PDM NETWORK *Monthly Newsletter*

n. 1/January 2015

ISSN 2239-2033

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

Secondary Market

How do financial institutions forecast sovereign spreads? (2014)

Cimadomo Jacopo - European Central Bank; Claeys Peter - Vrije Universiteit Brussel; Poplawski Ribeiro Marcos - International Monetary Fund

Abstract: This paper assesses how financial market participants form their expectations about future government bond spreads. Using monthly survey forecasts for France, Italy and the UK between January 1993 and December 2011, the authors test whether respondents consider the expected evolution of the fiscal balance—and other economic fundamentals—as significant drivers of the expected bond yield differential over a benchmark German 10-year bond. Our main result is that a projected improvement of the fiscal outlook significantly reduces expected sovereign spreads. Overall, the findings suggest that credible fiscal plans affect expectations of market experts, reducing the pressure on sovereign bond markets.

Sovereign Risk, Interbank Freezes, and Aggregate Fluctuations (2014)

Engler Philipp - Freie Universit□at Berlin; Steffen Christoph Groe - German Institute for Economic Research (DIW Berlin)

Abstract: This paper studies the bank-sovereign link in a dynamic stochastic general equilibrium set-up with strategic default on public debt. Heterogeneous banks give rise to an interbank market where government bonds are used as collateral. A default penalty arises from a breakdown of interbank intermediation that induces a credit crunch. Government borrowing under limited commitment is costly ex ante as bank funding conditions tighten when the quality of collateral drops. This lowers the penalty from an interbank freeze and feeds back into default risk. The arising amplification mechanism propagates aggregate shocks to the macroeconomy. The model is calibrated using Spanish data and is capable of reproducing key business cycle statistics alongside stylized facts during the European sovereign debt crisis.

European Economic and Monetary Union Sovereign Debt Markets (2015)

Sensoy Ahmet - Borsa Istanbul; Hacihasanoglu Erk - Borsa Istanbul; Rostom Ahmed - The World Bank

Abstract: This paper focuses on developments in the European Economic and Monetary Union sovereign debt markets in the past decade. The first part analyzes the integration and segmentation structure of the bond markets of the Economic and Monetary Union before and after the sovereign debt crisis, by introducing the novel concept of correlation-based stable networks. Accordingly, a fair integration is observed between the bond markets during the pre-crisis period. However, a strict segmentation emerges, separating the members struggling with debt problems and the ones with relatively strong fiscal performances during the sovereign debt turmoil. The segmentation structure is clearly visualized, revealing the potential paths for crisis and recovery transmission in the future. In the second part, the paper comments on the recent decreasing trend in Economic and Monetary Union member bond yields and their increasing degree of co-movement. Accordingly, the paper argues that these changes do not depend on the fiscal performances of the member countries, but depend on the illusion of quality that appeared with the Fed (U.S. Federal Reserve) tapering signals in early 2013.

Multilateral Debt

IMF Lending and Banking Crises (2015)

Papi Luca - Università Politecnica delle Marche (Italy)
Presbitero Andrea F. - International Monetary Fund
Zazzaro Alberto - Università Politecnica delle Marche (Italy)

Abstract: This paper looks at the effects of International Monetary Fund (IMF) lending programs on banking crises in a large sample of developing countries, over the period 1970-2010. The endogeneity of the IMF intervention is addressed by adopting an instrumental variable strategy and a propensity score matching estimator. Controlling for the standard determinants of banking crises, our results indicate that countries participating in IMF-supported lending programs are significantly less likely to experience a future banking crisis than non-borrowing countries. We also provide evidence suggesting that compliance with conditionality and loan size matter.

Resolution of balance of payments crises : emergency financing and debt workouts (2015)

Ocampo José Antonio - Columbia University

Abstract: This paper analyses the history and effectiveness of the two major mechanisms of resolution of balance of payments crisis. It argues that IMF lending has met its counter-cyclical objectives through history and has been improving in terms of providing adequate lending facilities as well as focusing conditionality on macro-relevant areas. In contrast, and despite the spread of collective action clauses, much remains to be done in the area of debt restructuring. In this regard, it proposes a multilateral mechanism that offers a sequence of voluntary negotiations, mediation and eventual arbitration with pre-established deadlines, similar to that used in the World Trade Organization’s dispute settlement process.

Coordination with other Policies and Operations

Bailouts and Prudential Policies - A Delicate Interaction (2014)

Pastén Ernesto - Central Bank of Chile

Abstract: Could prudential policies backfire by making the lack of commitment problem of bailouts worse? This commitment problem refers to the excessive risk taken by banks and financial institutions in expectations of bailouts if crises occur, which in turn increase financial fragility and the severity of crises. Ex-ante policies, such as prudential policies, have a variety of effects on the various components of the ex-post incentives of an authority to implementing a bailout. Thus, the interaction between prudential policies and bailouts is delicate: In different conditions, a given prudential policy may backfire or increase its effectiveness by worsening or alleviating the lack of commitment problem of bailouts. Liquidity requirements and prudential taxes are examples of prudential policies that may backfire. Public debt is an example of an ex-ante policy usually with no prudential motivation that may play such a role.

[Governments' Payment Discipline: The Macroeconomic Impact of Public Payment Delays and Arrears](#) (2015)

Checherita-Westphal Cristina - European Central Bank; Klemm Alexander - International Monetary Fund; Viefers Paul - DIW Berlin

Abstract: This paper considers the impact of changes in the payment discipline of governments on the private sector. The authors argue that increased delays in public payments can affect private sector liquidity and profits and hence ultimately economic growth. The authors test this prediction empirically for European Union countries using two complementary approaches. First, the authors use annual panel data, including a newly constructed proxy for government arrears. The authors find that payment delays and to some extent estimated arrears lead to a higher likelihood of bankruptcy, lower profits, and lower economic growth. However, while this approach allows a broad set of variables to be included, it restricts the number of time periods. The authors therefore complement it with a Bayesian VAR approach on quarterly data for selected countries faced with significant payment delays. The authors again find that the likelihood of bankruptcies rises when governments increase the average payment period.

Revisiting the Concept of Dollarization: The Global Financial Crisis and Dollarization in Low-Income Countries (2015)

Mwase Nkunde - International Monetary Fund; Kumah Francis Y. - International Monetary Fund

Abstract: The economic literature has examined deposit dollarization in nominal terms, typically focusing on the ratio of foreign currency deposits to broad money. However, while private agent demand for foreign currency may remain unchanged in foreign currency terms, there could be large fluctuations in the dollarization ratio simply due to exchange rate movements. This paper proposes a new approach to measuring dollarization that removes these exchange rate effects, and demonstrates that beyond the variance of inflation and depreciation, the level of inflation and size of depreciation also matter for dollarization. While dollarization in nominal terms surged during the recent global financial crisis, there was a downward trend in real terms. Employing a set of econometric estimators, this paper investigates whether "real" dollarization during 2006–09 was associated with the crisis, and the role of initial macroeconomic conditions, quality of institutions, risk aversion, and prudential measures. The authors find that exchange rate appreciation and reductions in sovereign risk do moderate dollarization; but the results for global volatility have low statistical significance, perhaps because global shocks tend to preserve, to a large extent, relative attractiveness of foreign assets. Nonetheless, estimated impulse-response functions point to a large but short-lived positive impact of global volatility on dollarization, which could reflect economic agents heightened concerns about spillover effects of global uncertainty on the domestic economy.

Eurozone Bank Resolution and Bail-In -- Intervention, Triggers and Writedowns (2015)

Conlon Thomas - University College Dublin; Cotter John - University College Dublin

Abstract: The European Union has recently introduced the Single Resolution Mechanism (SRM) to provide a consistent set of rules concerning Eurozone bank resolution. In this study, the authors retrospectively examine the implications of the SRM for Eurozone banks during the global financial crisis. Empirical results indicate that large, systemically important Eurozone banks would have exclusively required equity write downs to cover impairment losses. However, to ensure adequate capitalization post bail-in, the majority of large, listed banks would have required conversion to equity for all subordinated and some senior debt creditors. Depositors would not have experienced write downs in any of the banks examined. Given the subjective nature of resolution triggers outlined in the SRM, the authors also study the potential benefits of market and balance sheet dependent triggers. While our findings suggest some weak evidence of a capacity to differentiate between failed and surviving banks, the results are indicative of the difficulties in mandating predefined quantitative resolution triggers.

Civil Liability of Credit Rating Companies: Quantitative Aspects of Damage Assessment from an Economic Viewpoint (2015)

Kleinow Jacob - Freiberg University

Abstract: Credit Rating Agencies (CRAs) are among the scapegoats who are blamed for the most recent financial crises. Originally criticized for "too optimistic" ratings (of ABS issues), the same rating agencies were blamed for being over-cautious during the European sovereign debt crisis, when they initiated downgrades of several countries. Unsurprisingly, sit did not take politicians long to start thinking of a liability regime for erroneous ratings at the European level, what ended up in a liability rule as a part of the European Union (EU) credit rating agency regulation CRA III. But how liable could and should credit rating agencies be for their "opinions"? This paper addresses quantitative aspects of the problem from an economic point of view. First, a theoretical model for the design of an optimal liability regime for credit rating agencies is introduced. Hereafter, the impact of ratings on the valuation of securities in practice is explained. Two fictive cases of quantifiable damage caused by an inappropriate rating are presented and the pecuniary loss under EU CRA III is calculated. Finally, the shortcomings of the current liability regime are

illustrated from an economic viewpoint. The paper concludes with proposals for improvements towards an effective liability regime in the EU.

The Mutualisation of Sovereign Debt: Comparing the American Past and the European Present (2015)

Steinbach Armin - Oxford University

Abstract: This study identifies commonalities between two historical incidents of debt assumption – in the United States in 1791 and in present-day Europe. By comparing the interests and behaviour of key players in these two incidents, the authors find three major parallels: First, in their strategic interactions, parties both for and against debt mutualisation raise arguments based on notions of fairness and morality. Second, in both historical episodes the authors find harsh rhetoric levelled against private creditors, who are derided as greedy speculators. Third, bargaining is an essential element of the debt assumption process. Bargaining is directed towards limiting or expanding the scope of debt assumption. Further, bargaining typically leads to some form of conditionality imposed in order to increase the chances of the debts being repaid or to ensure benefits accrue to the parties assuming the debt.

Sovereigns and Banks in the Euro Area: A Tale of Two Crises (2015)

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

Abstract: This study attempts to identify and trace inter-linkages between sovereign and banking risk in the euro area. To this end, the authors use an indicator of banking risk in each country based on the Contingent Claim Analysis literature, and 10-year government yield spreads over Germany as a measure of sovereign risk. The authors apply a dynamic approach to testing for Granger causality between the two measures of risk in 10 euro area countries, allowing us to check for contagion in the form of a significant and abrupt increase in short-run causal linkages. The empirical results indicate that episodes of contagion vary considerably in both directions over time and within the different EMU countries. Significantly, the authors find that causal linkages tend to strengthen particularly at the time of major financial crises. The empirical evidence suggests the presence of contagion, mainly from banks to sovereigns.

Local Credit Rating Agencies: New Data and Analysis (2015)

Marandola Ginevra - University of Rome Tor Vergata

Abstract: Local credit rating agencies are an important phenomenon in emerging and high income economies. There are over 200 local agencies around the world, which provide ratings of small domestic enterprises and debt denominated in local currency. This work presents the first comprehensive collection of information and data on local agencies' global presence, and on Moody's, S&P and Fitch's offices and affiliates around the world. The dataset includes agencies operating in over 60 countries between 1970 and 2012, providing the date of incorporation and death of the agencies, the geographic focus, and information on mergers between local agencies and acquisitions by Moody's, S&P and Fitch. The paper also discusses and shows empirical evidence on the determinants of the presence of local agencies and global agencies' branches. Results suggest the local agencies appear where securities' markets are not much developed, often supported by governments committed to promote these markets. Global agencies open domestic branches where a rating business is guaranteed by relatively deep securities' markets and good financial authorities.

Secular stagnation, debt overhang and other rationales for sluggish growth, six years on (2015)

Lo Stephanie – BIS; Rogoff Kenneth – BIS

There is considerable controversy over why sluggish economic growth persists across many advanced economies six years after the onset of the financial crisis. Theories include a secular deficiency in aggregate demand, slowing innovation, adverse demographics, lingering policy uncertainty, post-crisis political fractionalisation, debt overhang, insufficient fiscal stimulus, excessive financial regulation, and some mix of all of the above. This paper surveys the alternative viewpoints. The authors argue that until significant pockets of private, external and public debt overhang further abate, the potential role of other headwinds to economic growth will be difficult to quantify.

Austerity in 2009-2013 (2015)

Alesina Alberto F. - Harvard University; Barbiero Omar - Harvard University; Favero Carlo - Bocconi University and IGIER; Giavazzi Francesco - Universita' Bocconi and IGIER; Paradisi Matteo - Department of Economics

Abstract: The conventional wisdom is (i) that fiscal austerity was the main culprit for the recessions experienced by many countries, especially in Europe, since 2010 and (ii) that this round of fiscal consolidation was much more costly than past ones. The contribution of this paper is a clarification of the first point and, if not a clear rejection, at least it raises doubts on the second. In order to obtain these results the authors construct a new detailed "narrative" data set which documents the actual size and composition of the fiscal plans implemented by several countries in the period 2009-2013. Out of sample simulations, that project output growth conditional only upon the fiscal plans implemented since 2009 do reasonably well in predicting the total output fluctuations of the countries in our sample over the years 2010-13 and are also capable of

explaining some of the cross-country heterogeneity in this variable. Fiscal adjustments based upon cuts in spending appear to have been much less costly, in terms of output losses, than those based upon tax increases. The difference between the two types of adjustment is very large. Our results, however, are mute on the question whether the countries the authors have studied did the right thing implementing fiscal austerity at the time they did, that is 2009-13. Finally the authors examine whether this round of fiscal adjustments, which occurred after a financial and banking crisis, has had different effects on the economy compared to earlier fiscal consolidations carried out in "normal" times. When the authors test this hypothesis the authors do not reject the null, although in some cases failure to reject is marginal. In other words, the authors don't find sufficient evidence to claim that the recent rounds of fiscal adjustment, when compared with those occurred before the crisis, have been especially costly for the economy.

Monetary Policy

MRO bidding in the presence of LTROs: an empirical analysis of the pre-crisis period (2014)

Vogel Edgar - European Central Bank

Abstract: Using individual data from the Eurosystem's liquidity providing tenders for the pre-crisis period the authors investigate banks' joint bidding behaviour in Main Refinancing Operation (MRO) and Longer Term Refinancing Operations (LTRO). The authors test whether banks bid at lower rates in MROs before the LTRO and at higher rates after the LTRO, compared to other operations. The authors offer two main findings. First, the authors find that in general banks bid in the MRO before the LTRO at lower rates as compared to "other" MROs. Moreover, MRO participants which also bid in the following LTRO bid at even lower rates, compared to peers not bidding in the LTRO. These findings support the hypothesis that banks view obtaining liquidity from the two operations as substitutes and bid strategically. Second, the authors find that banks generally bid more aggressively in the MRO after the LTRO. Even more striking, banks which participated also in the LTRO preceding the MRO bid at substantially higher rates. These findings reflect that "short" banks, with potentially large net liquidity needs after the LTRO bid more aggressively. Other counterparties with liquidity needs in that particular operation are forced, as a best response reaction, to bid also at higher rates. Although size plays a considerable role for bidding behaviour, the conclusions are valid for banks of different size.

The Effects of U.S. Unconventional Monetary Policy on Asia Frontier Developing Economies (2015)

Rafiq Sohrab - International Monetary Fund

Abstract: This paper explores the effect of U.S. unconventional monetary policy (QE2) on a group of frontier developing economies (FDEs) in Asia. This paper finds that spillovers emanating from the U.S. on FDEs in Asia have been small. The relative insulation of emerging Asia from the global financial cycle can likely be attributed to the presence of managed capital accounts coupled with shallow financial markets. Should U.S. monetary policy begin to normalize the direct first-round impact on developing Asia is likely to be small.

The coevolution of money markets and monetary policy, 1815-2008 (2014)

Jobst Clemens - Oesterreichische Nationalbank; Ugolini Stefano - University of Toulouse

Abstract: Money market structures shape monetary policy design, but the way central banks perform their operations also has an impact on the evolution of money markets. This is important, because microeconomic differences in the way the same macroeconomic policy is implemented may be non-neutral. In this paper, the authors take a panel approach in order to investigate both directions of causality. Thanks to three newly-collected datasets covering ten countries over two centuries, the authors ask (1) where, (2) how, and (3) with what results interaction between money markets and central banks has taken place. Our findings allow establishing a periodization singling out phases of convergence and divergence. They also suggest that exogenous factors – by changing both money market structures and monetary policy targets – may impact coevolution from both directions. This makes sensible theoretical treatment of the interaction between central bank policy and market structures a particularly complex endeavor.

Spillovers of US unconventional monetary policy to Asia: the role of long-term interest rates (2014)

Miyajima Ken; Mohanty M.S.; Yetman James

Abstract: This paper reviews the role of long-term interest rates in international monetary transmission and related policy challenges in the wake of exceptionally easy US monetary policy. It employs a panel VAR model to examine the impact of a very low US term premium on relatively small open Asian economies. The results show that unconventional US monetary policy spills over to Asia mainly through low domestic bond yields and rapid growth of domestic bank credit. Financial integration does not appear to reduce the control of national monetary authorities over short-term policy rates. However, it does compromise control over long-term rates that are key determinants of economic activity. In light of the results, the paper reviews potential policy options to deal with volatile term and risk premiums.

Trilemmas and tradeoffs: living with financial globalization (2015)
Obstfeld Maurice – BIS; Issing Otmar – BIS; Ito Takatoshi – BIS

Abstract: This paper evaluates the capacity of emerging market economies (EMEs) to moderate the domestic impact of global financial and monetary forces through their own monetary policies. Those EMEs that are able to exploit a flexible exchange rate are far better positioned than those that devote monetary policy to fixing the rate, a reflection of the classical monetary policy trilemma. However, exchange rate changes alone do not insulate economies from foreign financial and monetary shocks. While potentially a potent source of economic benefits, financial globalisation does have a downside for economic management. It worsens the trade-offs monetary policy faces in navigating among multiple domestic objectives.
This drawback of globalisation raises the marginal value of additional tools of macroeconomic and financial policy. Unfortunately, the availability of such tools is constrained by a financial policy trilemma that is distinct from the monetary trilemma. This second trilemma posits the incompatibility of national responsibility for financial policy, international financial integration and financial stability.

Central Bank Credibility: An Historical and Quantitative Exploration (2015)
Bordo Michael D. - Rutgers University; Siklos Pierre - Wilfrid Laurier University

Abstract: In this paper the authors provide empirical measures of central bank credibility and augment these with historical narratives from eleven countries. To the extent the authors are able to apply reliable institutional information the authors can also indirectly assess their role in influencing the credibility of the monetary authority. The authors focus on measures of inflation expectations, the mean reversion properties of inflation, and indicators of exchange rate risk. In addition the authors place some emphasis on whether credibility is particularly vulnerable during financial crises, whether its evolution is a function of the type of crisis or its kind (i.e., currency, banking, sovereign debt crises). The authors find credibility changes over time are frequent and can be significant. Nevertheless, no robust empirical connection between the size of an economic shock (e.g., the Great Depression) and loss of credibility is found. Second, the frequency with which the world economy experiences economic and financial crises, institutional factors (i.e., the quality of governance) plays an important role in preventing a loss of credibility. Third, credibility shocks are dependent on the type of monetary policy regime in place. Finally, credibility is most affected by whether the shock can be associated with policy errors.

Fiscal Policy and Budget Management

Macroeconomic effects of simultaneous implementation of reforms after the crisis (2014)
Gerali Andrea - Bank of Italy; Notarpietro Alessandro - Bank of Italy; Pisani Massimiliano - Bank of Italy

Abstract: This paper evaluates the macroeconomic effects of simultaneously implementing fiscal consolidation and competition-friendly reforms in a country of the euro area by simulating a large-scale dynamic general equilibrium model. The authors find, first, that the joint implementation of reforms has additional expansionary effects on long-run economic activity. Increasing competition in the service sector favors a higher income tax base. Given the targeted public debt-to-GDP ratio, labor and capital income tax rates can be reduced more than with fiscal consolidation alone. Second, fiscal consolidation has non-negligible medium-run costs; however, they are reduced by joint implementation with the services reform. The results are robust to alternative assumptions that capture the impact of financial crisis on the financing conditions of households.

India: Redesigning Fiscal Federalism after the Global Financial Crisis (2014)
Jha Raghbendra - Australian National University

Abstract: Partly as a result of the Fiscal Responsibility Act (passed in 2003) the gross fiscal deficits of both central and state governments were in good order. Indeed, both central and state governments were running primary surpluses in 2006-07 and 2007-08. Partly as result of the stimulus enacted to counter the effects of the Global Financial Crisis (GFC) both central and state government have been running primary deficits since 2008-09 as a result of which gross fiscal deficits and debt have risen significantly. At the same time individual states (particularly those that were previously lagging) have provided substantial impetus to the growth of the national economy. Against this background this paper addresses three themes: (i) How should fiscal relations between center and states be re-organized to further enhance aggregate economic growth? (ii) How should the structure of transfers between center and states be reorganized to get back to the pre-GFC path of fiscal deficits. (iii) How should indirect tax reform, in particular the introduction of the GST, be handled?

Fiscal Policy and Budget Balancing: The European Experience (2015)
Larson Sven R. - Compact for America

Abstract: The European Union's constitutional balanced-budget amendment, the Stability and Growth Pact (SGP), dictates that EU member states keep their budget deficits within three percent of GDP and that government debt be kept at or below 60 percent of GDP. After 20 years, unintended consequences of the SGP have created a contractionary fiscal-policy bias that prioritizes

budget-balancing over reductions in spending and unemployment. For Americans, this a valuable lesson, as it shows what budget-balancing mechanisms not to use.

Debt Control: An Alternative Route to a Balanced Budget (2014)

Larson Sven R. - Compact for America

Abstract: This paper discusses an alternative route to a balanced budget, namely through debt control. Two models are compared: the debt brake which has been used in Switzerland since 2003 and the debt limitation model proposed by Compact for America. The paper concludes that the former, while apparently successful in Switzerland, is technically more sophisticated than necessary to control federal debt in the United States. As a debt control instrument, the Compact for America model is therefore preferable.

The Geography of Incentives to Run a Federal Budget Deficit in Belgium (2014)

Jennes Geert – VIVES

Abstract: Political parties in Belgium are split along Flemish-Francophone lines, and Flanders enjoys relatively less federal expenditures and pays relatively more federal taxes than Francophone Belgium. As the federal debt is serviced out of federal tax revenues, Flanders bears most of the cost of debt servicing, while on average having benefited the least from the deficit-funded expenditures. Those uneven net benefits from Belgian federal budget deficits – and the diverging incentives for federal budget deficits this disparity seems to create – may be an explanation of the large overall size of deficits and debt in Belgium since the 1970s. Hence, 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 Belgian federal deficits and debt burdens. The authors test for these differing deficit incentives by investigating the difference between the effect of an increase in net formula-based transfers on Flemish resp. Francophone Belgian federal government parties' vote share. [...]

Public Debt and Total Factor Productivity (2014)

Kaas Leo - University of Konstanz

Abstract: This paper explores the role of public debt and fiscal deficits on factor productivity in an economy with credit market frictions and heterogeneous firms. When credit market conditions are sufficiently weak, low interest rates permit the government to run Ponzi schemes so that permanent primary deficits can be sustained. For small enough deficit ratios, the model has two steady states of which one is an unstable bubble and the other one is stable. The stable equilibrium features higher levels of credit and capital, but also a lower interest rate, lower total factor productivity and output. The model is calibrated to the US economy to derive the maximum sustainable deficit ratio and to examine the dynamic responses to changes in debt policy. A reduction of the primary deficit triggers an expansion of credit and capital, but it also leads to a deterioration of total factor productivity since more low-productivity firms prefer to remain active at the lower equilibrium interest rate.

Ending the Euro Crisis? (2015)

Feldstein Martin S – NBER

Abstract: All of the attempts to end the euro crisis and to return the Eurozone countries to healthy growth rates of income and employment have failed. The options that are currently being discussed are not likely to be more successful. If there is a politically feasible way out of the crisis, it will be through revenue neutral fiscal incentives adopted by the individual Eurozone countries. I describe some of these fiscal options after reviewing the history of failed attempts and the options that are currently on the table.

Public Debt in Macroeconomic Analysis

Sovereignty, exchange rate and the Euro crisis (2014)

Bresser-Pereira Luiz Carlos - Getúlio Vargas Foundation; Rossi Pedro - State University of Campinas

Abstract: This paper presents an interpretation of the European crisis based on the balance of payments imbalances within the Eurozone and highlighting the role of the "internal" real exchange rates as a primary cause of the crisis. It explores the structural contradictions that turn the Euro into a "foreign currency" for each individual Eurozone country. These contradictions imply the inability of national central banks to monetize the public and private debts, which makes the Euro crisis a sovereign crisis similar to those typical of emerging countries, but whose solution presents additional obstacles.

Fiscal Transparency and the Performance of Government Financial Assets (2015)

Seiferling Mike - International Monetary Fund; Tareq Shamsuddin - International Monetary Fund

Abstract: Stock-flow adjustments are typically measured as the difference between changes in gross debt and deficits. These are interpreted as a proxy for unexplained fiscal discrepancies, and often associated with a lack of fiscal transparency. However, such measures fail to capture the role of financial assets and valuation changes and therefore do not correctly predict fiscal transparency. The purpose of this paper is to provide a more detailed exposition of stock-flow residuals and the relationship

with fiscal transparency, highlighting government acquisition of equities and investment fund shares and their performance in secondary markets. The results suggest that the performance of government equity portfolios correlates with fiscal transparency to the extent that fully transparent governments are expected to generate between 6 and 8 percent higher returns on their equity portfolios than others. These findings suggest that the performance of government assets may be a promising area for future research of fiscal transparency and stock-flow residuals.

The Liquidation of Government Debt (2015)

Reinhart Carmen M. - Harvard University; Sbrancia M. Belen - International Monetary Fund

Abstract: High public debt often produces the drama of default and restructuring. But debt is also reduced through financial repression, a tax on bondholders and savers via negative or belowmarket real interest rates. After WWII, capital controls and regulatory restrictions created a captive audience for government debt, limiting tax-base erosion. Financial repression is most successful in liquidating debt when accompanied by inflation. For the advanced economies, real interest rates were negative ½ of the time during 1945–1980. Average annual interest expense savings for a 12—country sample range from about 1 to 5 percent of GDP for the full 1945–1980 period. The authors suggest that, once again, financial repression may be part of the toolkit deployed to cope with the most recent surge in public debt in advanced economies.

Austerity (2014)

Dellas Harris - University of Bern; Niepelt Dirk - Study Center Gerzensee

Abstract: In this paper the authors shed light on the function, properties and optimal size of austerity using the standard sovereign debt model augmented to include incomplete information about credit risk. Austerity is defined as the shortfall of consumption from the level desired by a country and supported by its repayment capacity. The authors find that austerity serves as a tool for securing a more favorable loan package; that it is associated with over-investment even when investment does not create collateral; and that low risk borrowers may favor more to less severe austerity. These findings imply that the amount of fresh funds obtained by a sovereign is not a reliable measure of austerity suffered; and that austerity may actually be associated with higher growth. Our analysis accommodates costly signaling for gaining credibility and also assigns a novel role to spending multipliers in the determination of optimal austerity.

The Costs of Sovereign Default: Evidence from Argentina (2014)

Hebert Benjamin - Harvard University; Schreger Jesse - Harvard University

Abstract. In this paper the authors estimate the causal effect of sovereign default on the equity returns of Argentine firms. The authors identify this effect by exploiting changes in the probability of Argentine sovereign default induced by legal rulings in the case of Republic of Argentina v. NML Capital. Because the legal rulings affected the probability of Argentina defaulting on its debt, independent of underlying economic conditions, these rulings allow us to study the effect of default on firm performance. Using both standard event study methods and a Rigobon (2003) heteroskedasticity-based identification strategy, the authors find that an increase in the probability of sovereign default causes a decline in the Argentine equity market. A 1% increase in the risk-neutral probability of default causes a 0.55% fall in an index of Argentine American Depository Receipts (ADRs). Extrapolating from these estimates, the authors conclude that the recent Argentine sovereign default episode caused a cumulative 33% drop in the ADR index from 2011 to 2014.

Articles in reviews/in books

Subnational Bond Markets

The Logic (or Illogic) of China's Local Government Debts Out of Control - Law, Governance or Other Perspectives (2015)

Wei Shen - Shanghai Jiao Tong University

Abstract: Local government debts in China come into the global spotlight due to its massive volume. This article is primarily concerned with the deep causes of and potential solutions to local government debts in China. An attempt is made to understand the causes of local government debts through various dynamic elements of China's public and fiscal finance, including revenue collection, allocation of government responsibility, fiscal expenditure and fiscal transfer within the central and local governments. Local governments' spending patterns reveal a deep and fundamental flaw in the overall governance structure, which necessitates a more comprehensive reform tackling the root problems underlying the local government debt crisis in China.

Books

Core Topics in Debt Management

Emerging markets and sovereign risk (2014)
Finch Nigel - Australia Mongolia Business Council

Summary: "Emerging markets are an increasingly important area of corporate strategy and fast becoming the driver of global growth. Today, emerging markets account for 40% of global GDP and are experiencing growth rates two or three times faster than developed economies. Not surprisingly, investment activity in emerging market jurisdictions has been frenetic with developed-world firms having invested more than $3 trillion, making it one of the biggest corporate investment cycles since the railway boom of the 19th century. Emerging Markets and Sovereign Risk provides case studies, commentary and analysis of investment and financial aspects of emerging market investment from international experts inside Standard & Poor's, Moody's, global investment funds, corporations and academia, and covers keys issues such as credit rating agencies and the rating process, risk assessment and pricing of sovereign debt, challenges related to foreign direct investment in emerging countries, capital flows in frontier, emerging and less-mature economies, structuring debt and equity investments in 'non-investment grade' countries, key value drivers in emerging market asset classes, sovereign wealth funds and emerging market investment, and considerations in the management of sovereign credit ratings"

Coordination with other policies and operations

Gambling debt : Iceland's rise and fall in the global economy (2015)
Durrenberger E. Paul - The University of Iowa and the Pennsylvania State University; Palsson Gisli - The University of Iceland and visiting professor at King's College, London

Summary: At an August 2012 workshop at the University of Iowa, an unusual collection of scholars and students presented papers on the 2008 Icelandic financial meltdown. They were from anthropology, business, education, history, linguistics, literature, philosophy, and sociology, although anthropologists made up the majority of the group. Participants were encouraged to draft their papers and read each other's work posted online before the conference. Then once they assembled in Iowa City, they spent considerable time discussing and critiquing the work in person. The chapters in this book represent the initial thinking that went into the drafts, the collegial critique at the conference, and the final honing of the papers, accomplished with the support of a generous grant from the National Science Foundation.

Public Debt in Macroeconomic Analysis

Modern Portfolio Management: From Markowitz to Probabilistic Scenario Optimisation (2015)
Sironi Paolo - IBM Risk Analytics

Summary: Modern Portfolio Management provides a methodology for portfolio choice based upon modern risk management techniques and a clearer definition of the investment risk/return profile to feature goal-based investing and probabilistic scenario optimisation.

The Role of Currency in Institutional Portfolios (2014)
Pojarliev Momtchil – FFTW; Levich Richard M. - New York University's

Summary: In the current financial environment in which institutional investors are failing to achieve their goal of superior returns or beating the market, investors are rethinking asset allocation as a whole. The potential role for currency in institutional portfolios has been much discussed, yet overlooked. Finally this market segment is coming to the foreground of the investment landscape. Editors and experts in the area of currency research, Momtchil Pojarliev (Fischer Francis Trees & Watts) and Richard Levich (New York University Stern School of Business), present contributions from authorities in the FX sphere of the investment world as well as the more traditional sectors, providing a balanced perspective to institutional portfolios

Web Resources

Secondary Market

Launch of the "Bond Market Survey"
Bank of Japan
January 14, 2015 – The Financial Markets Department of the Bank of Japan made public the introduction of the "Bond Market Survey" in "Actions to Enhance Dialogue with Market Participants" released on November 5, 2014. As preparations were finished, the Financial Markets Department will conduct the first survey in February 2015. The results of the survey in February 2015 will be released on March 9, 2015.

Actions to Enhance Dialogue with Market Participants
Bank of Japan
The Bank of Japan, under the quantitative and qualitative monetary easing (QQE) introduced in April 2013, has been purchasing a wide range of assets including Japanese government bonds (JGBs) and various risky assets. Furthermore, the Bank expanded the QQE on October 31, 2014, and raised the pace of purchases of assets, such as JGBs. Against this background, the Financial Markets Department of the Bank will, through the following new initiatives, further enhance dialogue with market participants, while carefully examining developments and functions of financial markets as well as impacts of the Bank's operations on financial markets.[…]

Pension Markets in Focus 2014
Oecd
Pension funds achieved positive returns in 2013 in almost all OECD countries, notwithstanding uncertainties in the world economy and volatility in financial markets.

Multilateral Debt

Georgia: First Review Under the Stand-By Arrangement and Request for Modification of a Performance Criterion-Staff Report; and Press Release - IMF Country Report No. 15/17
International Monetary Fund
Although this year’s fiscal deficit should come in below target, the composition of spending has again shifted from capital to current and the substantial increase in government spending planned for the fourth quarter could lead to balance of payments pressures. […]

Senegal: 2014 Article IV Consultation and Eighth Review Under the Policy Support Instrument-Staff Report; Press Release; and Statement by the Executive Director for Senegal - IMF Country Report No. 15/2
International Monetary Fund
The government is committed to implementing the “Plan Sénégal Emergent” (PSE), which contains valid diagnostics and policies to boost growth and accelerate poverty reduction. […]

Republic of Mozambique: Third Review Under the Policy Support Instrument-Staff Report and Press Release - IMF Country Report No. 15/12
International Monetary Fund
The main short-term challenge is to maintain the growth momentum while preserving fiscal and debt sustainability. […]

United Republic of Tanzania: First Review Under the Policy Support Instrument-Staff Report; Press Release; and Statement by the Executive Director for the United Republic of Tanzania - IMF Country Report No. 15/14
International Monetary Fund
Discussions focused on how to mitigate risks to budget implementation related to financing uncertainty and revenue shortfalls. Meeting the fiscal deficit target for 2014/15 will require revising downward revenue and expenditure during the mid-year budget review. […]

Haiti: Ex Post Assessment of Longer-Term Engagement - IMF Country Report No. 15/4
International Monetary Fund
Haiti’s 2006 and 2010 Fund-supported programs started under very different circumstances but shared the main objectives of preserving macroeconomic stability and creating the conditions for a sustained growth takeoff through structural reform. […]

World Bank Raises USD 91 Million with Its Pioneering Green Growth Bond
The World Bank
The subscription period for the World Bank (IBRD, Aaa/AAA) Green Growth Bond – the first Green Bond linked to an equity index designed for retail investors in Belgium and Luxembourg – has closed . The subscription period lasted a total of 6 weeks, from November 17, 2014 to December 29, 2014 with a one day reopening on January 7, 2015 to satisfy investor demand.

World Bank’s first Green Bonds Denominated in Indian Rupee

The World Bank

The subscription period for the first green bond denominated in Indian Rupee (INR) issued by the World Bank (International Bank for Reconstruction and Development, IBRD), rated Aaa/AAA (Moody’s/S&P)has closed . The INR 348.5 million green bonds were sold to Japanese retail investors during the subscription period from January 13 to January 28, 2015. Crédit Agricole was the sole underwriter for this transaction.

Inter-American Development Bank to hold Annual Meeting in Busan, Republic of Korea

The Inter-American Development Bank

The Inter-American Development Bank (IDB) will hold its Annual Meeting in Busan, Republic of Korea, March 26-29, bringing finance officials and business leaders from its 48 member countries to discuss the economic outlook and development challenges of Latin America and the Caribbean, as well as investment opportunities and the exchange of best practices between the region and Asia.

Latin America and the Caribbean growth expected to pick up slightly in 2015

Inter-American Development Bank

Latin America and the Caribbean's economic growth might recover modestly to 2.2 percent in 2015, up from 1.3 percent in 2014, its lowest rate since last decade's global financial crisis. Despite the slowdown, the region has managed to maintain its gains against poverty, said Inter-American Development Bank President Luis Alberto Moreno.

GA ad hoc committee on sovereign debt restructuring processes

UNCTAD

The first working session of the General Assembly ad hoc committee on sovereign debt restructuring processes took place on 3-5 February 2015, Trusteeship Council Chamber, UNHQ in New York.

What Next for the IMF?

The Peterson Institute for International Economics

After the Obama administration's four failed attempts to win congressional approval of the 2010 quota and governance reform for the International Monetary Fund (IMF), it is time to recognize that implementation of the agreement may be indefinitely delayed. The international community must therefore prepare for the likelihood of a new world order in which the IMF augments its funding and reforms its governing structure without US participation. […]

Developing Domestic Bond Markets

Zeti Akhtar Aziz: Progress and advancement of Islamic finance

BIS

Speech by Dr Zeti Akhtar Aziz, Governor of the Central Bank of Malaysia (Bank Negara Malaysia), at the Islamic Economy Award 2014, Dubai, 14 January 2015.

Legal Issues and Conventions

the ICMA Quarterly Report First Quarter 2015

Icma

This report 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.

Active Debt Management

Changing contours of debt management

BIS

Address by Mr G Padmanabhan, Executive Director of the Bank of India, at the Annual Meeting of the Primary Dealers Association of India, Mumbai, 17 January 2015.

Derivatives

ISDA OTC Derivatives Market Analysis: Industry Meeting Clearing and Compression Goals

Isda

Two key policy goals of increased clearing and portfolio compression are being met by the derivatives industry, with a recent surge in compression volumes contributing to a decline in publicly reported interest rate derivatives notional outstanding figures, according to a new research paper published today by the International Swaps and Derivatives Association, Inc. (ISDA).[...]

The Credit Derivatives Mailbag
Isda
Some recent press articles have raised questions about the process for determining whether a credit event has occurred and therefore whether credit derivatives should trigger. Many of the articles have focused on the ISDA Credit Derivatives Determinations Committees (DCs). So, we thought we'd tackle a few of the most commonly raised issues.[...]

IOSCO publishes final report on risk mitigation standards for non-centrally cleared OTC derivatives
IOSCO
The International Organization of Securities Commissions today published the final report Risk Mitigation Standards for Non-centrally Cleared OTC Derivatives, which sets out nine standards aimed at mitigating the risks in the non-centrally cleared OTC derivatives markets.[...]

Accounting, Transparency and Accountability

The Public Finances, borrowing requirement and debt, No. 3 2015
Bank of Italy
These are monthly statistics on the general government borrowing requirement and gross debt broken down into the sub-sectors central government, local government, and social security agencies. [...]

International banking statistics at end-September 2014
BIS
International banking activity continued to expand in the third quarter of 2014. The $493 billion quarterly expansion in global cross-border claims boosted the annual growth rate to about 5% at end-September 2014 from 1% at end-June 2014.[…]

International Debt Statistics
The World Bank
Focuses on financial flows, trends in external debt, and other major financial indicators for developing and advanced economies (data from Quarterly External Debt Statistics and Quarterly Public Sector Debt databases). Includes over 200 time series indicators from 1970 to 2013, for most reporting countries, and pipeline data for scheduled debt service payments on existing commitments to 2021.

OECD Institutional Investors Statistics 2014
Oecd
This publication provides a unique set of statistics that reflect the level and structure of the financial assets of institutional investors in the OECD countries, and in the Russian Federation.

United Nations expresses broad support for the strengthening of SAIs
INTOSAI
INTOSAI is receiving full support by the United Nations for its endeavours to strengthen Supreme Audit Institutions (SAIs) in the framework of the UN Post-2015 Development Agenda. This was clearly demonstrated during a working visit by the Secretary General of INTOSAI, Mr Josef Moser, at the United Nations from 19 to 23 January 2015.[...]

DMOs Programmes and Reports

Uruguay Debt Report - January 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.

Uruguay in Focus - January 2015
Debt Management Unit – Uruguay
The "Uruguay in Focus" bulletin describes the recent evolution of major macroeconomic and financial indicators of the Uruguayan economy. The purpose of this report is to present a quarterly update of developments in

Uruguay. The report is prepared by the DMU for potential users in various areas such as asset management firms, investment banks, rating agencies, embassies, trade associations, and multilateral agencies.

National Government Debt Recorded atP5,735 Billion as of End-2014

Bureau of the Treasury – Philippines

The National Government's (NG) total outstanding debt was recorded at P5,735 billion as of year-end 2014, climbing by 1.0% or P54.1 billion over the end-2013 level. The increase in NG debt stock can be attributed to Domestic debt issuance as external debt declined over the period. [...]

Cyprus Quarterly Debt Bulletin - 4th Quarter 2014

Ministry of Finance - Republic of Cyprus

Public debt management: review of operations, 4th Quarter 2014

Medium Term Public Debt Management Strategy 2015-2019

Ministry of Finance - Republic of Cyprus

This is the second medium-term public debt management strategy (MTDS) of Cyprus since the enactment of the Public Debt Management Law in December 2012. [...]

Coordination with other policies and operations

El Salvador: 2014 Article IV Consultation-Staff Report; Press Release; and Statement by the Authorities of El Salvador - IMF Country Report No. 15/13

International Monetary Fund

The main themes centered on tackling macroeconomic vulnerabilities and improving the medium-term outlook by achieving an ambitious fiscal adjustment while protecting social spending, creating an environment for higher private sector-led growth, and building a robust financial sector. [...]

Commission launches work on establishing a Capital Markets Union

European Commission

On 28th January 2015, the European Commission has kicked off its project to create a Capital Markets Union (CMU) for all 28 EU Member States with a first orientation debate at the College of Commissioners. The CMU is one of the flagship projects of this Commission and ties in with the ambition to boost jobs and growth in the EU. It is designed to help businesses to tap into diverse sources of capital from anywhere in the EU and offer investors and savers additional opportunities to put their money to work. […]

Greece: Syrizas Win is the Beginning of the End for the Eurozones Nightmare

Oid-Ido - International Debt Observatory

Everyone seems to agree that Syriza's big victory in Greece is a milestone for Europe, which has been plagued by mass unemployment and a failure to really recover from the financial crisis and world recession of 2008-09. But what kind of a milestone will it be? We can get some ideas from focusing on a few key issues, especially economic policy, which remain surrounded by much confusion in the public debate.

Transparency and banking supervision

ECB

Remarks by Ignazio Angeloni, Member of the Supervisory Board of the European Central Bank at the ICMA Capital Market Lecture Series, Frankfurt am Main, 27 January 2015.

A Path Forward for Greece

The Peterson Institute for International Economics

The people of Greece have spoken, loud and clear, by delivering a resounding victory to Syriza, the left-wing party that won the election last weekend: After suffering five years of economic depression and a massive fiscal tightening (the level of government spending has been cut by 50 percent since 2009), the Greek people cannot stomach any further austerity and have voted for the party that promises change and a different economic policy. The Syriza victory has created a major new dilemma for all of Europe.

Drivers of cross-border banking since the Global Crisis

VOX

In the aftermath of the Global Crisis, international banking is undergoing structural adjustments. This column investigates the role of policy-related drivers of changes in cross-border bank lending since the Crisis. The findings indicate that changes in regulatory policies are important push and pull factors of foreign credit. The empirical evidence further suggests that expansionary monetary policy has helped alleviate credit market fragmentation to some extent.

Monetary Policy

ECB announces expanded asset purchase programme
European Central Bank
The Governing Council of the European Central Bank (ECB) today announced an expanded asset purchase programme. Aimed at fulfilling the ECB's price stability mandate, this programme will see the ECB add the purchase of sovereign bonds to its existing private sector asset purchase programmes in order to address the risks of a too prolonged period of low inflation. [...]

"A government bond buying programme can only be implemented if the majority of bonds continue to be held by private investors"
BIS
Interview with Mr Christian Noyer, Governor of the Bank of France and Chairman of the Board of Directors of the Bank for International Settlements, in Handelsblatt, conducted by Mr Thomas Hanke and Mr Daniel Schafer, published 13 January 2015.

Mario Draghi: ECB press conference – introductory statement
BIS
Introductory statement by Mr Mario Draghi, President of the European Central Bank, Frankfurt am Main, 22 January 2015.

Overview of Uganda's growth and stability in 2013/2014
BIS
Statement by Mr Emmanuel Tumusiime-Mutebile, Governor of the Bank of Uganda, at the Ministry of Finance Planning and Economic Development Press Conference, Kampala, 15 January 2015.

Prospects of the Macedonian economy in 2015
BIS
Address by Ms Maja Kadievska-Vojnovik, Vice-Governor of the National Bank of the Republic of Macedonia, at the panel discussion on the "Prospects of the Macedonian economy in 2015", organized by "Finance Think", Skopje, 22 December 2014.

Fiscal policy and Budget Management

World Bank Approves US$ 50 million for Improving Public Sector Performance to Boost Growth in Sindh
The World Bank
The World Bank today approved US$50 million to strengthen public sector performance in the province of Sindh through improved revenue generation and expenditure management. The Sindh Public Sector Management Reform Project will contribute to improved collection of Sales Tax on Services, improved credibility of budget execution and increased timeliness of contract execution.

Greece's Problem: Persistent Fiscal Irresponsibility and Too Few Reforms
The Peterson Institute for International Economics
The victory of the extreme left-wing party Syriza in the Greek parliamentary elections on January 25 is a wake-up moment. The outcome of the ensuing economic policy discussion is likely to be decisive for Europe for a long time. Two opposing views were recently published in the Financial Times illustrating the dilemma facing the region. Reza Moghadam argued that the European Union should write off half of its debt to Greece, while Gideon Rachman contended that now Europe could not afford to forgive any debt to Greece.

Public Financial Management in Pakistan: Evolving to Deliver Better Service
The World Bank
Public Financial Management (PFM) in Pakistan has achieved some key milestones over the years, most significant amongst them is development of a centralized and advanced financial reporting system with the support of World Bank through the Pakistan Improving Financial Reporting and Audit Project.

Public Debt in Macroeconomic Analysis

Economic Bulletin No. 1 - 2015
Bank of Italy
In Italy consumption grows but investment is at a standstill. Consumption has been growing modestly in Italy since the summer of 2013, mirroring disposable income, which has been sustained by government measures. [...]

Newsletter on the economic research No. 37 - December 2014
Bank of Italy
The Newsletter of the economic research in Bank of Italy, is mainly targeted at the research community with the aim of promoting awareness of the research work carried out by the Bank of Italy's economists. [...]

Five bond market trends to watch out for in 2015
Asian Bonds Online
As 2015 gathers pace, the world seems to be entering a more uncertain and unpredictable phase. With the end of the quantitative easing by the Federal Reserve, we are entering an era of tighter global liquidity. However, this might be offset to a certain extent by more aggressive monetary policy actions from the Eurozone and Japan. The plunge in oil and other commodity prices should help reduce inflationary expectations but could also presage a weaker economic environment. All these point to a more volatile environment, making it a more challenging year for Asian bond markets.

Global Economic Prospects to Improve in 2015, But Divergent Trends Pose Downside Risks, Says WB
The World Bank
Following another disappointing year in 2014, developing countries should see an uptick in growth this year, boosted in part by soft oil prices, a stronger U.S. economy, continued low global interest rates, and receding domestic headwinds in several large emerging markets, says the World Bank Group's Global Economic Prospects (GEP) report, released today.

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* (17.523 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 February 2015 - Gran Melia Fenix Hotel, Madrid
AFME's 6th Annual Spanish Funding Conference

16 February 2015 - Otemachi First Square Conference - Tokyo
ISDA Symposium - The New 2014 ISDA Credit Derivatives Definitions
23 February 2015 - web-based
Advanced Risk Management (2015)

24 February 2015 - Global Financial Conference Center - New York - NY
Derivatives Products Overview

25 February 2015 - One Bishops Square London -
Fundamentals of OTC Derivatives Clearing

26 February 2015 - Kathmandu, Nepal
2nd International Conference on Economics and Finance - Nepal Rastra Bank

27 February 2015 - Bocconi University, Milan - Italy
The development of securities markets. Trends, risks and policies

27 February 2015 - SIFMA Conference Centre - New York City
The Role of Financial Markets in Growth and Jobs

27 February 2015 - Istanbul, Turkey
International Research Conference on Business, Economics and Social Sciences, IRC-2015

11 March 2015 - Asian Development Bank Institute (ADBI) - Tokyo, Japan
15th Tokyo Roundtable on Capital Market and Financial Reform in Asia

13 March 2015 - Tokyo, Japan
OECD-ADBI High-Level Panel on Institutional Investors and Long-term Investment Financing

15 March 2015 - Phoenix, Arizona
Compliance and Legal Society Annual Seminar

17 March 2015 - Grand Hyatt Shanghai -Shanghai
Current Issues in the Derivatives Landscape: Margin, Collateral, CCPs, SEFs and Global Swap Regulations

20 March 2015 - PwC, Level 6, 113-119 The Terrace - Wellington
PwC NZ Treasury Survey and Presentations

26 March 2015 - Busan, Republic of Korea
Inter-American Development Bank to hold Annual Meeting in Busan, Republic of Korea

31 March 2015 - PwC, Level 22, PwC Tower, 188 Quay Street - Auckland
PwC NZ Treasury Survey and Presentations

06 April 2015 - Shanghai, China
International Research Conference on Business, Economics and Social Sciences

13 April 2015 - United Kingdom
Budget Execution through Strategic Financial Management

05 May 2015 - Copenhagen, Denmark
Eurodad-IBIS 2015 International Conference on Financing for Development

11 May 2015 - United Kingdom
Financial Management of Development Projects

06 March 2015 - Trinity College, Dublin - Ireland
Tenth Annual Workshop on Macroeconomics of Global Interdependence (MGI)

Previously signaled

23 February 2015 - United Kingdom
Public Financial Management: Issues & Solutions(2015)

23 February 2015 - Web-based
E-Learning Course on Budget Formulation

03 March 2015 - Grand Hyatt, New York, USA
2015 Insurance and Risk Linked Securities Conference

03 March 2015 - Deutsche Nationalbibliothek (German National Library) - Adickesallee 1 - 60322 Frankfurt am Main
The 7th Annual bwf and ICMA Capital Markets Conference

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 18th February 2015, the number of total resources of the PDM Network website is 23.498 (of which 17.523 news, 2.279 papers and articles in reviews and books, and

2.231 webresources). Registered Members are 800, coming from 117 countries. 437 Partners belong to sovereign debt management institutions of emerging and advanced countries. This newsletter is sent to 579 Partners.

Special thanks

The PDM Network Secretariat is grateful to Ioanna Markidou (Cypriot MoF), Peter K. Koech (Central Bank of Kenya), the Brazilian National Treasury and the Uruguayan Debt Management Unit for their 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).