy, in the form of collateralized lending to banks, on sovereign borrowing costs. Using our unique dataset on monthly security- and bank-level holdings of government bonds, the authors document that Portuguese banks increased substantially their holdings of domestic public debt during the allotment of the three year Long-Term Refinancing Operations (LTRO) of the European Central Bank. The authors argue that domestic banks engaged in a carry trade, which involved the purchase of high-yield bonds with short maturities that could be pledged as collateral for low cost and long-term borrowing from the ECB. This significant increase in bond holdings was concentrated in shorter maturities, as these were especially suited to mitigate rollover risk. The resulting steepening of the sovereign yield curve and the timing and characteristics of government bond auctions suggest a strategic response by the debt management agency. The authors develop a theoretical framework to study intermediary portfolio choice during the LTRO allotment period that is able to explain the patterns that are observed in the data. The authors also document several novel stylized facts on the dynamics of banks' balance sheets during a sovereign debt crisis.

The Eurosystem's asset purchase programmes for monetary policy purposes (2015)

Cova Piero - Bank of Italy; Ferrero Giuseppe - Bank of Italy

Abstract: This paper analyzes the operation of the Euro system's public and private assets purchases programs for monetary policy purposes, quantifying the potential effect on the Italian economy. First the authors give an exhaustive account of the main transmission channels by which the purchases can be expected to affect economic activity and inflation. Then the authors assess the effects on the main channels of transmission to the economy and measure the impact on the main macroeconomic variables, applying the Bank of Italy's quarterly model. For 2015-16 the purchase program can be expected to make a significant contribution to the growth of output and of prices, of more than 1 percentage point in both cases. Among the channels examined, the largest contribution is judged to come through the depreciation of the euro and the reduction in the interest rates on government securities and bank loans. These effects are comparable in magnitude to those found by studies on the securities purchase programs conducted in the United States and the United Kingdom.

Development and compilation of macroprudential indicators for financial stability and monetary policy in Nigeria (2015)

Essien Sunday Nyong - Statistics Department, Central Bank of Nigeria; Doguwa Sani Ibrahim Doguwa - Statistics Department, Central Bank of Nigeria

Abstract: This paper discusses the development and compilation of quarterly macroprudential indicators and their relevance to financial stability and monetary policy management in Nigeria. The indicators are analyzed on time series basis to give insight to the level of soundness of the Nigerian financial system. The FSIs, complemented by stress testing of the system, serve as useful tools in evaluating the strengths and weaknesses of the financial institutions, as well as provide signals to the Monetary Policy Committee of the Bank for possible actions to ameliorate the vulnerabilities of the system. The results of recent macro-prudential analyses revealed that the Nigerian financial system was stable, robust and resilient to liquidity and funding shocks.

How to Improve the Effectiveness of Monetary Policy in the West African Economic and Monetary Union (2014)

Kireyev Alexei - International Monetary Fund

Abstract: The West African Economic and Monetary Union (WAEMU) is a currency union with a fixed exchange rate and limited capital mobility and, therefore, an independent monetary policy in the

short run. The Central Bank of West African States (BCEAO) is conducting the single monetary policy with the main goal of preserving price stability and supporting economic growth. However, the effectiveness of its monetary policy remains low, with a weak reaction of market interest rates and inflation to BCEAO's policy actions. The paper concludes that, while the institutional setup and the instruments of monetary policy are adequate, the transmission mechanism of monetary policy remains constrained by liquidity management practices, shallow and segmented financial markets, and interest rate rigidities. To improve the effectiveness of monetary policy the BCEAO should be more proactive in determining the stance of fiscal policies, develop financial markets, and liberalize controlled interest rates. The BCEAO is undertaking important reforms in these directions.

Fiscal Policy and Budget Management

The Macroeconomic Effects of Public Investment : Evidence from Advanced Economies (2015)

Abiad Abdul - International Monetary Fund, Furceri Davide - International Monetary Fund; Topalova Petia - International Monetary Fund

Abstract: This paper provides new evidence of the macroeconomic effects of public investment in advanced economies. Using public investment forecast errors to identify the causal effect of government investment in a sample of 17 OECD economies since 1985 and model simulations, the paper finds that increased public investment raises output, both in the short term and in the long term, crowds in private investment, and reduces unemployment. Several factors shape the macroeconomic effects of public investment. When there is economic slack and monetary accommodation, demand effects are stronger, and the public-debt-to-GDP ratio may actually decline. Public investment is also more effective in boosting output in countries with higher public investment efficiency and when it is financed by issuing debt.

Collaboration vs. Imposition as Motifs for a Theory of Public Finance: Transcending the Goldscheid-Schumpeter Debate (2015)

Wagner Richard E. - George Mason University

Abstract: This essay is written for a Festschrift to commemorate Jürgen Backhaus's contributions to political economy on the occasion of his retirement from the University of Erfurt. Jürgen is a penetrating and wide-ranging scholar from whom I have learned much since we first met in 1974. It would be easy to write a book to commemorate the numerous paths of influence and insight I have received from Jürgen. But I have only this paper through which to offer my commemoration and I have chosen a topic that arose at our very first meeting. That topic was the debate between Joseph Schumpeter and Rudolf Goldscheid regarding different approaches to the discharge of Austria's public debt at the end of the First World War and the breakup of the Austro-Hungarian Empire. That point of departure leads quickly into a consideration of divergent approaches to the theory of public finance, and particularly the conceptualization of capital accounts for political entities and the place of political presuppositions within a theory of public finance.

The impact of fiscal policy announcements by the Italian government on the sovereign spread: a comparative analysis (2015)

Falagiarda Matteo - European Central Bank; Gregori Wildmer Daniel - Prometeia, Italy

Abstract: This paper attempts to evaluate the impact of fiscal policy announcements by the Italian government on the long-term sovereign bond spread of Italy relative to Germany. After collecting data on relevant fiscal policy announcements, the authors perform an econometric comparative analysis between the three administrations that followed one another during the period 2009-2013. The results indicate that only fiscal policy announcements made by members of Monti's cabinet had a significant impact on the Italian spread. The authors argue that these findings may be partly explained by a credibility gap between Monti's technocratic administration and Berlusconi's and Letta's governments.

On the Implications of Taxation for Investment, Savings and Growth: Evidence from Brazil, Chile and Mexico (2015)

Espino Emilio - Universidad Torcuato Di Tella; González-Rozada Martín - Universidad Torcuato Di Tella

Abstract: This paper explores the qualitative and quantitative implications of taxation for growth and savings in three Latin American countries: Brazil, Chile and Mexico, studying a small open economy in the context of an endogenous growth model where the domestic interest rate depends on the level of domestic debt. The model's parameters are calibrated to the Brazilian, Chilean and Mexican economies. The findings suggest that, in order to implement the optimal tax regime, Brazil must tax capital at a considerably lower rate than at present. Consumption should be heavily taxed in Brazil and Mexico and optimal labor taxes should be lower than actual taxes in Brazil and Chile. However, while sub-optimal taxes seem to imply lower long-run growth in these three countries, low saving rates do not seem to be a direct consequence of sub-optimal taxation.

The Political Geography of the Federal Public Debt in Belgium (2015)

Jennes Geert – VIVES

Abstract: In this paper we calculate that over the 1970-2002 period the combination of persistent

primary surpluses of the Flemish region and persistent primary deficits of the Walloon region – and to a lesser extent of the Brussels region – increased the net fiscal transfer due to the federal debt provided by Flanders to Francophone Belgium to almost 100% of the total interest bill on the Belgian federal debt. This amount is considerably larger than the transfer amount resulting from previous "traditional" interregional transfer calculations that assume a balanced federal budget. The geographically very unevenly spread benefits from Belgian federal budget deficits – and hence the geographically strongly diverging incentives for federal budget deficits – may well explain to a considerable extent the large overall size of deficits and debt in Belgium since the 1970s. In other words, interregional fiscal transfers resulting from the federal debt may be important not just because of their distributional consequences, but even more because they may provide an explanation for the large overall size of deficits and debt that have particularly characterised Belgium since the 1970s. We also test empirically if Francophone Belgian politicians have more of an incentive to run a federal deficit than Flemish politicians. To this effect, we regress the popularity of federal government parties on net fiscal transfers received by Flanders, resp. by Francophone Belgium. We find that transfers to Flanders affect the popularity of Flemish parties governing at the federal level less positively than that transfers to Francophone Belgium affect the popularity of Francophone Belgian parties governing at the federal level. The difference in effect is however insignificant in our major regression specifications.

Subnational Bond Markets

Do Fiscal Constraints Prevent Default? Historical Evidence from U.S. Municipalities (2015)

Dove John A. - Troy University

Abstract: Through the nineteenth century numerous U.S. states developed extensive municipal fiscal constitutions. These generally came in the wake of financial crises and large-scale default of public debts. Although the constraints were imposed in order to minimize the likelihood that such outcomes would occur in the future, little work has been undertaken to analyze whether they were successful in achieving that goal. Therefore, this current study attempts to do so by empirically investigating how procedural safeguards and outright prohibitions on debt accumulation, along with hard budget constraints, and tax limits impacted the likelihood of default. This is done by evaluating municipal defaults that centered on the Panic of 1893. Overall, the results suggest that outright prohibitions on debt accumulation and, interestingly, hard budget constraints actually reduced the likelihood of municipal default across states, while tax limits and procedural safeguards increased that likelihood.

Public Debt in Macroeconomic Analysis

Government Debt and Economic Growth: Estimating the Debt Thresholds and Debt Intolerance (2015)

Swamy Vighneswara - IBS-Hyderabad

Abstract: The surge of government debt during the post-global financial crisis and the ongoing euro zone sovereign debt crisis has begun raising concerns whether government debt levels have hit the tipping points. This study offers to contribute in the following ways: First, the authors find out whether the relationship between government debt and real GDP growth is weak for debt/GDP ratios below 90%. Second, the authors estimate different thresholds for groups of economies based on their debt regimes, political economy structures and types of political governance, geographical considerations, and income levels. Third, the authors find out whether there is a declining negative effect beyond the debt threshold. Our results find the debt thresholds to vary in the range of 84 to 114 percent of GDP. The authors estimate that every additional 10 percent rise in debt-to-GDP ratio beyond the debt threshold costs 10 to 30 basis points of annual average real GDP growth. The authors find that different groups of countries experience debt threshold at different levels. Debt thresholds are dependent not necessarily on economic factors alone, but on other factors such as political economies and governance structures, geographies etc. Debt thresholds are sensitive to horizon of analysis.

Is deflation good or bad? Just mind the inflation gap (2015)

Casiraghi Marco - Bank of Italy; Ferrero Giuseppe - Bank of Italy

Abstract: In this paper the authors explain why the macroeconomic effects of shocks to inflation of the same size but opposite sign are not necessarily symmetric. All in all, the costs of deflation and disinflation tend to exceed those of inflation owing to the presence of constraints in the economy, namely the zero lower bound on nominal interest rates, borrowing limits, and downward nominal wage rigidity. When these constraints are binding, they can prevent monetary policy from closing the inflation gap, agents from deleveraging, and the labor market from clearing. The impact of a disinflationary shock on the tightness of these constraints depends on the cyclical and structural conditions of the economy. The authors also argue that it would be a mistake to assume that perverse effects can arise only when prices decrease, and that the classification of deflationary episodes into good (supply driven) and bad (demand driven) is not only incorrect, it is also misleading in terms of policy implications.

The Dynamics of Government Debt and Economic Growth (2015)

Swamy Vighneswara - IBS-Hyderabad

Abstract: The dynamics of sovereign debt and economic growth, once a subject of interest mostly to very few macroeconomists is suddenly of immense attention for many researchers in the backdrop of Euro zone sovereign debt crisis and Reinhart & Rogoff's related research. This study investigates the government debt – growth relationship and contributes to literature in the following ways: First, the authors extend the horizon of analysis to several country groupings and make the study inclusive of economic, political and regional diversities based on a sizeable dataset. Second, the authors provide evidence for the presence of a causal link going from debt to growth with the use of 'instrumental variables approach' unlike the RR approach. Third, the authors overcome the issues related to data adequacy, coverage of countries, heterogeneity, endogeneity, and non-linearities by conducting a battery of robustness tests. The authors find that a 10-percentage point increase in the debt-to-GDP ratio is associated with 2 to 23 basis point reduction in average growth. Our results establish the nonlinear relationship between debt and growth.

The macroeconomic effects of the sovereign debt crisis in the euro area (2015)

Neri Stefano - Bank of Italy; Ropele Tiziano - Bank of Italy

Abstract: This paper uses a Factor Augmented Vector Autoregressive model to assess the macroeconomic impact of the euro-area sovereign debt crisis and the effectiveness of the European Central Bank's conventional monetary policy. First, our results show that in the countries most affected by the crisis, the tensions in sovereign debt markets made credit conditions significantly worse and weighed on economic activity and unemployment. The disruptive effects of the sovereign tensions propagated to the core economies of the euro area through the trade and confidence channels. Second, "modest" (in the sense of Leeper and Zha, 2003) counterfactual simulations suggest that the accommodative monetary policy stance of the ECB helped to moderate the negative effects of the sovereign debt tensions.

A Comparison of Greece and Germany: Lessons for the Eurozone? (2015)

Hetzel Robert L. - Federal Reserve Bank of Richmond

Abstract: During the Great Recession and its aftermath, the economic performance of Greece and Germany diverged sharply with persistent high unemployment in Greece and low unemployment in Germany. A common explanation for this divergence is the assumption of an unsustainable level of debt in Greece in the years after the formation of the Eurozone while Germany maintained fiscal discipline. This paper reviews the experience of Greece and Germany since the creation of the Eurozone. The review points to the importance of monetary factors, especially the intensification of the recession in Greece starting in 2011 derived from the price-specie flow mechanism described by David Hume.

Escape Routes from Sovereign Default Risk in the Euro Area (2015)

Semmler Willi - The New School of Social Research, New York; Proaño Christian R. - ZEW, Mannheim

Abstract: The recent financial and sovereign debt crises around the world have sparked a growing literature on models and empirical estimates of defaultable debt. Frequently households and firms come under default threat, local governments can default, and recently sovereign default threats were eminent for Greece and Spain 2012-13. Moreover, Argentina experienced an actual default in 2001. What causes sovereign default risk, and what are the escape routes from default risk? Previous studies such as Arellano (2008), Roch and Uhlig (2013) and Arellano et al. (2014) have provided theoretical models to explore the main dynamics of sovereign defaults. These models can be characterized as threshold models in which there is a convergence toward a good no-default equilibrium below the threshold and a default equilibrium above the threshold. However, in these models aggregate output is exogenous, so that important macroeconomic feedback effects are not taken into account. In this paper, the authors 1) propose alternative model variants suitable for certain types of countries in the EU where aggregate output is endogenously determined and where financial stress plays a key role, 2) show how these model variants can be solved through the Nonlinear Model Predictive Control numerical technique, and 3) present some empirical evidence on the nonlinear dynamics of output, sovereign debt and financial stress in some euro area and other industrialized countries.

External Vulnerability Indicators: The Case of Indonesia (2015)

Supriyadi Ayi - Economist, Statistics Department, Bank Indonesia

Abstract: This paper aims to find indicators that can be used to monitor Indonesia's external vulnerability as well as an early warning system of crisis. The study is conducted by evaluating a number of indicators deployed in the previous studies by using signaling method. An analysis of external vulnerability is facilitated by separating the pressure of vulnerabilities into four zones, namely normal, alert, cautious, and suspected crisis. The study obtains 12 external indicators that are then aggregated to produce a composite index of external vulnerability. The selected indicators and the composite index are well able to capture the external vulnerability.

Monitoring financial stability in developing and emerging economies : practical guidance for conducting macroprudential analysis (2015)

Dijkman Miquel - World Bank

Abstract: In the aftermath of the global financial crisis, interest in systemic risk has surged among academics and policy makers. The mitigation of systemic risk is now widely accepted as the fundamental underlying concept for the design of the post-crisis regulatory agenda. Effective mitigation requires the presence of a well-developed analytical methodology for monitoring systemic risk, so that policy makers can make informed policy choices. This remains a challenging area, particularly in developing and emerging economies characterized by rapid structural changes and gaps in data availability. This working paper aims to provide policy makers in developing and emerging economies with practical tools for the analysis of systemic risk, focusing on the identification of domestic, systemically important banks; analyzing interconnectedness within the financial system; and analyzing the cyclical component of systemic risk.

Government Debt and its Macroeconomic Determinants – An Empirical Investigation (2015)

Swamy Vighneswara - IBS-Hyderabad

Abstract: In the context of rising government debt levels in advanced economies and the ongoing euro zone debt crisis, there has been a revival of academic and policy debate on the impact of growing government debt on economic growth. This data-rich study offers an econometric investigation of the macroeconomic determinants of government debt and answers the much-debated question – What factors influence the government debt in a sovereign country? The study provides analyses for economy groupings, political governance groupings and income groupings of countries in addition to the full sample. Panel Granger causality testing is employed to establish causality running from the determinants of debt. The results of the full sample analysis reveal that real GDP growth, foreign direct investment, government expenditure, inflation and population growth have negative effect on debt. Gross fixed capital formation, final consumption expenditure, and trade openness have positive effect on debt. The results for different country groupings bring out some interesting implications.

Government Debt and Economic Growth – Decomposing the Cause and Effect Relationship (2015)

Swamy Vighneswara - IBS-Hyderabad

Abstract: The rising government debt levels in the aftermath of global financial crisis and the ongoing euro zone debt crisis have necessitated the revival of the academic and policy debate on the impact of growing debt levels on growth. This study provides a data-rich analysis of the dynamics of government debt and economic growth for a longer period (1960-2009). It spans across different debt regimes and involves a worldwide sample of countries that is more representative than that of studies confined to advanced countries. This study observes a negative relationship between government debt and growth. The point estimates of the range of econometric specifications suggest a 10-percentage point increase in the debt-to-GDP ratio is associated with 23 basis point reduction in average growth. Our results establish the nonlinear relationship between debt and growth. Further, by employing panel vector auto regressions (PVAR) approach, this study decomposes the cause and effect relationship between debt and growth and offers an answer to the question – Does high debt lead to low growth or low growth leads to high debt? The results derived from the impulse-response functions and variance decomposition show the evidence of long-term effect of debt on economic growth. The results indicate that the effect is not uniform for all countries, but depends mostly on the debt regimes and other important macroeconomic variables like; inflation, trade openness, general government final consumption expenditure and foreign direct investment.

Articles in reviews/in books

Coordination with other policies and operations

Tracing the origins of the financial crisis (2014)

Ramskogler Paul - Austrian Central Bank

Abstract: More than half a decade has passed since the most significant economic crisis of our lifetimes and a plethora of different interpretations has been offered about its origins. This paper consolidates the stylised facts put forward so far into a concise and coherent meta-narrative. The paper connects the dots between the arguments developed in the literature on macroeconomics and those laid out in the literature on financial economics. It focuses, in particular, on the interaction of monetary policy, international capital flows and the decisive impact of the rise of the shadow banking industry.

Books

Active Debt Management

Portfolio Construction and Risk Budgeting (5th Edition) (2015)
Scherer Bernd - Chief Scientific Officer for First Private Asset Management

Summary: Completely updated and extended to cover the rapid expansion of the literature since the financial crises, this new edition of Portfolio Construction and Risk Budgeting provides the reader with a clear overview of the subject. The author presents quantitative methods and comprehensive and up-to-date coverage of alternative portfolio construction techniques, ranging from traditional methods based on mean–variance and lower-partial moments approaches, through Bayesian techniques, to more recent developments such as portfolio re-sampling and stochastic programming solutions using scenario optimisation.

Public Debt in Macroeconomic Analysis

A New Start for the Eurozone: Dealing with Debt (2015)
Corsetti Giancarlo - Cambridge University and CEPR; Feld Lars P. - Walter Eucken Institut and University of Freiburg; Lane Philip R. - Trinity College Dublin and CEPR; Reichlin Lucrezia - London Business School and CEPR; Rey Hélène - London Business School and CEPR

Summary: This report, the first in the Monitoring the Eurozone series, addresses the measures Eurozone countries need to take to guard against returning financial instability that could threaten a sustainable recovery. The authors consider stock operations, lending structures and regulatory changes in protecting sovereign debt on a national and Europe-wide level.

Web Resources

Primary Market

Getting to Know the Green Market
The World Bank
This article will cover the basics of green bonds, using the green bonds issued by the World Bank (IBRD) as an example. It will summarize the key drivers behind the growth of the market from both an investor and issuer perspective.

Multilateral Debt

World Bank to Issue Green Bonds Linked to Ethical Europe Equity Index in the U.S.
The World Bank
The World Bank (International Bank for Reconstruction and Development or IBRD, rated Aaa/AAA) is pleased to announce that it will offer unsecured and unsubordinated debt securities based on the performance of the Ethical Europe Equity Index (the "Notes") in the United States. This is the first time that such green bonds have been launched by the World Bank for retail investors in the United States.

Guinea: Request for Debt Relief Under the Catastrophe Containment Window of the Catastrophe Containment and Relief Trust-Staff Report; and Press Release - IMF Country Report No. 15/108
International Monetary Fund
Since early 2014 Guinea has been experiencing an ongoing Ebola epidemic that has spread to several countries in the region. The epidemic, which constitutes a public health disaster, has claimed a significant number of lives and disrupted economic activity, including regional commerce. [...]

Jordan: Sixth Review Under the Stand-By Arrangement, Request for Waivers of Applicability of Performance Criteria [...] - IMF Country Report No. 15/115
International Monetary Fund
Jordan is persevering in a difficult regional environment. The conflicts in Syria and Iraq are resulting in disruptions to trade routes, less tourism, a hesitant investment sentiment, high costs to accommodate refugees, and pressures on the quality of public services.

The Gambia: Request for Disbursement Under the Rapid Credit Facility, cancellation of the Extended Credit Facility and proposal for a Staff-Monitored Program-Staff Report [...] - IMF Country Report No. 15/104

International Monetary Fund

The Gambian economy is facing urgent balance of payments needs triggered mostly by the impact of the regional Ebola outbreak on tourism. Although the country remains Ebola free, the regional outbreak is expected to cut by more than half tourism receipts for the 2014/15 season. [...]

Solomon Islands: Fourth Review Under the Extended Credit Facility Arrangement and Request For Modification of Performance Criteria [...] - IMF Country Report No. 15/102

International Monetary Fund

Indicative targets (ITs) for end September 2014 were also met, except for those on health and education spending, which were both narrowly missed in June and September 2014. Despite delays, the authorities have made progress in implementing the structural reform agenda. [...]

Zimbabwe: First Review Under the Staff-Monitor Program-Staff Report; and Press Release - IMF Country Report No. 15/105

International Monetary Fund

The Zimbabwean authorities have made progress in implementing their macroeconomic and structural reform programs, despite the economic and financial difficulties.[...]

Ghana: Request For A Three-Year Arrangement Under The Extended Credit Facility; Staff Report; Press Release; and Statement by the Executive Director for Ghana - IMF Country Report No. 15/103

International Monetary Fund

The emergence of large fiscal and external imbalances in recent years, which led to a slowdown in growth, is putting Ghana's medium-term prospects at risk. The Government's efforts to achieve fiscal consolidation since mid-2013 have been undermined by policy slippages, external shocks and rising interest cost. [...]

Legal Issues and Conventions

FSB RCG MENA meets in Bahrain

Financial Stability Board

The Financial Stability Board's Regional Consultative Group for the Middle East and North Africa held its seventh meeting in Bahrain to discuss, among other topics, vulnerabilities and regional financial stability issues and the impact on the region of a decline in correspondent banking services being offered by international banks.

Financial integration and macro-prudential policy

BIS

Speech by Mr Vítor Constâncio, Vice-President of the European Central Bank, at the joint conference, organised by the European Commission and the European Central Bank "European Financial Integration and Stability", Frankfurt am Main, 27 April 2015.

Long-term investment funds: Council adopts new rules

The European Council

The European Council adopted a regulation of the European Parliament and of the Council on European Long-Term Investment Funds, a regulation aimed at increasing the pool of capital available for long-term investment in the EU economy by creating a new form of fund vehicle.

ICMA Quarterly Report Second Quarter 2015

Icma

It outlines developments in the main areas in which the Association is currently engaged namely: response to the financial crisis, sovereign bond markets, short-term markets, primary markets, secondary markets, asset management and market infrastructure.

ICMA responds to European Commission Green Paper on Building a Capital Markets Union

Icma

On 30th April 2015 ICMA responded to the European Commission Green Paper on Building a Capital Markets Union.[...]

Derivatives

OTC derivatives statistics at end-December 2014

BIS

The Bank for International Settlements (BIS) today released OTC derivatives statistics at end-December 2014. Developments in the latest OTC derivatives statistics, including tables with the latest data, are summarized in the statistical release. Additional details and historical data are available on the BIS website. OTC derivatives statistics at end-June 2015 will be released on or before 15 November 2015.[...]

Accounting, Transparency and Accountability

BIS international banking statistics at end-December 2014

BIS

The Monetary and Economic Department of the Bank for International Settlements issued a report on international banking statistics at the end of December 2014. Developments in the latest international banking statistics, including breaks in series arising from methodological changes, are summarized in the Statistical release.[...]

Japanese Government Bonds Newsletter - May 2015

Ministry of Finance of Japan

The latest version of the Japanese Government Bonds Newsletter published by the Ministry of Finance of Japan. In addition to the usual data and operations on debt management, the note reports the speech by Mr. Fujishiro, Deputy Director-General in charge of the Financial Bureau, held in Kyoto for foreign investors, such as pension funds, asset managers and central banks. His theme was the "Challenge Aging Society in Japan."

DMOs Programmes and Reports

Annual Report 2014

The Hong Kong Monetary Authority (HKMA)

The Hong Kong Monetary Authority (HKMA) published its Annual Report for 2014 including the financial statements of the Exchange Fund. The Report reviews trends and events in monetary and banking affairs, and reports on the HKMA's work during 2014. It also sets out the HKMA's plans for 2015.

Uruguay Debt Report – April 2015

Debt Management Unit – Uruguay

The "Debt Report" presents a review of the financial situation of the Uruguayan Central Government and the most relevant facts related with the Uruguayan public debt. It also details the evolution of key risk indicators of Central Government debt, such as rollover risk, interest rate risk and foreign currency risk. Lastly, it presents the projected Flow of Funds of the Central Government.

Coordination with other policies and operations

Code of Conduct Fundamentals for Credit Rating Agencies – Final Report

IOSCO.org

The International Organization of Securities Commissions released a final report on code of conduct fundamentals for credit rating agencies. The new IOSCO CRA Code is intended to work in harmony with CRA registration and oversight programs, and to continue operating as the international standard for CRA self-governance.

European Financial Stability and Integration Review, April 2015

European Commission

The European Commission released a staff working document on its 2015 European Financial Stability and Integration Review. The document has two main parts: the first part is more descriptive and data driven (Chapters 1, 2), the second part has a special focus on particular policy areas that impact European financial stability and integration developments including those expected to have a significant impact on economic growth.

Financial integration in Europe – 2015

ECB

The European Central Bank released its 2015 Report on Financial Integration in Europe. The report, which is produced annually, finds that financial integration in the euro area has made good progress in most market segments and increased in 2014, in comparison with the level recorded in 2013.

OECD360

OECD

A new magazine from the OECD, featuring each country in its own language. To get a snapshot of how one country compares to other OECD countries on a variety of themes including the economy, wellbeing, development, society, agriculture, employment, education and regional issues.

[Kingdom of the Netherlands-Aruba: 2015 Article IV Consultation Discussions-Staff Report; and Press Release - IMF Country Report No. 15/116]

International Monetary Fund

Aruba is a small, tourism-dependent economy with a pegged exchange rate regime against the USD and one of the highest living standards in the Caribbean. The economy is recovering from the double-dip recession of the global financial crisis and the end of oil refining activity, but real GDP is projected to return to its pre-crisis level only by the end of the decade. [...]

[Mongolia: 2015 Article IV Consultation-Staff Report; Press Release; and Statement by the Executive Director for Mongolia - IMF Country Report No. 15/109]

International Monetary Fund

Mongolia currently faces serious balance-of-payments (BOP) pressures on account of low FDI and weak commodity prices, as well as overly loose macro policies.[...]

[Republic of Latvia: 2015 Article IV Consultation-Staff Report; Information Annex; and Press Release - IMF Country Report No. 15/110]

International Monetary Fund

Latvia has made remarkable economic progress since the crisis: the output gap is now largely closed, the current account deficit has been reduced to sustainable levels, and unemployment continues to fall. [...]

[Thailand: 2015 Article IV Consultation-Staff Report; Press Release; and Statement by the Executive Director for Thailand - IMF Country Report No. 15/114]

International Monetary Fund

Thailand's economy is undergoing a modest recovery after a sharp contraction in early 2014, when domestic demand was adversely affected by political unrest in Bangkok. [...]

[The coming defaults of Greece]

VOX

It seems that there will be no agreement between Greece and its Eurozone partners. Short of cash, the Greek government will have no choice but to suspend payment of its maturing debts. This column looks at what happens next. In brief, it will be very much up to the ECB to decide.

[The little data book on financial inclusion 2015]

The World Bank

The Little Data Book on Financial Inclusion 2015 is a pocket edition of the Global Financial Inclusion Database published in 2015 in "The Global Findex Database 2014: Measuring Financial Inclusion around the World" by Asli Demirguc-Kunt, Leora Klapper, Dorothe Singer, and Peter Van Oudheusden (World Bank Policy Research Paper 7255). It provides 41 country-level indicators of financial inclusion summarized for all adults and disaggregated by key demographic characteristics: gender, age, income, and rural residence. The book also includes summary pages by region and by income group aggregates. Covering 143 economies, the indicators of financial inclusion measure how people save, borrow, make payments and manage risk.

[Tonga: 2015 Article IV Consultation-Staff Report; and Press Release - IMF Country Report No. 15/107]

International Monetary Fund

Tonga is expected to revert to a moderate growth path in the coming years, after a contraction in 2012/13. Reconstruction works in the aftermath of Cyclone Ian in 2014 and the preparation for the 2019 Sixteenth South Pacific Games (the Pacific Games) should support growth over the medium term.[...]

[Financial Market Trends - OECD Journal - Volume 2014 Issue 2]

Oecd

The articles in Financial Market Trends focus on trends and prospects in the international and major domestic financial markets and structural issues and developments in financial markets and the financial sector.[...]

[OECD Observer, Volume 2014 Issue 4]

Oecd

This Issue No. 301 of OECD's quarterly magazine focuses on the challenges ahead and includes articles on conditions for a safer world, economic recovery, inequality, SME financing, digital learning, migration and jobs, and the OECD Economic Outlook.

[Tackling Illicit Financial Flows From and Within Africa]

African Forum and Network on Debt and Development (Afrodad)

Following the 2015 report of the High Level Panel on Illicit Financial Flows from Africa, chaired by the former South African President Thabo Mbeki, there has been much greater awareness across Africa of the magnitude of illicit financial flows and their implications.

West African Economic and Monetary Union: Selected Issues - IMF Country Report No. 15/101
International Monetary Fund
The current account deficit declined in 2014. While gross international reserve coverage has increased slightly, part of the current account deficit has been financed by a foreign assets. [...]

Monetary Policy

European Central Bank - Annual Report 2014
European Central Bank
In 2014 various strands of work initiated in previous years came together to produce a consistent policy response, one that allows us now to envisage with confidence that the weak and uneven recovery experienced in 2014 will turn into a more robust, sustainable upturn – and that inflation will return without undue delay to the ECB's objective of below, but close to, 2% over the medium term.[...]

Integrating financial stability and monetary policy
BIS
Speech by Mr Øystein Olsen, Governor of Norges Bank (Central Bank of Norway), at the Systemic Risk Centre, London School of Economics, London, 27 April 2015.

Macroprudential tools, their limits and their connection with monetary policy
BIS
A key aim of macroprudential policy is to moderate the procyclicality of the financial system and it does so by influencing the financial intermediation process; it operates on the assets, liabilities and leverage of intermediaries (Graph 1). In this respect, macroprudential policy and monetary policy share some similarities.[...]

The international monetary and financial system: eliminating the blind spot
BIS
The current IMFS consists of domestically focused policies in a world of global firms, currencies and capital flows – but are local rules adequate for a global game?[...]

Ultra-low or negative interest rates: what they mean for financial stability and growth
BIS
When policy interest rates came down to almost zero and central bank balance sheets expanded due to large-scale market interventions in the wake of the Global Financial Crisis, the consensus was that this unconventional monetary policy (UMP) would be temporary.[...]

Call for Papers: Global Financial Interconnectedness
BIS
A joint conference of the Bank for International Settlements, the Netherlands Bank, the Deutsche Bundesbank and the Review of Finance - Bank for International Settlements, Basel, Switzerland, 1–2 October 2015.

Economic Bulletin - Issue 3 / 2015
European Central Bank
Issues published after the monetary policy meetings in March, June, September and December provide a comprehensive analysis of economic and monetary developments, including a discussion of the Eurosystem/ECB staff macroeconomic projections for the euro area. Other issues are shorter and provide an interim update on developments in key monthly indicators.

Euro area economic outlook, the ECB's monetary policy and current policy challenges
BIS
Statement by Mr Mario Draghi, President of the European Central Bank, prepared for the thirty-first meeting of the International Monetary and Financial Committee, Washington DC, 17 April 2015.

Fiscal policy and Budget Management

Republic of Poland: Technical Assistance Report-Tax Administration-Modernization Challenges and Strategic Priorities - IMF Country Report No. 15/112
International Monetary Fund
This report provides advice on the modernization of the tax administration in Poland. The report addresses selected issues concerning (1) the tax administration institutional reform; (2) the administration and delivery of

core tax administration operations, including for the largest taxpayers; and (3) the approach to managing compliance risks to the tax system.

Public Debt in Macroeconomic Analysis

Financial Stability Report No. 1 – 2015
Bank of Italy
Growth is slowing in the emerging economies, which are exposed to the risks of a possible rise in official interest rates in the United States and a further appreciation of the dollar. [...]

Launch African Economic Outlook 2015
African Economic Outlook
The launch of the African Economic Outlook 2015 will take place the 25th of May at the Annual Meetings of AfDB in Abidjan, Côte d'Ivoire.

March 2015 ECB staff macroeconomic projections for the euro area
European Central Bank
In this report: The economic recovery showed some gradual improvement in the second half of 2014 and, looking ahead, several factors are projected to strengthen euro area activity. [...]

The world economy and Australia
BIS
Address by Mr Glenn Stevens, Governor of the Reserve Bank of Australia, to the American Australian Association luncheon, hosted by Goldman Sachs, New York City, 21 April 2015.

A new CEPR Report: A New Start for the Eurozone: Dealing with Debt
VOX
The Eurozone’s problems of poor growth and the threat of financial instability are rooted in its very foundation. The authors of the inaugural Monitoring the Eurozone report, launched today, consider three means by which the Eurozone can protect itself from structural failure. Their recommendations, which do not require Treaty changes, are crucial in offsetting the major risks a repetition of the recent Crisis would present.

Montenegro - Macro monitoring report Q2 2015
The World Bank
Economic growth slowed to around 1.5 percent in 2014 reflecting declining exports and weak domestic demand. Although labor market indicators improved over the last year, with the unemployment rate declining to 18 percent, high unemployment is still a limiting factor for poverty reduction to pre-crisis levels. External imbalances remained substantial with the current account deficit widening as exports declined, and external debt rising. […]

Debt supercycle, not secular stagnation
VOX
Weak, post-Crisis growth has been blamed on secular stagnation. This column argues that the ‘financial crisis/debt supercycle’ view provides a more accurate and useful framework for understanding what has transpired and what is likely to come next. The difference matters. Unlike secular stagnation, a debt supercycle is not forever. After deleveraging and borrowing headwinds subside, expected growth trends might prove higher than simple extrapolations of recent performance might suggest.

OECD Economic Surveys: France 2015
Oecd
This OECD Economic Survey of France examines recent economic developments, policies and prospects. Special chapters cover competition, adult training and skills.

OECD Economic Surveys: Japan 2015
Oecd
This 2015 OECD Economic Survey of Japan examines recent economic developments, policies and prospects. Special chapters cover enhancing innovation and dynamism; and reducing government debt.

European economic forecast – Spring 2015
European Commission
Economic growth in the European Union is benefitting from positive economic tailwinds. According to the European Commission's Spring 2015 Economic Forecast, these short-term factors are boosting an otherwise mild cyclical upswing in the EU. [...]

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* (18.712 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

05 May 2015 - Italian Treasury - Rome
Europe and the emerging markets

13 May 2015 - SIFMA Conference Centre - New York City
Canada-US Securities Summit

13 May 2015 - Harare, Zimbabwe
BRICS in Africa: Redefining South-South Solidarity

17 June 2015 - Global Financial Conference Center
Derivatives Products Overview

18 May 2015 - web-based
Effective Public Debt Management (2015)

18 May 2015 - web-based
Basic Course on Public Debt Management

18 May 2015 - web-based
Capital Market Development & Regulation - Advanced Course (2015)

18 May 2015 - Conrad Seoul, Seoul
Current Issues in the Derivatives Landscape: Margin, Collateral, CCPs, SEFs and Global Swap Regulations

18 May 2015 - web-based
Fundamentos del Mercado de Capitales: Desarrollo y Regulación (2015)

18 May 2015 - web-based
Legal Aspects of Public Debt Management (2015)

22 May 2015 - London, UK
European Capital Markets Union: From Policy to Practical Implementation

25 May 2015 - Abidjan, Côte d'Ivoire.
Annual Meetings of AfDB

25 May 2015 - web-based
Essentials of Banking Regulation and Basel III (2015)

03 June 2015 - Manila, Philippines: Asian Development Bank (ADB) headquarters
2015 Debt Management Facility (DMF) StakeholdersForum

04 June 2015 - Global Financial Conference Center - New York - NY
Understanding the 1994 ISDA Credit Support Annex (Security Interest - New York Law) and Updates in Collateral Issues

09 June 2015 - Covington, One CityCenter - Washington, DC
Prudential Bank Regulation Conference

09 June 2015 - Global Financial Conference Center - New York - NY
Liquidity: Trading in the New OTC Market

10 June 2015 - SIFMA Conference Center, 120 Broadway, 2nd Floor, New York NY 10271
Seminar on the Global LEI System Update

18 June 2015 - Global Financial Conference Center - New York - NY
Introduction to the 2014 ISDA Credit Derivatives Definitions - A Detailed Overview
22 June 2015 - Otemachi First Square Conference - Tokyo
Understanding the ISDA Master Agreements

03 July 2015 - London, Eba premises
Workshop on Proportionality Measures for Regulatory Purposes

15 July 2015 - One Bishops Square, London
ISDA Master Agreement and Credit Support Annex: Negotiation Strategies

21 September 2015 - United Kingdom
Budget Execution through Strategic Financial Management

01 October 2015 - Bank for International Settlements, Basel, Switzerland
Global Financial Interconnectedness [Call for Papers]

Previously signaled

25 May 2015 - Mexico City, Mexico
Joint Regional Workshop on the Debt Sustainability Framework for Low Income Countries

1-5 June 2015; Vienna, Austria
Workshop: Designing Government Debt Management Strategies
02 June 2015 - Global Financial Center, NY - New York
Global Reporting Requirements - Implementation in the US and Internationally

03 June 2015 - Manila, Philippines
Debt Management in a Dynamic World: Coping with Capital Flows and Hidden Risks

03 June 2015 - One Bishops Square, London
Understanding Collateral Arrangements and the ISDA Credit Support Documents Conference

03 June 2015 - Hotel Okura Amsterdam - Ferdinand Bolstraat 333 - 1072 LH Amsterdam, The Netherlands
ICMA Annual General Meeting & Conference 2015

03-04 June 2015 - Manila, Philippines
Debt Management in a Dynamic World: Coping with Capital Flows and Hidden Risks

8 June 2015; United Kingdom
Risk-Based Internal Auditing

8-12 June 2015; Vienna, Austria.
Workshop: Implementing Government Debt Management Strategies

17 June 2015 - International Capital Market Association (ICMA) Limited - 23 College Hill - London
European Regulation: An Introduction for Capital Market Practitioners

18 June 2015 - Madrid
Structural reforms in the wake of recovery: Where do we stand?

18-19 June 2015; New York
Improving Capital Deployment through Risk Transparency

06 July 2015 - United Kingdom
Public Financial Management: Issues & Solutions

13 July 2015 - Addis Ababa, Ethiopia
Third International Conference on Financing for Development

17 August 2015 - United Kingdom
Debt Sustainability & Risk Management

31 August 2015 - United Arab Emirates
Programme & Performance Budgeting

01 October 2015 - Bank for International Settlements, Basel, Switzerland
Conference on "Global Financial Interconnectedness" [Call for Papers]

18 November 2015 - London UK
4th Annual EBA Research Workshop: Financial regulation and the real economy: a micro-prudential perspective [Call for Papers]

Communication Corner

At the link below, Partners can find details on the *Philippines* 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 20th May 2015, the number of total resources of the PDM Network website is 23.891 (of which 18.712 news, 2.793 papers and articles in reviews and books, and 2.386 webresources). Registered Members are 805, coming from 117 countries. 442 Partners belong to sovereign debt management institutions of emerging and advanced countries. This newsletter is sent to 588 Partners.

Special thanks

The PDM Network Secretariat is grateful to Colleen Keenan (The World Bank Treasury) and the Uruguayan Debt Management Unit for resource contribution.

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).