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This bimonthly newsletter lists all papers, reports, courses and other events about public debt management recently uploaded by the PDM Network Secretariat in the website **www.publicdebtnet.org**.
The documents considered as most interesting by the PDM Network Secretariat are highlighted with a light grey background. The PDM Network bimonthly Newsletter is published on January, March, May, July, September and November. The PDM Network Secretariat welcomes cooperation on information published on the website. Thus, please feel free to **suggest any documents, news and events** relevant to public debt management issues by contacting the Secretariat at the following email: **publicdebtnet.dt@tesoro.it**.

Contents

Special Focus

Sovereign Borrowing Outlook for OECD Countries 2021
OECD
25/02/2021 - Sovereign borrowing needs increased massively in 2020 following the outbreak of the COVID-19 crisis as government spending surged and revenue collection diminished. With record-low interest rates reducing the cost of borrowing and robust demand for government securities, sovereign issuers in the OECD area had to adapt their issuance strategies to the changing environment and significantly increase debt issuance without undermining the functioning of sovereign bond markets. Read more **TAGS:** Debt Policy; Primary market; Secondary Markets; Debt Statistics; Debt Forecasts; OECD

How to Set Up A Cash Buffer: A Practical Guide to Developing and Implementing a Cash Buffer Policy
Yasemin Hürcan, Fatoş Koç, and Emre Balıbek - IMF
Maintaining a cash buffer has emerged as a risk management tool for government cash and debt management. During budget execution, there is considerable cash flow volatility and timing mismatches concerning revenue collections and expenditures, debt inflows, and debt service. Cash balance management aims to address these mismatches and to ensure availability of liquidity in government bank accounts. From a debt management perspective, holding an appropriate level of cash balance serves to mitigate funding risk. **Read more** **TAGS:** **Cash Management**; **Cost and Risk**; **COVID-19**

Documents

Debt Policy

Climate Policy and Optimal Public Debt **(2021)**
Maximilian Kellner, Marco Runkel - University of Technology Berlin
This paper analyzes the optimal level of public debt when taxes are used not only for funding public expenditures but also for correcting externalities from climate change. Taking into account externalities implies that the optimal policy deviates from tax smoothing. Provided cumulative marginal damages are larger from today's than from tomorrow's emissions, the internalization of externalities decreases [increases] optimal debt if tax rates are on the increasing [decreasing] side of the Laffer curve. The reversed holds if the cumulative marginal damages increase over time. Allowing for endogenous adaptation investments reduces the deviation from tax-smoothing, but nevertheless increases optimal debt. **TAGS:** **Debt Policy**; **Debt and fiscal/monetary policies**

Cost and Risk

Contingency Public Funds for Emergencies: The Lessons from the International Experience **(2020)**
Júlia Brunet, Lucía Cuadro-Sáez, Javier J. Pérez - Banco de España
Should societies (governments) save during economic expansions in order to cover the costs of extraordinary situations, such as natural or biological catastrophes or, more generally, economic crises? This question has been raised once again by the economic and social crisis linked to the confinement measures implemented to control the spread of the COVID-19 pandemic and the enormous public spending required to mitigate its impact. There are two general approaches in the economic literature to this debate, which are not mutually exclusive. First, the more standard approach indicates that governments, in these situations, should resort to borrowing. This allows the impact of shocks to be smoothed over time, as long as governments are sufficiently disciplined to rebuild the necessary room for manoeuvre during upswings. However, the evidence available shows that debt tends to decline only very gradually in post-crisis periods. Under the second approach, governments build up contingency funds or rainy-day funds during economic booms. International experience has numerous examples of national and regional funds of this type. This paper reviews the experience of such funds, with a view to drawing lessons as to their potential usefulness

as an instrument of support in crisis situations and fiscal emergencies. Although the international evidence on their use is highly heterogeneous, it shows that when these funds are appropriately structured and sufficiently large they contribute to mitigating the impact of shocks and improving fiscal discipline. **TAGS:** **Debt Policy**; **Cost and Risk**; **Debt and fiscal/monetary policies**; **COVID-19**

Primary Markets

Recapitalising Sovereign Debt - Technical paper (2021)

Finance for Biodiversity

COVID-19 and the linked economic downturn has put emerging countries and their economies on a pathway to a sovereign debt crisis. Many of the affected countries are rich in biodiversity. Yet this key component of their "natural capital" is rapidly diminishing and under increasing threat. Nature loss—such as deforestation, draining of wetlands, and species extinction—has reached alarming levels and is being affected by, and is affecting, climate change. There is a growing body of research making clear not only the link between nature and climate and sovereign debt, but also how nature loss is eroding many nations' capacity to generate the economic activity needed to service and repay sovereign debt. […] **TAGS:** **Primary market**; **Debt sustainability**; **Cost and Risk**; **Financial stability**; **Debt Policy; COVID-19**

Primary Dealers and the demand for Government Debt (2021)

Jason Allen, Jakub Kastl, Milena Wittwer - Bank of Canada

The main objectives of debt management are to raise stable and low-cost funding to meet the government's financial needs and to maintain a well-functioning market for government securities. A challenge is determining how to sell government debt: the sale format, the choice of securities to offer and the allocation across different maturities. This paper focuses on the allocation of debt across maturities. The authors propose a method for identifying dependencies in the demand for securities of different maturities. They also present a dealer-client model that captures the interplay between the primary and secondary markets. This interplay rationalizes our empirical results: that the demand of dealers across maturities at auction is complementary. Authors' results point to the important role that primary dealers play in making markets and highlight how this shows up in demand in primary markets. Given that different clients demand securities of different maturities (preferred habitat), primary dealers satisfy this demand largely by bidding at auction in fixed proportions. Debt managers, therefore, need to ensure that they issue enough volume across maturities to satisfy the varied demand. **TAGS:** **Primary market**; **Primary dealers**; **Institutional Investors**; **Sovereign bonds yields**

Feeling the Heat: Climate Shocks and Credit Ratings (2020)

Serhan Cevik, João Tovar Jalles - IMF, University of Lisbon´s School of Economics and Management

Climate change is an existential threat to the world economy like no other, with complex, evolving and nonlinear dynamics that remain a source of great uncertainty. There is a bourgeoning literature on the economic impact of climate change, but research on how climate change affects sovereign risks is limited. Building on authors' previous research focusing on the impact of climate change on sovereign risks, this paper empirically investigates how climate change may affect sovereign credit ratings. By means of binary-choice models, the authors find that climate change vulnerability has adverse effects on sovereign credit ratings, after controlling for conventional macroeconomic determinants of credit worthiness. On the other hand, with regards to climate change resilience, the authors find that countries with greater climate change resilience benefit from higher (better) credit ratings. These findings, robust to a battery of sensitivity checks, also show that impact of climate change is disproportionately greater in developing countries due largely to weaker capacity to adapt to and mitigate the consequences of climate change. **TAGS:** **Sovereign Credit Ratings**; **Cost and Risk**; **Financial Analysis**

Debt for Climate: Green Bonds and Other Instruments **(2020)**

Paul Rose - Ohio State University

This chapter, prepared for the Edward Elgar Research Handbook on Climate Finance and Investment Law (2020, Michael Mehling and Harro van Asselt (eds.)), examines the rise of green bonds, climate bonds, and other green financial instruments. Although climate finance has enjoyed positive momentum in recent years, this momentum is at risk—with the possibility of reversal—if climate markets fail to provide competitive risk-adjusted returns. For climate finance to compete effectively, governments, issuers, and investors must resolve a set of interrelated problems. First, green investments must compete with traditional "brown" investments, some of which enjoy significant subsidies. Even when not competing against subsidized industries and investments, green investments may still lack an advantageous risk-return profile and may suffer lower demand compared to standard investments. Second, green investments must create sufficient trust in their "greenness" so as to avoid accusations of greenwashing that would not only jeopardize a given issuer's offerings, but would also erode trust in green markets generally. This chapter describes public and private efforts to develop a robust deal infrastructure for climate finance, including mechanisms like distributed ledgers and other financial technologies that are designed to make green investments more competitive with brown investments, while also increasing trust and reducing transaction costs. **TAGS:** **Primary market**; **Sovereign debt market**; **Trading platforms**; **Structural policies; Bond market development**

Secondary Markets

The market stabilization role of central bank asset purchases **(2020)**

Marco Bernardini and Annalisa De Nicola - Bank of Italy

This paper uses high-frequency data to investigate the effects on the government bond market of the central bank purchases made by Banca d'Italia during the pandemic crisis. The size, persistence, propagation, and state-dependent nature of these effects inform about the capability of purchases to contribute to the stabilization of government bond markets by mitigating the effects of adverse shocks and containing the volatility of prices. An outright purchase of government bonds compresses yields immediately and in a persistent manner over the trading day. These effects - different from the permanent ones associated with official programme announcements - are driven by a compression of sovereign spreads and help to improve market liquidity; moreover, they turn out to be particularly strong in times of heightened market stress. **TAGS:** **Secondary Markets**; **Debt and fiscal/monetary policies**; **Market Liquidity**; **Sovereign bonds yields**; **Sovereign debt market**; **COVID-19**

Financial Analysis

Revisiting the Stabilization Role of Public Banks: Public Debt Matters **(2021)**

H. Elif Ture - International Monetary Fund

This paper revisits the stabilization role of public banks and analyzes whether weak public finances may hinder this role. During the global financial crisis (GFC), public banks were widely used to counter the private credit crunch and prop up the economy. Using cross-country bank-level data for 125 advanced and developing economies for 1999–2018, the paper finds public bank lending to be less procyclical than private bank lending on average, particularly during busts. A key result, however, is that in developing economies with high public debt levels, public bank lending has been more procyclical, particularly outside of the GFC period. This finding suggests high public debt can limit the stabilization role of public banks during domestic busts, likely reflecting higher financing costs public banks face and lower subsidies they receive in economies with tighter budget constraints. **TAGS:** **Financial Analysis**; **Debt crisis**; **Institutional Investors**; **Financial stability**

The Impact of Oil Shocks on Sovereign Default Risk (2021)

Sultan Abdulaziz M Alturki, and Ann Marie Hibbert - The World Bank, West Virginia University

The paper examines the impact of oil shocks on sovereign credit default swaps (CDS) for the G10 countries and major oil-exporting countries. The results show that oil demand shocks have a uniformly negative impact on CDS spreads. In contrast, oil supply shocks increase the spreads of the G10 countries, but reduce the spreads of oil-exporting countries. Using quantile regressions, the findings show that oil demand shocks affect spreads across the conditional distribution, while oil supply shocks mostly influence the upper quantiles of spread changes. Furthermore, a two-state Markov-switching modeling confirms a significant non-linearity in the impact of oil shocks. **TAGS:** **Financial Analysis**; **Sovereign CDS**

Sovereign credit and exchange rate risks: evidence from Asia-Pacific local currency bonds (2021)

Mikhail Chernov, Drew Creal, Peter Hördahl - University of California Los Angeles (UCLA), University of Notre Dame, Bank for International Settlements

The authors study the dynamic properties of sovereign bonds in emerging market economies and their associated risk premiums. They focus on the properties of credit spreads, exchange rates, and their interaction. Relying on the term structure of local currency bonds issued by Asia-Pacific sovereigns, the authors find that local variables are significant in the dynamics of currency and credit risk, and the components of bond risk premiums reflecting these risks. Local currency bonds dramatically improve the investment frontier. **TAGS:** **Financial Analysis**; **Sovereign risk premia**; **Cost and Risk**

Financial Spillover and Contagion Risks in the Euro Area in 2007-2019 (2021)

Roman Garcia, Dimitri Lorenzani, Daniel Monteiro, Francesco Perticari, Bořek Vašíček, Lukas Vogel - European Commission

This paper analyses empirically the main direct and indirect transmission channels of financial spillovers and contagion risks in the euro area, focusing on the sovereign-to-sovereign, sovereign-to-bank, and bank to-bank channels. The authors employ correlation analysis, analysis of bank balance sheets, reduced-form models inferring the interconnectedness among agents from market data, and simulated structural models. The value added by this paper to the literature consists both in analysing the recent episodes of financial distress (until 2019), which happened after reforms of the Economic and Monetary Union (EMU) architecture were introduced in response to the euro area debt crisis, and in our reliance on complementary analytical tools ("tool kit"). Overall, the paper suggests that: (i) sovereign-to-sovereign spillover risks have weakened, arguably also due to a more limited role of redenomination risk; (ii) financial spillovers from sovereigns to banks (and vice versa) have become smaller in recent years; and (iii) the bank-to-bank transmission channel remains the most relevant in terms of financial spillovers and potential contagion. Finally, when analyzing the impact of financial spillovers on the real economy, the authors find that higher financial risks can imply sizeable losses in terms of real GDP growth. **TAGS:** **Financial Analysis**; **Debt crisis**; **Institutional Investors**; **Sovereign debt exposure**

The Impact of r-g on the Euro-Area Government Spending Multiplier **(2021)**

Mario Di Serio, Matteo Fragetta, Giovanni Melina - Università degli Studi di Salerno, International Monetary Fund

The authors compute government spending multipliers for the Euro Area (EA) contingent on the interest-growth differential, the so-called r-g. Whether the fiscal shock occurs when r-g is positive or negative matters for the size of the multiplier. Median estimates vary conditional on the specification, but the difference between multipliers in the negative and positive r-g regimes differs systematically from zero with very high probability. Over the medium run (5 years), median cumulated multipliers range between 1.22 and 1.77 when r-g is negative, and between 0.51 and 1.26 when r-g is positive. The authors show that the results are not driven by the state of the business cycle, the monetary policy stance, or the level of government debt, and that the multiplier is inversely correlated with r-g. The calculations are based on the estimates of a factor-augmented interacted panel vector-autoregressive model. The econometric approach deals with several technical problems highlighted in the empirical macroeconomic literature, including the issues of fiscal foresight and limited information. **TAGS:** **Financial Analysis**; **Sovereign bonds yields**; **Debt and growth**

The Empirics of Long-Term Mexican Government Bond Yields **(2021)**

Tanweer Akram, Syed Al-Helal Uddin - Wells Fargo, College of Saint Benedict and Saint John’s University

This paper presents empirical models of Mexican government bond (MGB) yields based on monthly macroeconomic data. The current short-term interest rate has a decisive influence on MGB yields, after controlling for inflation and growth in industrial production. John Maynard Keynes claimed that government bond yields move in lockstep with the short-term interest rate. The models presented in the paper show that Keynes’s claim holds for MGB yields. This has important policy implications for Mexico. The empirical findings of the paper are also relevant for ongoing debates in macroeconomics. **TAGS:** **Financial Analysis**; **Sovereign bonds yields**

A Prudential trade-off? Leakages and interactions with Monetary Policy **(2021)**

Baptiste Meunier, Justine Pedrono - Banque de France

While monetary and prudential policies are generally analysed separately, this paper focuses on how the two interact. Taking an international perspective, the authors show that monetary policy in a centre economy (Euro Area) spill over its borders through bank lending – therefore inducing volatility in cross-border lending flows. Investigating a sample of 30 advanced and emerging economies, the authors find evidence that prudential policy in the receiving-country interact with monetary policy so that a tighter prudential stance in the recipient-country mitigates the volatility of banking flows induced by monetary policy abroad. But the authors also show that a tighter prudential stance – interactions apart – implies a higher growth of cross-border lending. Taken together, these results might suggest a trade-off: while a tighter prudential stance reduces the volatility of cross-border lending flows, it also implies that local borrowers resort more to lending from abroad. Taking advantage of the granularity of their confidential dataset, the authors finally explore heterogeneities and show that such leakages arise only for financially more open economies and only through the financial sector, with evidence that such leakages are driven by intra-group lending. **TAGS:** **International and Macroprudential Regulations**; **Debt and fiscal/monetary policies**; **Institutional Investors**; **Financial Analysis**; **Financial stability**

Answering the Queen: Machine learning and financial crises **(2021)**

Jérémy Fouliard, Michael Howell, Hélène Rey – BIS

Financial crises cause economic, social and political havoc. Macroprudential policies are gaining traction but are still severely under-researched compared to monetary policy and fiscal policy. The authors use the general framework of sequential predictions also called online machine learning to forecast crises out-of-sample. Their methodology is based on model averaging and is "meta-statistic" since the authors can incorporate any predictive model of crises in their set of experts and test its ability to add information. The authors are able to predict systemic financial crises twelve quarters ahead out-of-sample with high signal-to-noise ratio in most cases. The authors analyse which experts provide the most information for their predictions at each point in time and for each country, allowing us to gain some insights into economic mechanisms underlying the building of risk in economies. **TAGS:** **Financial Analysis**; **Debt crisis**

Supply and demand shifts of shorts before Fed announcements during QE1 - QE3 **(2021)**

Thomas McInish, Christopher J. Neely, and Jade Planchon - Federal Reserve Bank of St. Louis

Cohen, Diether, and Malloy (Journal of Finance, 2007), find that shifts in the demand curve predict negative stock returns. The authors use their approach to examine changes in supply and demand at the time of FOMC announcements. The authors show that shifts in the demand for borrowing Treasuries and agencies predict quantitative easing. A reduction in the quantity demanded at all points along the demand curve predicts expansionary quantitative easing announcements. **TAGS:** **Financial Analysis**; **Debt and fiscal/monetary policies**

How do financial markets react to monetary policy signals? **(2021)**

Carlo Altavilla, Refet S. Gürkaynak, Roberto Motto and Giuseppe Ragusa - ECB, Bilkent University, University of Pisa

The authors map ECB policy communications onto yield curve changes and study the information flow on monetary policy decision dates. The authors find that different monetary policy measures exert effects on different segments of the interest rate term structure, with policy rate changes mostly influencing the short end of the curve and quantitative easing measures acting more on the long end. The impact of forward guidance policies, by contrast, reaches its peak at intermediate maturities. A very useful by-product of this work is the publicly available Euro Area Monetary Policy Event-Study Database (EA-MPD), containing intraday asset price changes. **TAGS:** **Financial Analysis**; **Debt and fiscal/monetary policies**; **Sovereign bonds yields**

Sovereign CDS Dealers as market stabilizers **(2021)**

John Mullin, Bruno Sultanum - Federal Reserve Bank of Richmond

Economists at the Richmond Fed analyze the role of dealer-provided liquidity in sovereign credit default swap markets. Using newly available data from the Depository Trust and Clearing Corporation, they track the positions held by large dealers during crises in Ukraine, Venezuela, and Argentina. The researchers find that large dealers tended to increase their provision of insurance as risk increased during those episodes — a finding that is consistent with the notion that they tend to act as market stabilizers during times of turmoil. **TAGS:** **Financial Analysis**; **Financial stability**; **Derivatives**; **Institutional Investors**; **Sovereign CDS**

The effects of Government Bonds on liquidity risk and bank profitability in Cape Verde (2021)

José Carlos Teixeira, Carlos Vieira, Paulo Ferreir - Caixa Económica de Cabo Verde, Universidade de Évora, Instituto Politécnico de Portalegre

To analyze the effects of government debt securities on the liquidity risk and profitability of banks in Cape Verde, this research employs an unbalanced panel dataset from 2000 to 2017 on the activity of all commercial banks operating at the end of 2017 (seven in total). The study employs models with lagged regressors, estimated by the ordinary least squares estimation method. The results show that government debt securities have no effect on bank liquidity risks, but they have an effect on bank profitability, with government debt securities having a positive impact on assets' profitability, in the long run. When government debt securities include Consolidated Securities of Financial Mobilization, the effects on profitability are negative both in the short and the long run. The study concludes that banks' strategy to hold the more conventional government debt securities as safe assets and risk-free alternative for the domestic application of liquidity surpluses is appropriate and a viable way to gain profitability in the long run. These results show the negative effect of government debt securities when the Consolidated Securities of Financial Mobilization are included, which helps to explain the low average profitability rates of Cape Verde's banks, when compared to other similar sub-Saharan African countries, like Mauritius or Seychelles. **TAGS:** **Financial Analysis**; **Market Liquidity**; **Sovereign debt market**

EMU deepening and sovereign debt spreads: using political space to achieve policy space (2020)

Iván Kataryniuk, Víctor Mora-Bajén, Javier J. Pérez - Banco de España

Sovereign spreads within the European Monetary Union (EMU) arise because markets price-in heterogeneous country fundamentals, but also re-denomination risks, given the incomplete nature of EMU. This creates a permanent risk of financial fragmentation within the area. In this paper we claim that political decisions that signal commitment to safeguarding the adequate functioning of the euro area influence investors' valuations. The authors focus on decisions conducive to enhancing the institutional framework of the euro area ("EMU deepening"). To test their hypothesis the authors build a comprehensive narrative of events (decisions) from all documents and press releases issued by the Council of the EU and the European Council during the period January 2010 to March 2020. The authors categorize the events as dealing with: (i) economic and financial integration; (ii) fiscal policy; (iii) bailouts. With their extremely rich narrative at hand, the authors conduct event-study regressions with daily data to assess the impact of events on sovereign bond yields and find that indeed decisions on financial integration drive down periphery spreads.

Moreover, while decisions on key subjects present a robust effect, this is not the case with prior discussions on those subjects at the Council level. Finally, the authors show that the impacts arise from reductions in peripheral sovereign spreads, and not by the opposite movement in core countries. The authors conclude that EU policy-makers have at their disposal significant "political space" to reduce fragmentation and gain "policy space". **TAGS:** **Financial Analysis**; **Sovereign risk premia**; **Sovereign bonds yields**; **Debt and fiscal/monetary policies**

Contract Standards

Time to Die: Bond, Imperial Chinese Bond **(2020)**

Brenda Luo, Alex Xiao - Duke University School of Law

As the Sino-U.S. relationship goes on a downward spiral, increasingly more strange things have come out to haunt the two biggest economies in the world. One of these things involves the idea to make China pay for the sovereign bonds issued by its predeceasing regimes almost a century ago. This paper takes the idea seriously and maps out the possible legal issues surrounding the revival of these bonds. Although two particular bonds show some potential for being revived – the Hukuang Railways 5% Sinking Fund Gold Bonds of 1911 and the Pacific Development Loan of 1937 – the private bondholders would likely not be able to toll the statute of limitations on the repayment claims based on these bonds. Even in the unlikely scenario that they succeed in doing so, the Chinese government would have an arsenal of contract law arguments against the enforcement of these bonds, most notably the duress and impracticality defense. By going into the details of the legal arguments and history of these bonds, the authors seek to confirm the obvious, that is, the idea of making China pays for these bonds is as far-fetched as they sound like and would not be taken seriously by the court. **TAGS:** **Sovereign debt litigation**; **Contract standards**; **Sovereign defaults**; **Sovereign immunity**

Debt Restructuring

Puerto Rico's Debt: Still Foreign in a Domestic Sense **(2021)**

Jordan Sisco - University of Virginia

Puerto Rico, an unincorporated U.S. territory containing over three million American citizens, is suffering from a humanitarian and economic disaster unparalleled in United States history. After a decade of economic recession, Puerto Rico declared that its debts could not be repaid, setting the stage for the largest debt restructuring in U.S. history. In addition, the Caribbean island has been frequently assailed by natural disasters, including the recent COVID-19 pandemic. In response to the Commonwealth's economic crises, Congress passed PROMESA in 2016 to establish an Oversight Board to oversee the restructuring process and to reform core government processes. The Board's task is to help Puerto Rico achieve fiscal responsibility and regain access to the capital markets. This solution, however, is unprecedented, and has faced numerous and ongoing constitutional challenges. Most recently, the Oversight Board overcame an existential challenge under the Appointments Clause. In Financial Oversight and Management Board for Puerto Rico v. Aurelius Investment, LLC, the Supreme Court upheld the Board's constitutionality, but in so doing, reminded Puerto Ricans that they in effect remain foreign in a domestic sense to the United States. In this vein, this Note addresses the antecedents of Puerto Rico's economic collapse, its ongoing territorial relationship with the United States, and discusses the extent to which the island's economic collapse and quasi-sovereign debt restructuring are tied directly to this pseudocolonial relationship. **TAGS:** **Debt Restructuring**; **Debt crisis**; **COVID-19**

The Political Economy of Euro Area Sovereign Debt Restructuring (2021)

Friedrich Heinemann - ZEW Leibniz Centre for European Economic Research

The establishment of a sovereign debt restructuring mechanism (SDRM) is one of the important issues in the academic debate on a viable constitution for the European Monetary Union (EMU). Yet the topic seems to be taboo in official reform contributions to the debate. Against this backdrop, the article identifies the SDRM interests of key players, including the European Commission, the European Parliament, the European Central Bank and national governments. The empirical section takes advantage of the recently established EMU Positions Database. The findings confirm political economy expectations: Low-debt countries support an EMU constitution that includes an insolvency procedure whereas a coalition of high-debt countries and European institutions oppose it. The analysis points towards a possible political-economic equilibrium for coping with sovereign insolvencies: an institutional set-up without a SDRM and with hidden transfers. Recent European fiscal innovations in response to the Covid-19 solvency shock confirm this prediction. **TAGS:** **Debt Restructuring**; **International and Macroprudential Regulations** ; **COVID-19**

China's Debt Relief Actions Overseas and Macroeconomic Implications (2020)

Gatien Bon, Gong Cheng - Rothschild & Co, European Stability Mechanism

The authors provide a novel database of 140 cases of official debt restructurings that China conducted between 2000 and 2019 in 64 debtor countries. The database shows that China has executed the majority of debt restructurings through debt forgiveness rather than through debt rescheduling, such as maturity extension and/or interest rate reduction. The authors also find that one third of China's debt restructurings in the database took place within a four-year time frame of debt relief agreements with the Paris Club and that more than half of the restructurings were conducted in the context of a financial assistance programme from the International Monetary Fund. Using local projections, the authors find a negative impact of China's debt restructurings on growth and development prospects in debtor countries, especially when China provides debt rescheduling and does not reduce the stock of nominal debt. Subdued domestic fixed capital investment and fiscal policy tightening seem to be the main drags on economic growth in debtor countries after a restructuring. **TAGS:** **Debt Restructuring**; **Debt relief**

Macroeconomic Analysis

The Problem of the Growth of Georgia's Public Debt during the Economic Crisis under the COVID-19 Pandemic (2021)

Vladimer Papava, Vakhtang Charaia - Ivane Javakhishvili Tbilisi State University

Among the many problems caused by the coronomic crisis is the quick and substantial growth of the public debts of states. This problem is pressing for Georgia as well. In order to overcome the problems caused by the COVID-19 pandemic, the Government of Georgia managed to attract external debt with the amount of USD 3 billion in spring 2020, half of which will be taken by the government itself and the other half by the private sector. The government was forced to take this step in order to at least partially alleviate the social and economic problems in the country. **TAGS:** **Debt Policy**; **Foreign Debt**; **Debt sustainability**; **COVID-19**

Fiscal Sustainability and Low Interest Rates: A Note (2021)

Martin Werding - Ruhr University Bochum

In this paper, the author demonstrates that an indicator which is commonly used to assess the long-term fiscal sustainability of public finances in EU member states ("S2") is also defined if government borrowing rates are assumed to be permanently lower than the growth rate of GDP. He illustrates this finding based on simulations prepared for the Fifth Sustainability Report published by the German Federal Ministry of Finance. In addition, he discusses the interpretation of the indicator in a low-interest environment and the assumption that relevant interest rates continue to be low if there are substantial challenges for fiscal sustainability, e.g., through demographic ageing. **TAGS:** **Debt and growth**; **Debt sustainability**; **Sovereign bonds yields**

The Role of Fiscal Policies for External Imbalances: Evidence from the European Union (2021)

António Afonso, José Carlos Coelho - Universidade de Lisboa

The authors revisit the relation between budget deficits and current account deficits for 28 European Union countries from 1996 to 2019. They find that an increase in budget deficit of 1 pp of GDP results in a deterioration of the current account deficit of 0.318 pp of GDP, which supports the Twin Deficits Hypothesis. On the other hand, dynamic panel estimates partially corroborate the Equivalence Ricardian Hypothesis in the presence of a fiscal rules index. In addition: i) the relation between the two deficits is asymmetric and the negative impact of the recent Eurozone banking and sovereign debt crisis on the current account balance is observed; ii) after 2010, the budget balance positively affects the current account balance; and iii) the positive impact of the budget balance on the current account balance is higher in the cases of non-Eurozone countries, high budget deficit countries, and low exports countries, whereas it is lower in the cases of Eurozone countries, low budget deficit countries, and high exports countries. **TAGS:** **Debt and fiscal/monetary policies**; **Debt sustainability**; **Financial stability**

Revisiting the New Keynesian policy paradoxes under QE (2021)

Dario Bonciani, Joonseok Oh - Bank of England

Standard New Keynesian models deliver puzzling results at the effective lower bound of short-term interest rates: greater price flexibility amplifies the fall in output in response to adverse demand shocks; labour tax cuts are contractionary; the multipliers of wasteful government spending are large. These outcomes stem from a failure to characterise monetary policy correctly. Both analytically and numerically, the authors show that allowing the central bank to respond to inflation with quantitative easing (QE) can resolve all these paradoxes. In quantitative terms, mild adjustments to the central bank's balance sheet are sufficient to obtain results more in line with conventional wisdom. **TAGS:** **Debt and fiscal/monetary policies**; **Financial stability**

COVID-19's legacy of debt and debt service in developing countries (2021)

Homi Kharas, Meagan Dooley - Center for Sustainable Development

The economic outlook for developing countries is grim in the wake of COVID-19. Total output in developing countries, sans China, is projected to fall by 5.7 percent in 2020, with a recovery of 5 percent in 2021. Compared to pre-COVID projections, this amounts to an 8.1 percent loss by the end of 2021, worse than advanced countries at -4.7 percent. **TAGS:** **Debt Forecasts**; **Debt Statistics**; **Financial stability**; **Debt relief**; **Cost and Risk**; **COVID-19**; **Economic Forecasts**

Review of The Debt Sustainability Framework for market access countries (2021)

IMF

A careful review has revealed significant scope to modernize and better align the MAC DSA with its objectives and the IMF's lending framework. This note proposes replacing the current framework with a new methodology based on risk assessments at three different horizons. Extensive testing has shown that the proposed framework has much better predictive accuracy than the current one. In addition to predicting sovereign stress, the framework can be used to derive statements about debt stabilization under current policies and about debt sustainability. **TAGS:** **Debt Policy**; **Debt sustainability;** **Multilateral financing**

The Impact of Disaggregated Components of Public Debt on the Economic Growth of Pakistan (2020)

Imran Farooq, Chakar Khan, Muhammad Akram - National Saving Center Quetta, International Islamic University Islamabad

This study has been initiated to evaluate the impact of the disaggregated components of Public debt and debt servicing on the economic growth of Pakistan. Specifically, the authors have used Permanent Debt, Unfunded Debt and Floating Debt to measure the impact of domestic debt on growth. To measure the impact of external debt on growth the authors have used Paris Club Debt, Multilateral Debt and Bilateral Debt. In order to measure the impact of the disaggregated components of Public debt and debt servicing on the economic growth of Pakistan the authors have applied ARDL technique on time series data of Pakistan spanning from 1976 to 2015. The finding of study indicates that unfunded debt and floating debt, bilateral debt, and multilateral debt have negative impact on the economic growth of Pakistan except Permanent debt and Paris Club debt. Moreover, their finding indicates that Pakistan is facing debt overhanging problem due to of debt servicing. Over all their finding suggest that in order improve the growth Pakistan may go for Permanent Debt and Paris Club Debt instead of institutional and multilateral debt. **TAGS:** **Debt and growth**; **Foreign Debt**; **Multilateral financing**; **Debt Restructuring**

COVID-19 crisis and the public debt issue: the case of Italy (2020)

Schilirò Daniele - Department of Economics, University of Messina

The COVID-19 pandemic has left the global economy with severe health damage, losses of life and a sharp recession. In addition, it has resulted in a rise of public debts, heightening the tension between meeting major policy goals, growth, employment, health system, environment and containing debt vulnerabilities. This paper examines the literature regarding the debt–growth nexus and the issue of debt sustainability. In particular, it highlights the evidence of some empirical literature showing that high public debt hampers growth, and that countries with high public debt are vulnerable to adverse shocks. In addition, the paper focuses on the case of Italy, a country characterized by a high public debt, low growth and other economic weaknesses, with the purpose to claim a strategy and indicate policy measures. **TAGS:** **Debt and growth**; **Debt and fiscal/monetary policies**; **Debt sustainability**

Climate Change and Sovereign Risk (2020)

Ulrich Volz, John Beirne, Natalie Ambrosio Preudhomme, Adrian Fenton, Emilie Mazzacurati, Nuobu Renzhi, Jeanne Stampe - SOAS Centre for Sustainable Finance & German Development Institute, Asian

Development Bank Institute, Four Twenty Seven, WWF Singapore

Climate change is an increasingly important issue for policy makers globally, with material impacts on Southeast Asian economies and other regions highly vulnerable to climate risks. This report provides a timely and very comprehensive assessment of the role played by climate change on sovereign risk. In particular, a number of transmission channels through which climate change affects sovereign risk are discussed in the report: the fiscal impacts of climate-related natural disasters, the fiscal consequences of adaptation and mitigation policies, the macroeconomic impacts of climate change, the impacts of climate risk on financial sector stability, the international trade and capital flow dimension, and the impact of climate change on political stability. **TAGS:** **Sovereign risk premia**; **Debt and fiscal/monetary policies**; **Structural policies**; **Financial stability**

Economic Policies

A Fiscal Rule to Achieve Debt Sustainability in Colombia **(2021)**

María Angélica Arbeláez, Miguel Benítez, Roberto Steiner, Oscar Valencia - Fedesarollo, Banco de la Republica, Inter-American Development Bank

In order to enhance fiscal sustainability and regain "investment grade" credit rating, in 2011 Colombia implemented a fiscal rule (FR) on the Central Government's structural balance. Investment grade was rapidly attained, and FR targets were complied with, until 2019. Using the Synthetic Control Method, the authors provide evidence that the FR promoted fiscal discipline. Nevertheless, public debt has increased continuously and is now expected to exceed 60 percent of GDP, in large part driven by the pandemic. The authors argue that the FR should be reformed so as to incorporate a debt anchor. Using a regime change model and the IMFs buffer risk methodology, they show that the prudent debt level should not exceed 48 percent of GDP and that in order to achieve this in the medium term, a policy mix increasing revenues to 17.8 percent of GDP (from 15.5 percent during 2016-2019) and reducing primary expenditure to 15 percent (from 16 percent during 2016-2019) is required. FR's performance would also benefit from changes in its institutional design. **TAGS:** **Debt and fiscal/monetary policies**; **Debt sustainability**

Fiscal Rules and Public Investment: The Case of Peru, 2000-2019 **(2021)**

Waldo Mendoza, Marco Vega, Carlos Rojas, Yuliño Anastacio - Ministerio de Econimia y Finanza Peru, Banco Central de Riserva del Peru, Universidad Carlos III Madrid, Pontificia Universidad Catolica del Peru

This article has three goals. First, it describes the genesis of fiscal rules in Peru and its degree of compliance. Second, it estimates the effect of fiscal rules adoption on public investment. Last, it analyzes the impact of alternative fiscal rules on public investment and public debt sustainability. Their main results are as follows. First, the implementation of fiscal rules in the year 2000 caused a 60 to 80 percent fall in public investment relative to several counterfactuals. Second, their DSGE model suggests a Structural Fiscal Rule would have increased the consumers welfare in the period 2000-2019 more than other fiscal designs. This rule reduces the procyclicality of public investment under commodity price shocks and macroeconomic volatility under world interest rate shocks. Third, a Structural Fiscal Rule has the lowest probability of exceeding the current public debt limit (30 percent of GDP), although there is a trade-off between investment-friendly rules and fiscal sustainability issues. Nevertheless, their quantitative results are limited to short spans of analysis. With a long-run perspective, the authors may say that fiscal rules despite constant modifications and recurring non-compliance have fulfilled their original and most important goal of achieving the consolidation of public finances. **TAGS: Debt and fiscal/monetary policies**; **Debt sustainability**

Unconventional Monetary Policies in Emerging Markets and Frontier Countries **(2021)**

Chiara Fratto, Brendan Harnoys Vannier, Borislava Mircheva, David de Padua, Hélène Poirson - International Monetary Fund, Paris School of Economics

The COVID-19 crisis induced an unprecedented launch of unconventional monetary policy through asset purchase programs (APPs) by emerging market and developing economies. This paper presents a new dataset of APP announcements and implementation from March until August 2020 for 27 emerging markets and 8 small advanced economies. APPs' effects on bond yields, exchange rates, equities, and debt spreads are estimated using different methodologies. The results confirm that APPs were successful in significantly reducing bond yields in EMDEs, and these effects were stronger than those of policy rate cuts, suggesting that such UMP could be important tools for EMDEs during financial market stress. **TAGS: Debt and fiscal/monetary policies**; **Sovereign bonds yields**

Fiscal Dominance in Sub-Saharan Africa Revisited **(2021)**

John Hooley, Lam Nguyen, Mika Saito, Shirin Nikaein Towfighian - International Monetary Fund, UC San Diego

This paper explores the causes and consequences of fiscal dominance over monetary policy in Sub-Saharan Africa (SSA). Fiscal dominance has always been a pressing problem as it can contribute to inflation and macroeconomic instability, and increasingly so as fiscal deficits and public debt are rising in many SSA countries. The authors find that legal limits and availability of alternative financing options play an important role in determining the extent to which government deficits tend to be financed by the central bank. The authors also find economically significant effects of central bank lending to government on the exchange rate and inflation. **TAGS: Debt and fiscal/monetary policies**; **Debt sustainability**

The Interplay between Monetary and Fiscal Policies in the EU **(2021)**

António Afonso, Alexandre Sousa - University of Lisbon

The authors study the interactions between monetary and fiscal policies in the EU countries, for the period 1995-2019. Their results show notably that: i) the inflation rate has a relevant impact over the central banks' decision making; ii) the cyclically adjusted primary balance reacts positively to increases in the level of government debt; iii) monetary policy reaction functions do not seem to take into consideration the cyclically adjusted primary balance; iv) fiscal policy, via the cyclically adjusted primary balance, seem to be affected by the short-term interest rate in a negative way. The global economic and financial crisis impacted negatively both the short-term nominal interest rates and the cyclically adjusted primary balance, however with a higher degree in the euro area. **TAGS: Debt and fiscal/monetary policies**; **Sovereign bonds yields**

The central bank balance sheet as a policy tool: past, present and future **(2021)**

Andrew Bailey, Jonathan Bridges, Richard Harrison, Josh Jones, Aakash Mankodi - Bank of England

This paper focuses on what has been learned from the past decade of previously unconventional monetary policy measures and the emerging lessons from the effects of monetary policy responses to the Covid shock. The paper explores two observations from recent quantitative easing (QE) policies in detail. First, large QE programmes implemented quickly may be particularly effective in times of market dysfunction. Second, a rapid pace of asset purchases may also enhance QE effectiveness during these periods. These observations suggest a particular form of 'state contingency' for the impact of QE. The paper analyses the potential implications of such state contingency for the appropriate conduct of QE policies and the choice of policy instruments in more normal times. The paper also outlines some potential implications for future central bank balance sheet policies and the operational framework to support them. **TAGS:** **Debt and fiscal/monetary policies**; **Cost and Risk**; **Financial stability**

Asset Purchases in Emerging Markets - Global Economic Prospects - February 2021

World Bank

Central banks in some emerging market and developing economies (EMDEs) have employed asset purchase programs, in many cases for the first time, in response to pandemic-induced financial market pressures. These programs, along with spillovers from accommodative monetary policies in advanced economies, appear to have helped stabilize EMDE financial markets. However, the governing framework, scale, and duration of these programs have been less transparent than in advanced economies, and the effects on inflation and output in EMDEs remain uncertain. In EMDEs where asset purchases continue to expand and are perceived to finance unsustainable fiscal deficits, these programs risk eroding hard-won central bank operational independence and de-anchoring inflation expectations. Ensuring that asset purchase programs are conducted with credible commitments to central bank mandates and with transparency regarding their objectives and scale can support their effectiveness. **TAGS:** **Debt and fiscal/monetary policies**; **Financial stability**; **Debt and growth**; **Debt sustainability**; **COVID-19**

The dynamic effects of the ECB's Asset Purchases: a Survey-Based identification (2021)

Lhuissier Stéphane, Nguyen Benoît - Banque de France

This paper estimates the dynamic effects of the ECB's asset purchase programme (APP) using a proxy structural vector autoregression. The authors construct a novel proxy for structural APP shocks as unexpected changes in the size of additional purchases announced by the ECB. Unexpected changes are inferred from public expectations released in quantitative surveys just before monetary policy announcements. The results consistently show that innovations to APP have expansionary effects on both output and prices: an immediate increase in asset purchases of one percent of GDP leads to a maximum impact in industrial production and consumer prices by 0.15 percent and 0.06 percent, respectively. Overall, APP shocks account for less than a fifth of the long-run macroeconomic variability. Finally, their counterfactual analyses indicate that APP and its successive recalibrations were central in supporting inflation. For example, the authors find inflation would have fallen into negative territory without December 2015 and March 2016 APP recalibrations. **TAGS:** **Debt and fiscal/monetary policies**; **Sovereign bonds yields**; **Sovereign risk premia**; **Sovereign debt market**; **Financial Analysis**

Study on the potential of green bond finance for resource-efficient investments (2021)

Annica Cochu, Carsten Glenting, Dominic Hogg, Ivo Georgiev, Julija Skolina, Frederik Eisinger, Malene Jespersen, Rainer Agster, Steven Fawkes, Tanzir Chowdhury – EC
Green bonds could play a key role in helping to finance the investment needed to achieve the EU's 2030 Climate and Energy objectives and the UN Sustainable Development Goals. This report presents an analysis of the development and functioning of the green bond market, including the main actors and sectors, with specific focus on financing investments into improved resource efficiency. It summarizes the key bottlenecks limiting the development of the market in specific countries and sectors. It identifies a set of possible public sector measures to overcome these bottlenecks, supported by examples of good practices. The report also assesses the regulatory feasibility and expected impacts of specific standardization options on the liquidity and size of the market. Finally, the report presents a set of recommendations addressed at the EU and its Member States. **TAGS:** Debt and fiscal/monetary policies; Primary market; Market Liquidity; Bond market development; Sovereign debt market; Debt Policy

Multilateral Financing

Determinants of Pre-Pandemic Demand for the IMF's Concessional Financing (2021)
Timothy Hills, Huy Nguyen, Randa Sab - International Monetary Fund, NYU Stern
This study focuses on identifying the main factors that influenced country-specific and aggregate demand for IMF concessional financing between 1986 and 2018 and makes within-period and out-of-period forecasts. The authors find that the external debt level, inflation, and real effective exchange rate are the main economic variables influencing concessional borrowing for most eligible countries. Finally, their approach is able to provide quite accurate country-level and aggregate forecasts for historical financing events prior to the COVID-19 pandemic. **TAGS:** Multilateral financing

Capital flows during the pandemic: lessons for a more resilient international financial architecture (2020)
Fernando Eguren Martin, Mark Joy, Claudia Maurini, Alessandro Moro, Valerio Nispi Landi, Alessandro Schiavone and Carlos van Hombeeck - Bank of England, Bank of Italy
The paper analyses capital flows to emerging economies during the pandemic, focusing on the sudden stop that occurred in the early stages. It describes the policy responses at country level and the measures taken by the International Monetary Fund. In addition, it provides an estimate of the emerging economies' demand for financial resources from the International Monetary Fund that could arise from a protracted sudden stop, using two alternative approaches: scenario analysis and the capital flows at risk. The work documents the key role of non-bank financial intermediaries in causing the sudden stop. The response to the crisis in emerging economies includes the adoption of unconventional monetary policies and countercyclical macroprudential measures. The simulations set out in this paper suggest that in the event of a protracted sudden stop, the financing needs of emerging economies could exceed the Fund's resources. **TAGS:** Multilateral financing; COVID-19

Reports

2021

[Cyprus Public Debt Management newsletter (March 2021)]
Debt Management Office of Cyprus
The Cypriot economy contracted by 5,05% in 2020 beating projections for deeper recession amid the coronavirus pandemic, according to a flash estimate by the Statistical Service of Cyprus (Cystat). It is noted that the forecasted contraction was -5.5% by the Ministry of Finance, -5.8% by the European Commission, -6.2% by the Cyprus Central Bank and -6.4% by the IMF. […] **TAGS:** **Debt Statistics**; **Debt and fiscal/monetary policies**; **COVID-19**

European Economic Forecast. Winter 2021
European Commission
Europe remains in the grip of the coronavirus pandemic. The resurgence in the number of cases, together with the appearance of new, more contagious strains of the coronavirus, have forced many Member States to reintroduce or tighten containment measures. At the same time, the start of vaccination programmes throughout the EU provides grounds for cautious optimism. **TAGS:** **Economic Forecasts**; **COVID-19**

Report on Public Finances in EMU 2020
European Commission
This annual report presents a review of key policy developments and analytical findings in the area of public finances. The COVID-19 pandemic has hit Europe hard. According to the Commission's winter forecast discussed in Part I of this report, euro-area GDP is estimated to have contracted by almost 7% in 2020. It is forecast to rebound by about 4% in 2021 and by 4% in 2022. This implies that economic output in the euro area would only make it back to pre-pandemic levels in 2022. The depth of the recession in 2020 and the speed of the recovery are projected to vary widely across Member States. The projections are subject to significant uncertainty and elevated risks. […] **TAGS:** **Economic Forecasts**; **Debt Statistics**; **Debt and fiscal/monetary policies**; **COVID-19**

Draft state budget for 2021. Testimony before the Parliamentary Budget Committee, 4 November 2020
Pablo Hernández de Cos - Banco de España
In discussing the first Draft State Budget to address the economic and social impact of the COVID-19 pandemic, the Governor begins with an analysis of the economy's recent behaviour and how it may evolve in the coming quarters, drawing on the Banco de España's projections. Against this background, he assesses the Government's macroeconomic forecast underpinning the Draft State Budget. He proceeds to calibrate the Budget's main proposals in terms of the fiscal policy stance, the composition and appropriateness of public revenue and expenditure, and the risks to meeting the budget deficit target. Lastly, he sets out what he considers to be the key challenges for Spanish fiscal policy in the medium term. **TAGS:** **Debt and fiscal/monetary policies**; **COVID-19**

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ifo Dresden: Coronavirus Debt No Danger to German Federal State Finances
Remo Nitschke, Harald Schultz – ifo

Most German federal states will return to their 2019 debt levels over the next five to ten years, regardless of the maturity of the loans, according to calculations by the ifo Institute's Dresden Branch. "The key consideration here isn't repayments, but economic growth," says ifo researcher Remo Nitschke. "As economic output rises over the coming years, the proportion of debt will fall." **TAGS:** **Subnational debt**; **COVID-19**

OECD Economic Outlook, Interim Report - March 2021

OECD

The COVID-19 pandemic continues to cast a long shadow over the world's economies but economic prospects have improved with the forthcoming global vaccines rollout, although divergences are increasing across and within countries. This Interim Report provides updates for G20 country projections made in the December 2020 issue of the OECD Economic Outlook (Number 108). **TAGS:** **Economic Forecasts**; **Debt Forecasts**; **OECD**; **COVID-19**

Country Default Spreads and Risk Premiums

Stern.NYU

This table summarizes the latest bond ratings and appropriate default spreads for different countries. **TAGS:** **Sovereign risk premia**; **Sovereign Credit Ratings; Sovereign CDS**;

Why climate change vulnerability is bad for Sovereign Credit Ratings

Serhan Cevik, João Tovar Jalles – IMF

The destruction wrought by heatwaves, droughts, hurricanes, and coastal flooding doesn't stop with the toll on human lives and livelihoods—it can also have deep consequences for a country's finances. Recent IMF staff research has found that a country's vulnerability or resilience to climate change can have a direct effect on its creditworthiness, its costs of borrowing, and, ultimately, the likelihood it might default on its sovereign debt. **TAGS:** **Cost and Risk**; **Debt Policy**; **Debt sustainability**; **Financial stability**; **Structural policies**; **Sovereign Credit Ratings**

Recapitalising Sovereign Debt

Finance for Biodiversity

Seven of the ten nations with the highest number of COVID-19 infections to date are developing economies that were already facing debt distress before the pandemic struck. But the health crisis has radically altered the calculus: declines in local currencies have increased the cost of servicing hard-currency debt for many, while evaporating demand has robbed export dependent nations of income. [...] **TAGS:** **Primary market**; **Debt sustainability**; **Cost and Risk**; **Financial stability**

BIS Quarterly Review, March 2021

BIS

Markets have been wrestling with reflation prospects in recent months. Prospects of a more robust economic recovery buoyed risky asset prices, with signs of exuberance reflected in retail investors' behaviour. Sovereign yield curves steepened as investors priced in higher inflation and fiscal support. The search for yield underpinned the broadly positive sentiment towards emerging market assets, particularly in East Asia. [...] **TAGS:** **Market Liquidity**; **Sovereign bonds yields**; **Financial stability**

Sizing Sovereign Debt and the great fiscal unwind

S&P Global Rating

Over two-thirds of developed and emerging sovereigns should manage to either stabilize debt to GDP or put it on a downward path by 2023, though from historically high levels. That still leaves around one-third of governments facing rising debt beyond the outer year of our forecast horizon. [...] **TAGS:** **Debt and fiscal/monetary policies**; **Financial stability**; **Debt sustainability**; **COVID-19**

Fiscal plans in Europe: no divergence but no coordination

Vincent Aussilloux, Adam Baïz, Matthieu Garrigue, Philippe Martin, Dimitris Mavridis - France Stratégie, CEPR

The Covid-19 crisis has presented policymakers across the euro area with an unprecedented challenge, not least of all because the shock has come to both the supply side and the demand side of the economy. This column presents a preliminary analysis of different nations' responses so far, focusing on which measures have been deployed to address each side of the economic shock and where a 'mixed approach' has been taken to work in tandem. At a time where coordinated action may be needed, there is a concerning level of inconsistency in strategy. **TAGS:** **Debt and fiscal/monetary policies**; **COVID-19**

Bond yields are not good predictors of inflation

PIIE

President Joseph R. Biden Jr.'s audacious proposal for $1.9 trillion in additional stimulus this year has generated concern among some, including former Treasury Secretary Lawrence H. Summers, that the package may overheat the US economy and cause inflation. Yet the bond market, often a place where such concerns are registered, does not seem worried. Current changes in bond yields suggest only a tiny rise in future inflation. Could the markets be telling us something? [...] **TAGS:** **Financial Analysis**; **Sovereign bonds yields**

My word is my bond: linking sovereign debt with national sustainability commitments

Anderson Caputo Silva, Fiona Stewart - World Bank Group

The global COVID-19 pandemic has caused millions of deaths and the greatest global economic downturn in nearly a century. Public debt increased by $8.5 trillion in 2020, up to September, including by $1.4 trillion in emerging markets. At the same time, unprecedented levels of investment will be needed to fund COVID-19 stimulus and relief packages, as well as to address the challenges posed by climate change and the degradation of ecosystems that regulate the air, water and soil on which we all depend. In this context, policy makers, the private sector, and investors are asking whether the solutions to these challenges can be linked. These connections are, in fact, already being made in the financial market. **TAGS:** **Primary market**; **Financial stability**

World Economic Situation and Prospects: January 2021 Briefing, No. 145

UN

As the COVID-19 pandemic outbreak in March 2020 threatened to drag the global economy into a deep and protracted crisis, central banks once again became the first line of defense for countries across the world. In 2020, about 94 monetary authorities have cut their policy rates, often at emergency meetings. Amid acute stress in financial markets, central banks also swiftly deployed a wide range of policy measures, aimed at preventing a liquidity crunch and supporting credit flows. **TAGS:** **Economic Forecasts**; **Market Liquidity**

External shocks and financial stress post the global financial crisis

UNCTAD

The objective of this paper is to measure and track financial stress in these six fragile emerging economies in the aftermath of the global financial crisis of 2008, using UNCTAD financial conditions indicators. The paper argues that there is a need for better tools to measure financial stress in the context of growing instabilities and complexities in international and domestic financial markets. […] **TAGS:** **Foreign Debt**; **Debt sustainability**; **Financial stability**; **Debt crisis**

The quiet financial crisis

Carmen Reinhart - World Bank Group

The global COVID-19 pandemic has resulted in soaring infection rates, widespread lockdowns, record-shattering declines in output, and spiking poverty. But, in addition to these trends, a quieter crisis now gaining momentum could jeopardize economic recovery prospects for years to come. **TAGS:** **Economic Forecasts**; **COVID-19**; **Debt crisis**; **Debt and fiscal/monetary policies**

ECB publishes PEPP purchases bimonthly data February 2021

ICMA

The ECB has published its fifth bi-monthly breakdown of holdings under its Pandemic Emergency Purchase Programme (PEPP), covering the period from December 2020 through January 2021. The data shows that the ECB made net purchases of €110.2bn (book value) of bonds under the PEPP, taking the total to-date to €810bn, which is 60% of the total €1,350bn of purchases targeted under the Programme. This is a slower pace than previous bi-monthly purchases, with January (€53bn) being the lowest full-monthly purchase rate since the PEPP was launched. […] **TAGS:** **Secondary Markets**; **Sovereign bonds yields**; **Sovereign debt market**; **Debt and fiscal/monetary policies**

Global Sovereign Rating Trends 2021: mounting Debt and uncertainty underpin a negative outlook bias

Roberto H Sifon-arevalo, Joydeep Mukherji, KimEng Tan, Frank Gill, Marko Mrsnik, Samuel Tilleray - S&P Global Ratings

Over the next six months, the global outlook balance for sovereign ratings continues to have a negative bias, with 26 negative outlooks and one positive outlook as of Dec. 30, 2020. Governments globally continue to do the heavy lifting to support their battered economies. Massive fiscal and monetary stimulus are expected to remain in place during 2021. […] **TAGS:** **Economic Forecasts**; **Sovereign risk premia**; **Debt sustainability**; **Sovereign Credit Ratings**; **Sovereign bond market**

Fiscal outlook: taking action to stabilise public debt

South Africa Treasury

The COVID-19 pandemic has led to a sharp deterioration in the economic and revenue outlook. The fiscal position, which was already unsustainable, will require significant adjustments as the immediate health effects subside. In 2020/21, the consolidated deficit is projected to increase to 15.7 per cent of GDP. If this trend is not reversed, South Africa is likely to face a sovereign debt crisis. […] **TAGS:** **Debt Policy**; **Debt and fiscal/monetary policies**; **Debt sustainability**

Uruguay Sovereign Debt Report - January 2021

Uruguay MoF

Overview of the Government´s financing strategies, borrowing costs and composition of outstanding debt in 2020. Funding strategies and annual borrowing plan for 2021: Government eyeing issuance of benchmark-sized local currency global bond to further develop markets in Uruguayan pesos. […]

TAGS: [Sovereign bond market](); [Sovereign bonds yields](); [Sovereign risk premia](); [Debt Policy](); [Debt Statistics]()

2021 Investment horizons: Sovereign debt in the wake of the pandemic

Joseph Mariathasan - Ipe.com

The International Monetary Fund (IMF) estimated in the October 2020 edition of its Global Financial Stability Review that the COVID-19 crisis is expected to push global public debt above 100% of GDP in 2020. Headline fiscal deficits in the advanced economies, it expects, will be five times higher in 2020 than in 2019. This will also create elevated vulnerabilities in the corporate and banking sectors as bank holdings of government debt have increased in most countries, tightening sovereign/bank linkages. **TAGS:** **COVID-19**; **Debt and recession**; **Sovereign debt exposure**; **Debt sustainability**; **Economic Forecasts**

Contagion and self-fulfilling dynamics

Ralph Sueppel - Sr-sv.com

Contagion and self-fulfilling feedback loops are propagation mechanisms at the heart of systemic financial crises. Contagion refers to the deterioration of fundamentals through the financial network, often through a cascade of insolvencies. A critical factor is the similarity of assets held by financial institutions. The commonality of assets erases some of the benefits of diversification because it facilitates contagion. The potential role of investment funds in aggravating contagion through fire sales has much increased over the past 20 years. Self-fulfilling feedback loops denote the shift from one equilibrium to another, possibly without a change in 'fundamentals'. **TAGS:** **Financial Analysis**; **Debt crisis**

UK Economic Outlook Brexit Britain in Covid recovery ward

National Institute of Economic and Social Research

The resurgence of Covid-19 has led to a downward revision in our growth forecasts for 2021 from 5.9 per cent to 3.4 per cent following a contraction of 9.9 per cent in 2020. Early indications are that the lockdown in the first quarter is having a larger impact on activity than in November, but a smaller impact than the spring lockdown. […] **TAGS:** **Economic Forecasts**; **COVID-19**; **Debt Statistics**; **Debt Forecasts**; **Debt and fiscal/monetary policies**

Bond returns in sovereign debt crises: The investors' perspective

Jochen Andritzky, Julian Schumacher - IMF, ECB

For countries experiencing a debt crisis, the restructuring of government bonds is a possible resolution tool. For investors, however, the literature highlights the short-term losses of such operations. This column provides evidence on investment returns over the longer run and finds that bond returns over the longer run – capturing both pre- and post-crisis times – do not differ significantly between crises with and without debt restructuring. What matters more is bondholders' investment strategy during crises episodes. Conditional on a debt crisis, debt restructuring can even be financially rewarding for creditors investing in distressed bonds. **TAGS:** **Debt Restructuring**; **Debt crisis**; **Sovereign bonds yields**

The scarring effects of COVID-19 on the global economy

Natalia Martín Fuentes, Isabella Mode – ECB

The COVID-19 pandemic is an unprecedented shock to the global economy and its potential scarring effects are thus difficult to predict. This column presents estimates of the long-term impact of past crises, suggesting that past epidemics and other exogenous shocks did not cause scarring effects, while the negative impact of financial crises on the long-term level of potential growth tends to be persistent. However, unlike previous exogenous shocks, the COVID-19 pandemic could affect the supply side of the economy through several channels and thus lead to a permanently lower level of potential output. **TAGS: COVID-19**; **Debt and growth**; **Debt and fiscal/monetary policies**; **Financial stability**; **Economic Forecasts**

Helicopter money in another pandemic recession: Venice, 1630

Charles Goodhart, Donato Masciandaro, Stefano Ugolin - London School of Economics, Bocconi University, University of Toulouse

'Helicopter money' is an often-evoked concept in macroeconomics, but the occurrence of helicopter money, strictly speaking, is exceedingly rare in history. This column describes one episode that actually provides a concrete illustration of this policy: the monetary financing of the pandemic recovery plan put in place by the Republic of Venice during the bubonic plague of 1630. **TAGS: Debt and fiscal/monetary policies**; **COVID-19**

Dam debt: understanding the dynamics of Suriname's debt crisis

Daniel Munevar – Eurodad

In November 2020, Suriname joined ranks with Zambia, becoming the second country to default on its sovereign debt in the aftermath of Covid-19. In this briefing, we explore the origins of Suriname's debt crisis and highlights the substantial challenges faced by the country to overcome it […] **TAGS: Debt crisis**; **Sovereign defaults**; **Debt and recession**; **Debt Restructuring**; **Debt Policy; Foreign Debt**

Guaranteed Debt Report (Sep-Dec/2020)

Brazilian National Treasury

By the end of 2020, the outstanding guaranteed debt amounted to BRL 296.00 bn. The domestic guaranteed debt reached BRL 114.06 bn, while the external guaranteed debt reached BRL 181.93 bn. In 2020, the Treasury executed guarantees and paid BRL 13.33 bn of debts originally under the responsibility of states and municipalities. Since 2016, the total reached BRL 32.95 bn. **TAGS: Contingent Liabilities**; **Debt Statistics**

Annual Debt Report 2020 and Annual Borrowing Plan 2021

Brazilian National Treasury

The **Annual Debt Report** presents the results and the main advances in the debt management throughout the previous year, using as reference the guidelines and targets defined in the Annual Borrowing Plan. This document also brings an analysis of the macroeconomic expectations of the year of reference, the institutional advances of the National Treasury and the results of the retail sales program, Tesouro Direto. The **Annual Borrowing Plan** presents a clear reference of the Federal Public Debt - FPD financing policy in the year, respecting market conditions and keeping the necessary flexibility in the issuance´s strategy. The Plan, published since 2001, brings the guidelines, priorities and targets followed by the FPD management. **TAGS: Debt Policy**; **Debt Statistics**; **Debt Forecasts**

2020

Debt Sustainability Monitor 2020

European Commission

The EU/EA government deficit ratio is estimated to have significantly increased last year (by around 8 pps.) to around 9% of GDP. This deterioration reflects the operation of automatic stabilisers and the sizeable discretionary fiscal measures put in place to cushion households and firms from the negative impact of the COVID-19 pandemic. The deficit ratio is set to ease in 2021 and 2022 (to around 5% of GDP), reflecting the unwinding of pandemic-related emergency measures, as well as the expected rebound in economic activity. […] **TAGS:** **Debt Statistics**; **Debt sustainability**

The Federal Budget Execution for 9 Months of 2020: Record Borrowings, Growing Expenditure
Sergei Belev, Tatiana Tischenko - Russian Presidential Academy of National Economy and Public Administration (RANEPA)
At nine months-end 2020, the federal budget revenues contracted by Rb1,818.6 bn and expenditures went up by Rb3,040.9 bn against the same period of the previous year; the budget has been executed with a deficit to the tune of Rb1,773.3 bn. Contraction of revenues and ramping up of expenditures resulted in record non-oil and gas deficit which resulted in raising debt financing. **TAGS:** **Debt Statistics**; **Debt and fiscal/monetary policies**

JGB Issuance Plan for FY2021
Japan's Ministry of Finance
Highlights of FY2021 JGB Issuance Plan: - The amount of short-term bonds will be increased with the additional JGB issuance based on the first and second supplementary budget for FY2020, then the short-term bonds will be redeemed in FY2021. While the amount of Refunding Bonds will be greatly increased, newly-issued Bonds will be decreased. As a result, the total JGB issuance amount for FY2021 will be decreased by 27.1 trillion yen. […] **TAGS:** **Debt Policy**; **Debt Forecasts**

The European Bond Market - New Hegemon?
Nadia Gharbi, Laureline Renaud-Chatelain – Pictet
With nearly a trillion euro of bonds potentially in issue by 2024, the EU has created a deep, liquid and highly investable market. Government policy responses have been impressive in Europe. On top of national responses, several packages have been agreed at the EU level. […] **TAGS:** **Sovereign debt market**; **Primary market**; **Secondary Markets**; **Market Liquidity**; **Bond market development**

A tale of two emergencies - the interplay of sovereign debt and climate crises in the global south
Iolanda Fresnillo – EURODAD
Our latest report focuses on the climate emergency and how it has become a wider focus of policy discussions around debt, as extreme climatic events and environmental hazards increase both the cost of borrowing and the risk of debt crises in countries in the global south that are often already bearing large external debt stocks. […] **TAGS:** **Cost and Risk**; **Debt crisis**

Guide to understanding and accessing debt information
Jubilee Debt Campaign
This guide, available in English and French, aim to help civil organizations, journalists and interested citizens find and understand information on government debt. **TAGS:** **Debt Statistics**; **Debt sustainability**

News

What's new area of the PDM Network site proposes ***a daily selection of news*** ***on public debt management*** from online newspapers and info providers, as well as ***the most recent documents and reports*** uploaded on the website. Subscribers also receive the weekly newsletter ***Emerging Sovereign Debt Markets News*** drafted by the PDM Secretariat and based on ***Thomson Reuters ©*** information services.

Events and Courses

Please note that the following list contains only events yet to be held at the date of the newsletter, in chronological order. Due to current coronavirus pandemic, many events have been cancelled or postponed, therefore we decided to maintain in the website only confirmed events, according to information contained in their original pages. We have employed maximum care to update this information, but we apologise in advance if some mistakes still remain.
We suggest to regularly visit the "**Events**" section of our website, since the Secretariat adds regularly new events in advance to their dates and deadlines.

MARCH

29 March – 30 April 2021; UNITAR, Web Based
Principles of Central Bank Reserve Management (2020)

29 March – 30 April 2021; UNITAR, Web Based
Ethics in Public Finance (2020)

29 March - 9 April 2021; IMF, Online
Macroeconometric Forecasting and Analysis

30 March 2021; ICMA, Online
ICMA European Repo and Collateral Council (ERCC) Annual General Meeting

APRIL

5 – 11 April 2021; World Bank Group and International Monetary Fund, Virtual
Spring Meetings

22 April 2021; OECD, Virtual
OECD Global Forum on Public Debt Management

20 – 21 April 2021; Research Task Force of the Basel Committee on Banking Supervision, and Others, Frankfurt, Germany
Evaluating financial regulation: (un)intended effects and new risks)

21 - 23 April 2021; IMF, Online
Legal Aspects of International Financial Institutions

26 April - 7 May 2021; IMF, Online
Monetary Policy

26 – 27 April 2021; BIS, Bank of England, ECB and IMF, Virtual Conference
Spillovers in a "post-pandemic low-for-long" world

26 – 30 April 2021; IMF, Virtual
Understanding, Assessing and Managing Fiscal Risks

27 April 2021; bondsloans, virtual
Bonds & Loans Andes

MAY

1 – 2 May 2021; Keio University and Others, Virtual
International Financial System in a Time of Turmoil

3 – 4 May 2021; Waset, online
ICPFM 2021: 15. International Conference on Public Finance and Management

3 – 14 May 2021; IMF, Virtual
Public Governance and Structural Reforms

10 – 14 May 2021; IMF and World Bank, Virtual
Workshop on the Joint IMF/WB Debt Sustainability Framework for Low-Income Countries (LIC-DSF)

17 – 28 May 2021: International Law Institute, Live Online Course
2021 International Borrowing and Debt Management - applications & recent developments

17 – 28 May 2021; Joint Vienna Institute, Virtual
Fiscal Policy Analysis

20 May 2021; bondsloans, virtual
Bonds & Loans Mexico

24 – 28 May 2021; JVI Joint Vienna Institute, Virtual
Systemic Macro Financial Risk Analysis - During Times of the Covid-19 Pandemic

24 May – 4 June 2021; JVI Joint Vienna Institute, Online
Monetary and Fiscal Policy Analysis with DSGE Models

JUNE

7 June 2021; crownagents, Dubai, United Arab Emirates
Public Financial Management: Issues and Solutions

7 June 2021; crownagents, London, United Kingdom
Treasury Management

7 June – 9 July 2021; Unitar, Web Based
Fundamentals of Capital Market Development and Regulation (2021)

14 – 18 June 2021; IMF, Virtual
Debt and Cash Management (DCM)

14 – 18 June 2021; JVI Joint Vienna Institute, Virtual
Climate Change and Green Finance

14 – 18 June 2021; EBRD, Online
Assessing and Managing Credit Risk from Contingent Liabilities: a Focus on Government Guarantees

15 June 2021; 10times, Kuala Lumpur, Malaysia
IFN Asia Forum

21 – 25 June 2021; IMF, Virtual
Local Currency Bond Market Development

22 – 23 June 2021; Euromoney Conferences, United Kingdom
The Global Borrowers & Bond Investors Forum 2021

23 – 25 June 2021; Monash Business School, Crete, Greece
6th Symposium on Quantitative Finance and Risk Analysis

24 - 25 June 2021; World Bank, Washington, DC
Annual Bank Conference on Development Economics 2020: Global Unrest

28 June – 2 July 2021; JVI Joint Vienna Institute, Virtual
Designing Government Debt Management Strategies

JULY

1 – 2 July 2021; Bank of Finland, Helsinki – Finland
2021 RiskLab/BoF/ESRB Conference on Systemic Risk Analytics

3 – 4 July 2021; University PBC School of Finance and Tsinghua University National Institute of Financial Research, Beijing, China
2021 China Financial Research Conference

5 – 9 July 2021; JVI Joint Vienna Institute, Virtual
Implementing Government Debt Management Strategies

5 – 16 July 2021; codevformation.com, Tunis
Training Public debt management

19 – 20 July 2021; Waset, Helsinki, Finland
ICEM 2021: 15. International Conference on Emerging Markets

AUGUST

3 – 6 August 2021; University of Agder, Kristiansand, Norway
World Finance Conference 2021

9 – 10 August 2021; Bank of Seoul, SEOUL
The Macroeconomic Consequences of COVID-19 - Annual International Journal of Central Banking Research Conference

16 – 27 August 2021; codevformation.com, Tunis
Public Financial Management: Audit and Compliance

SEPTEMBER

6 September – 8 October 2021; Unitar, Web Based
Global Financial Governance (2021)

6 – 15 September 2021; Crownagents, London, United Kingdom
Public Debt Management: Issues and Solutions

20 – 27 September 2021; GFOA, Virtual
Debt Management Best Practices

27 – 29 September 2021; GFOA, Virtual
Treasury Management Best Practices

OCTOBER

4 – 8 October 2021; JVI Joint Vienna Institute, Online
Debt Management, Debt Reporting, and Investor Relations

7 – 8 October 2021; Waset, New York, USA
ICMEMP 2021: 15. International Conference on Monetary Economics and Monetary Policy

11 – 15 October 2021; Bank of France, Paris (France)
Using DSGE models for policy analysis (level 2)

18 October 2021; Crownagents, Washington D.C., United States of America
Public Financial Management: Issues and Solutions

25 October – 5 November 2021; Joint Vienna Institute, Online
Financial Sector Policies

NOVEMBER

8 November 2021; crownagents, London, United Kingdom
[Treasury Management]

22 – 24 November 2021; UNCTAD, Palais des Nations Geneva, Switzerland
[International Debt Management Conference, thirteenth session]

PDM Network in Figures

As of 11th March 2021, total documents and reports available on the PDM Network website were 8,171. Events and News uploaded on the website since January 2020 were respectively 222 and 9,661. This newsletter is sent to 872 Subscribers from emerging and advanced countries.

Special Thanks

The PDM Secretariat is grateful to Fatos Koc (OECD), Tanweer Akram (Wells Fargo), and various DMOs for information on new documents and reports.

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Antigua and Barbuda, Government of Saint Lucia, Government of Sindh, Graduate School of International Development (Nagoya University), Greek Central Bank, Greek DMA, Greek MoF, Grenada Ministry of Finance, Guyana Ministry of Finance, Harvard University, Hong Kong Monetary Authority, HSBC, Hungarian DMA, Hungarian National Bank, Inter-American Development Bank, Icelandic Central Bank, Icelandic DMA, International Finance Corporation, Illinois Institute of Technology, IMF-International Monetary Fund, Indian NIPF, Indian Reserve Bank, Indonesian Central Bank, Indonesian MoF, Innovative Development Strategies Pvt. Ltd., Instituto superior de economia e gestao, Intesa Sanpaolo S.p.A., INTOSAI, Irish NTMA, International Social-Economic Development for Africa, Israeli Central Bank, Israeli Ministry of Finance, Italian MoF, Italian Senate, CRIEP, ITAM, Japan Bank for International Cooperation, Japanese MoF, JCVP Consulting, Jordanian Central bank, Jordanian MoF, Johannesburg Stock Exchange Limited, Jubilee Germany, Kenyan Central Bank, Kenyan MoF, Korea Bond Pricing, Latvian DMO, Lebanese MoF, Lesotho Central Bank, Linus Capital, Lisbon School of Economics & Management, Lithuanian MoF, Lithuanian National Audit Office, London Business School, Luxembourg MoF, MAK Azerbaijan Ltd, Malawian Reserve Bank; Maldives MoF, Maltese Central Bank, Maltese Treasury, Mauritius Ministry of Finance and Economic Development, MEFMI, Mexican MoF, Michele Robinson Consult, Ministry of Economy and Finance of Peru, Ministry of Economy and Public Finance of Bolivia, Ministry of Finance and Corporate Governance of Antigua, Ministry of Finance and Economic Development of Zimbabwe, Ministry Of Finance of Benin, Ministry Of Finance of Comores, Ministry of Finance of Saint Lucia, Ministry of Finance of St. Vincent and the Grenadines, Ministry Of Finance of Surimame, Ministry of Finance of the Russian Federation, Ministry Of Finance Trinidad and Tobago, Ministry of Foreign Affairs of Egypt, Ministry Of Public Finance of Guatemala, Moldovan Mof, Moody's Investors Service, Moroccan MoF, Mozambique Ministry of finance, Namibian MoF, National Bank of Abu Dhabi, National Chengchi University, New South Wales Treasury Corporation, Nicaraguans Ministry of Finance and Public Credit, Nigerian DMO, Central Bank of Norway, Norwegian MoF, OECD, NS&I Government Payment Services, Oliver Wyman, One2five advisory, Oxford Policy Management, Pakistani MoF, Papua NG Treasury, Paraguayan Ministry of Finance, Philippine Bureau of the Treasury, Philippines Ministry of Finance, Polish MoF, Portuguese Central Bank, Province of British Columbia, Republic of Macedonia MoF, Reykjavik Academy, Romanian Court of Accounts, Romanian MoF, Rothschild Group, Rwandan Mof, Sain Kitts & Nevis MoF, San Diego State University, The Superior Audit Office of Mexico, SCMHRD-MBA Symbiosis, Senegalese Mof, Serbian Mof, Setif University , Slovak DMA, Slovenian MoF, Solomon Island Central Bank, South African National Treasury, South Korean MoF, Southern African Development Bank, Sovereign Analytics llc, Spanish Central Bank, Spanish MoF, Sri Lanka Central Bank, Stanford University, Storkey & Co Limited, Sudan Central bank, Sun Yat-sen University , Suriname Debt Management Office, Swaziland's MoF, Swedish DMO, Tandem Global Partners, Tanzanian MoF, Tribunal de Contas da Uniao, Thai MOF, The American College of Greece, The Audit Board of The Republic of Indonesia, The Economist Intelligence Unit, The George Washington University, The Government of Anguilla, The Gulf Bond and Sukuk Association, GBSA, The Milken Institute, The Ministry of Finance Grenada, The ONE Campaign, The People's Bank of China, The Pragma Corporation, The World Bank, Thrivent Financial, Timor-Leste MOF, Tudor Investment Corporation, Turkish Treasury, UK Central Bank, UK DMO, UN Department for Economic and Social Affairs, United Nations Conference on Trade and Development, Union Bank Of Nigeria, Universidad de los Andes, Universidad EAFIT, University "Dunarea de Jos" Galati, University of Antwerp, University of Bologna, University of Brussels, University of Campinas, University of Catania - Department of Economics and Business, University of Glasgow, University of London, Birkbeck, University of Maryland, University of Milan, University of Molise, University of Naples Federico II, University of Navarra, University of Piraeus, University of Rome "Roma Tre", University of Rome La Sapienza, University of Rome Tor Vergata, University of Sussex, University of Tokyo, University of Trieste, University of Tuzla, University of Varna, University of Vienna, University of Viterbo "La Tuscia", University of Zagreb, University of Zimbabwe, University of Zurich, Uruguayan MoF, US Treasury, Versed Professional Services, Vietnamese Mof, Walton College of Business, West African Monetary Union, World Bank Treasury, Wrightson ICAP, Zambia Revenue Authority, Zhongnan University of Economics and Law.