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PDM NETWORK *Newsletter*

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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@mef.gov.it**.

Contents

Highlight

CALL FOR PAPERS - Public Debt Management Conference 2022 - Deadline 29 October 2021
PDM Network, Italian Ministry of Economy and Finance, OECD, World Bank
The Public Debt Management Network, an initiative fostered by the OECD, the Italian Treasury and the World Bank, is pleased to announce the call for papers for the second Public Debt Management Conference which is tentatively scheduled for May 2022.
This conference aims to explore techniques, analyses and proposals to improve the management of public debt, and will bring together debt managers, academics, and a wider set of practitioners to exchange ideas and experiences. **Read more** **TAGS:** **PDM Network**; **OECD**; **World Bank**; **Debt Policy**; **Best Practices**; **Debt sustainability**; **COVID-19**

Special Focus

Amid the Pandemic, Nepal Takes Key Step Toward Debt Transparency

World Bank

Amid the pandemic, the Public Debt Management Office of Nepal published its first Public Debt Report. World Bank, through Debt Management Facility (DMF), supported the Nepalese debt officials with just-in-time, long-term training to build capacity for the report and other main debt management priorities. The new publication aims to provide debt transparency and plays an important role to provide accountability and improve governance of public debt management. **Read more** **TAGS:** **Debt Transparency**; **Accounting, statistics, Reporting and Auditing**; **Debt Policy**

Sovereign ESG investing: We can do better

Jean Pesme, Anderson Caputo Silva - World Bank

With more than $40 trillion of funds under sustainable management, Environmental, Social and Governance (ESG) investing is no longer niche investing, having finally struck a chord with mainstream finance. Without doubt, most investors in this realm have an authentic interest in promoting a more sustainable and equitable future. But getting sustainability right is a complicated business. **Read more** **TAGS:** **Debt Policy**; **World Bank**; **Best Practices**; **Transparency**; **Contract standards**; **Sovereign debt market**; **Primary market**

Fiscal policy, public debt and central banks

Andrés Velasco - London School of Economics

This event is part of the virtual 20th Annual Conference webinars and panel discussions that were livestreamed on BIS website from 23 to 28 June. In his webinar, Professor Velasco presented "Joined at the hip: monetary and fiscal policy in a liquidity-driven world", a paper co-authored with Guillermo Calvo (Columbia University). **Read more** **TAGS:** **Debt and fiscal/monetary policies**; **Market Liquidity**; **Debt and growth**; **Debt and recession**

Documents

Debt Policy

Public Debt - Balloon or Anchor? A Macroeconomic Case Study of Canada's Fiscal and Monetary Policy Response to COVID-19 (2021)

Name Keegan Robertson - Curtin University

New perspectives have emerged during the COVID-19 era on a longstanding dilemma regarding the best path to managing public debt. Two main schools of thought are evident in available literature: those that believe that a government must maintain fiscal responsibility by eventually reducing its debt levels through austerity measures; and those that believe, based on newer progressive economic theory, that large public debt is not only acceptable, but that government debt is crucial to a productive society. This article explores the case of Canada by reviewing the measures enacted in an attempt to mitigate the shock to the economy and exploring the potential pros and cons of the two distinct policy options. It is proposed in this article, that the tenets of Modern Monetary Theory (MMT) should be considered as an innovative approach to ensuring appropriate use of available resources. **TAGS:** **Debt Policy**; **Debt and fiscal/monetary policies**; **COVID-19**

Demystifying Sovereign ESG **(2021)**

World Bank, J.P.Morgan

The evolution of sustainable finance to mainstream finance has been motivated by a growing demand for the financial sector to play a greater role in the transformation of the current economic model into a more sustainable one. The introduction of the United Nation's (UN) Sustainable Development Goals and the Paris Agreement on climate change in 2015 have helped galvanize a societal shift to ensure a sustainable future and to fight climate change in particular. As a result, the pace of environmental, social, and governance (ESG) integration, which has become the most prevalent form of sustainable finance, has accelerated in recent years. Market participants continue to grapple with adapting the ESG framework to the sovereign context, despite significant progress of ESG integration in the corporate bond and equity asset class. This challenge is due to the multifaceted nature of ESG-related issues facing governments in relation to corporate entities, as well as a more complex transmission mechanism of the sovereign debt asset class to sustainable outcomes in the real economy. This paper demystifies sovereign ESG as a distinct segment of the ESG sector by assessing the major sovereign ESG providers that have laid the foundation for the operationalization of ESG investing in sovereign fixed income markets. **TAGS:** **Debt Policy**; **Primary market**; **Sovereign debt market**; **Contract standards**; **Transparency**; **Best Practices**; **World Bank**

A New Dawn: Rethinking Sovereign ESG **(2021)**

Ekaterina M. Gratcheva, Bryan Gurhy, Teal Emery, Dieter Wang, Luis Oganes, Jarrad K. Linzie, Lydia Harvey, Katherine Marney, Jessica Murray, Rupert Rink - World Bank, J.P. Morgan

Environmental, social, and governance (ESG) investing is quickly becoming ordre du jour in sovereign debt investing. There remains, however, lack of clarity around frameworks for scoring sovereign ESG performance, industry practices, and the definition of sustainability itself. This World Bank publication consists of two independent reports. The first part is written by the World Bank and takes stock of the current sovereign ESG investing framework and proposes improvements. The second part presents a survey on ESG practices among emerging market (EM) sovereign debt investors conducted by J.P. Morgan (JPM), which launched the first EM sovereign ESG index in 2018. This publication is a result of the World Bank's proactive engagement with stakeholders on pertinent sovereign ESG issues and is part of a publication series under the auspices of the Global Program on Sustainability (GPS). **TAGS:** **Debt Policy**; **Best Practices**; **World Bank**; **Transparency**; **Contract standards**; **Sovereign debt market**; **Primary market**

How to Attract Non-Resident Investors to Local Currency Bonds: The Cases of Ukraine, Panama, Colombia, and Brazil **(2021)**

Antonio Velandia, Leandro Secunho - World Bank

Driven by abundant liquidity and searching for better returns, many foreign investors became well acquainted with bonds denominated in the local currencies of emerging market countries. As documented by the country cases in this paper, Debt Management Offices (DMOs) in these countries happily embraced access to a "new" funding source and a more diverse investor base. The note explores how countries attracted foreign investors for local currency financing. DMOs have used several avenues to sell local currency securities to non-resident investors: from issuing Credit Linked Notes, or, Global Bonds offshore; to facilitating non-resident access to the domestic local currency bond market either by building a bridge with an International Clearing Securities Depository (ICSD), or, by fully integrating them through their participation in the local CSD. Countries, including Chile, Peru and Ukraine, frequently used Credit Linked Notes (CLNs) in the initial stages of local currency domestic bond market development. Others, such as Brazil and Colombia at times and Uruguay more frequently, relied on local currency Global Bonds. These securities save non-residents from the uncertainty of the local jurisdiction and the hurdles of the local clearing and settlement for which investors are willing to accept lower yields than the ones paid by domestic government securities. Neither of these avenues bring non-resident investors directly to the domestic bond market which is desirable if the DMO wants to reap the benefits of a more liquid and transparent market and potentially lower government's borrowing costs. The participation of non-residents in the domestic bond market would require building a bridge with an ICSD, or, relying on the local CSD. The bridge has been the solution in countries where custody and settlement processes pose unsurmountable obstacles for non-residents to jump into the domestic debt market; successful experiences of this avenue include countries like Mexico, Chile and Peru. The alternate avenue is to develop a local infrastructure robust enough so that non-residents do not miss the ICSD; this has been the path chosen by Colombia and Brazil. No alternative has emerged as a superior solution and each arrangement must be assessed under the context of the particular country. **TAGS:** Debt Policy; Debt composition; Sovereign debt market; Foreign Debt; World Bank

Primary Markets

Green Islamic Bonds (2021)
Dina Azhgaliyeva - Asian Development Bank Institute
Similar to green bonds, proceeds of green sukuk can be used to fund environment-friendly projects, but unlike green bond, green sukuk is a Shariah-compliant financial instrument. Green sukuk has two labels: "Islamic" and "Green". The "Islamic" label means that sukuk, an interest-free bond that generates returns to investors, is based on Sharia (Islamic law) principles. Instead of interest, investors receive an agreed share of the profits generated by the pool of underlying assets, which are partially owned by investors (World Bank 2020). […] **TAGS:** Debt Policy; Primary market; Sovereign debt market

Secondary Markets

A high-frequency analysis of return and volatility spillovers in the European sovereign bond market (2021)
Conall O'Sullivan, Vassilios G. Papavassiliou - University College Dublin
Using high-frequency data from the MTS trading platform, the authors examine return and volatility spillover effects across different maturities in the European sovereign bond market over tranquil and crisis periods. The longer-term benchmark securities of core countries are the largest net volatility transmitters, whereas the shorter-term benchmarks of periphery countries are the leading net receivers of volatility shocks. Moreover, the short-end and the long-end of the yield curve in both regions emerge as the sole net recipients of return spillovers. They note that bonds of periphery countries become volatility spillover transmitters during important macroeconomic events such as credit rating downgrades and financial assistance packages to financially distressed countries. **TAGS:** Financial Analysis; Secondary

[Markets](#); **[Sovereign debt market](#)**; **[Market Liquidity](#)**

Subnational Debt

[Expansionary Austerity: Reallocating Credit Amid Fiscal Consolidation](#) **(2021)**

Bernardo Morais, Javier Perez-Estrada, José-Luis Peydró, Claudia Ruiz-Ortega - Federal Reserve Board, Banco de México, Imperial College London, World Bank

This paper shows how the creation of ceilings on local public debt can increase economic activity. For identification, the paper exploits administrative micro data in conjunction with the introduction of a Mexican law limiting the amount of indebtedness of subnational governments. The analysis finds that states with ex-ante higher public debt have stronger economic growth after the implementation of the law, despite reducing public spending and increasing taxes, albeit at the expense of more extreme poverty. The mechanism for this result is a reduction in crowding out. In states with higher ex-ante public debt, banks reallocate credit away from local governments and into private firms, with strong positive firm-level real effects. The unwinding of this crowding out is stronger for more credit constrained firms and for firms borrowing from banks that are more exposed to local public debt. Furthermore, the impact of the law on economic growth is stronger in states allocating a larger share of public spending to non-infrastructure projects. **TAGS:** **[Subnational debt](#)**; **[Debt and growth](#)**

[Local Government Debt and Growth Convergence](#) **(2021)**

Haokun Pang - University of Birmingham

The link between public debt and growth has long been discussed. This paper evaluates the effect on growth convergence from local government debt using a panel data of 276 Chinese cities. Their results show that Chinese local government debt hike since 2008 had a robust positive effect on growth convergence. The authors also provide and test several suggestive mechanisms behind their findings. And they use a policy shock as an instrumental variable to show that their proposed relationship is causal. **TAGS:** **[Subnational debt](#)**; **[Debt and growth](#)**

[Effect of an Income Shock on Subnational Debt: Micro Evidence from Mexico](#) **(2021)**

Mariela Dal Borgo - Bank of Mexico

This paper examines how the borrowing decisions of local governments, often financially constrained, respond to a shock that affects the distribution of revenue from the central government. The shock stems from the discrete updating of population census data that is plausibly uncorrelated with short-term financing needs. For a one-standard-deviation increase in the population shock, I find that federal transfers to Mexican municipalities increase by 3% over the first two post-census years. Using supervisory loan-level data, I show that the probability of municipalities being indebted declines by 0.2 percentage points over the same period. This response is driven by governments with relatively more own-source revenue and, hence, less dependent on transfers, which lenders perceive as more creditworthy. The shock has no differential effect when debt is granted by a public lender, not even during electoral years or when the mayor is political aligned with the central government. Most of the additional revenue goes to finance short-term, current expenditures, especially by the more transfer-dependent governments. These findings reveal a small capacity to smooth shocks in credit markets, restricted to few governments with a diversified revenue base that borrow from private intermediaries. **TAGS:** **[Subnational debt](#)**; **[Debt and fiscal/monetary policies](#)**; **[Financial stability](#)**

Public debt sustainability in sub-national level: a case of Karnataka (2021)

M. R. Anantha Ramu - Fiscal Policy Institute, Government of Karnataka, India

This paper attempts to empirically measure the public debt sustainability of Karnataka State in India for the period starting from 1991 to 2018. Three well-established methods are adopted to measure public debt sustainability, namely, indicator approach, time series approach and sensitivity analysis. The indicator approach shows that Karnataka's public debt satisfies Domer (1944) debt sustainability condition. Both the unit root test and fiscal policy response function under the time series approach revealed that public debt is sustainable and the response function is positive and significant in the post-fiscal reform period [...] **TAGS: Subnational debt; Debt sustainability**

Financial Analysis

Parameterizing Debt Maturity (2021)

Philip Barrett, Christopher Johns - International Monetary Fund, Georgetown University

This paper examines ways to summarize the maturity structure of public debts using a small number of parameters. The authors compile a novel dataset of all promised future payments for US and UK government debt from every month since 1869, and more recently for Peru, Poland, Egypt, and Nigeria. They show that there is a unique parametric form which does not arbitrarily restrict debt issuance – portfolios of bonds with exponential coupons. Compared to the most popular alternative, this form 1) more accurately describes changes in debt maturity for these six countries and 2) gives a quite different interpretation of historical debt maturity. The authors' work can be applied not just to analyze past debt movements, but – because parameter estimates are relatively similar across countries – also for monitoring changes in debt maturity, including in countries where data are partial or incomplete. **TAGS: Financial Analysis; Debt composition; Debt and fiscal/monetary policies**

The Long-Run Impact of Sovereign Yields on Corporate Yields in Emerging Markets (2021)

Delong Li, Nicolas E. Magud, Alejandro Werner, Samantha Witte - University of Guelph, International Monetary Fund, University of Oxford

The authors analyze the long-run impact of emerging-market sovereign bond yields on corporate bond yields, finding that the average pass-through is around one. The pass-through is larger in countries with greater sovereign risks and where sovereign bonds are more liquid. It is also greater for corporate bonds with lower ratings, shorter maturities, and for those issued by financial companies and government-related firms. Their results support theoretical arguments that corporate and sovereign yields are linked together through credit risks and liquidity premiums. Consequently, high sovereign risks may slowdown growth by persistently increasing private sector borrowing costs. **TAGS: Financial Analysis; Sovereign bonds yields; Sovereign risk premia**

Do Fundamentals Explain Differences between Euro Area Sovereign Interest Rates? (2021)

Stéphanie Pamies, Nicolas Carnot, Anda Pătărău - European Commission, INSEE

This paper explores the determinants of sovereign interest rate spreads of euro area countries (vis-à-vis Germany), using panel regressions with annual data for 2000-2019. It focuses on the role of fundamental factors, namely fiscal, macroeconomic, and institutional variables, while considering also some contextual factors such as global risk aversion and controlling for the influence of central banks' asset purchases. Through extensive testing of various (fiscal) variables, interactions and non-linearities, the analysis confirms that sovereign spreads respond to fundamental variables, especially the government debt, indicating that such response is non-linear. The results also show that structural factors, such as potential growth and the quality of institutions, can largely mitigate the impact from government debt on spreads. Indeed, in countries with the highest potential growth and strongest institutions, the marginal effect of government debt on spreads would be close to zero. From a policy angle, the results are a reminder that, even in an environment of persistently low rates, more solid fundamentals allow governments to benefit from lower borrowing costs and less risk exposure. They also highlight that policies aimed at reinforcing potential growth and government effectiveness can be expected to improve investors' perception of sovereign risk and their forbearance of higher debt. **TAGS:** **Financial Analysis**; **Sovereign bonds yields**; **Sovereign risk premia**

Euro area sovereign bond risk premia during the Covid-19 pandemic **(2021)**

Stefano Corradin, Niklas Grimm, Bernd Schwaab - European Central Bank

The authors decompose euro area sovereign bond yields into five distinct components: i) expected future short-term risk-free rates and a term premium, ii) default risk premium, iii) redenomination risk premium, iv) liquidity risk premium, and a v) segmentation (convenience) premium. Identification is achieved by considering sovereign bond yields jointly with other rates, including sovereign credit default swap spreads with and without redenomination as a credit event feature. The authors apply their framework to study the impact of European Central Bank (ECB) monetary policy and European Union (E.U.) fiscal policy announcements during the Covid-19 pandemic recession. They find that both monetary and fiscal policy announcements had a pronounced effect on yields, mostly through default, redenomination, and segmentation premia. While the ECB's unconventional monetary policy announcements benefited some (vulnerable) countries more than others, owing to unprecedented flexibility in implementing bond purchases, the E.U.'s fiscal policy announcements lowered yields more uniformly. **TAGS:** **Financial Analysis**; **Sovereign bonds yields**; **Sovereign risk premia**; **COVID-19**

Sovereign Risk, Currency Risk, and Corporate Balance Sheets **(2021)**

Wenxin Du, Jesse Schreger - University of Chicago Booth School of Business, Columbia University

The authors provide a comprehensive account of the evolution of the currency composition of sovereign and corporate external borrowing by emerging markets over the past fifteen years. They show that a higher reliance on foreign currency debt by the corporate sector is associated with higher sovereign default risk. The authors introduce local currency sovereign debt and private sector currency mismatch into a standard sovereign debt model to examine how the currency composition of corporate borrowing affects the sovereign's incentive to inflate or default. A calibration of the model generates the empirical patterns of sovereign credit risk over the last decade. **TAGS:** **Financial Analysis**; **Foreign Debt**; **Debt composition**; **Sovereign defaults**

Sovereign debt dynamics with serial defaults **(2021)**

Alexandros Bougias, Athanasios Episcopos - Athens University of Economics and Business

This paper introduces serial defaults in the structural model of Jeanneret (2015. Journal of Financial and Quantitative Analysis 50, 963-985). The authors consider a government that can default multiple times, deciding endogenously the default thresholds and the optimal leverage. Under the extended model, the sovereign credit spreads are higher and carry a positive serial default premium. Model calibration to eight serial defaulting countries suggests that the average market-implied serial default premium is 57.98 basis points and accounts for 16.07% of the total credit spread. The countries with the highest exposure to serial defaults are Argentina, Brazil, Egypt, and Turkey. **TAGS:** **Financial Analysis**; **Sovereign defaults**; **Sovereign risk premia**

Multifactor Keynesian Models of the Long-Term Interest Rate **(2021)**

Tanweer Akram - Wells Fargo

This paper presents multifactor Keynesian models of the long-term interest rate. In recent years there have been a proliferation of empirical studies based on the Keynesian approach to interest rate modeling. However, standard multifactor models of the long-term interest rate in quantitative finance have not been yet incorporated Keynes's insights about interest rate dynamics. Keynes's insights about the influence of the current short-term interest rate are introduced in two different multifactor models of the long-term interest rate to illustrate how the long-term interest rate relates to the short-term interest rate, the central bank's policy rate, inflation expectations, the central bank's inflation target, volatility in financial markets, and Wiener processes. **TAGS:** **Financial Analysis**; **Sovereign bonds yields**

Winners and losers from sovereign debt inflows **(2021)**

Fernando Broner, Alberto Martin, Lorenzo Pandolfi, Tomas Williams - CREi - Universitat Pompeu Fabra, University of Naples Federico II, George Washington University

The authors study the effects of sovereign debt inflows on domestic firms. To do so, they exploit episodes of large sovereign debt inflows, which follow the announcements of the inclusion of six emerging countries into major sovereign debt indexes. The authors find that these events reduce government bond yields, appreciate the domestic currency, and have heterogeneous stock-market effects on domestic firms. Firms operating in tradable industries experience lower returns than firms in non-tradable industries. In addition, financial firms, government-related firms, and firms that rely more on external financing experience higher returns. The effect on financial and government-related firms is stronger in countries that display larger reductions in government bond yields. The effect on tradable firms is stronger in countries that display stronger appreciations. The authors provide a stylized model that rationalizes these results. Their findings shed novel light on the channels through which sovereign debt inflows affect firms in emerging countries. **TAGS:** **Financial Analysis**; **Sovereign bonds yields**

Emerging Markets Sovereign CDS Spreads During Covid-19: Economics Versus Epidemiology News **(2020)**

Timo Daehler, Joshua Aizenman, Yothin Jinjarak - University of Southern California, National Bureau of Economic Research (NBER), Victoria University of Wellington

Can bad news about COVID-19 induce negative expectations on sovereign credit risks? The authors investigate the factors driving credit default swap (CDS) spreads of emerging market sovereigns around the outbreak of COVID-19. Using 2014-2019 data, they estimate a two-factor model of global and regional risks and then extrapolate the model-implied spreads for the period July

2019 - June 2020. Intriguingly, the model initially predicts the realized spreads well but loses predictive accuracy during the COVID-19 pandemic. Fiscal space and oil-revenue dependence primarily drive the differences between the realized and predicted sovereign spreads. Their augmented-factor model indicates that the cumulative COVID-19 mortality rate growth is positively associated with the CDS spreads. The evidence suggests that the epidemiological deterioration can lower confidence in the sovereign credit markets due to the prospects of prolonged lockdowns and a slower GDP growth recovery. Their results also hold for a single regression of daily spread changes during 2014-2020. **TAGS:** **Sovereign CDS**; **Sovereign risk premia**; **Cost and Risk**; **Financial Analysis**; **COVID-19**

Debt Crisis

A Plan to address the COVID-19 Debt Crises in Poor Countries and build a better Sovereign Debt System **(2021)**

Clemence Landers - Center for Global Development

Key recommendations: - Expand liquidity and fiscal space for poor countries. The Biden administration should take immediate action to avert defaults in low-income countries through large and immediate provisions of liquidity and measures to help countries manage rollover risk on sovereign bonds. - Expand official bilateral debt relief to poor countries. The administration should work with the international financial institutions, China, and the Paris Club to implement guiding principles for a COVID-19 common framework for debt treatment. - Reform the sovereign debt system. The Treasury Department should lay the groundwork for a series of updates to the international financial sovereign debt restructuring architecture. **TAGS:** **Multilateral financing**; **Debt and fiscal/monetary policies**; **Debt sustainability** **Debt relief**; **COVID-19**

Sovereign Debt Vulnerabilities in Developing Economies **(2021)**

Lars Jensen – UNDP

This paper analyzes debt vulnerability indicators across 120 developing (low- and middle-income) economies to identify vulnerable countries. The overall conclusion is that most vulnerable countries identified are not on the verge of a default, but rather risk facing a future of high economic and development costs of having to deal with large debt overhangs. A smaller group of countries will likely remain at high risk of defaulting this and in subsequent years, and in general uncertainties and risks are high. Much will depend on the strength of the economic recovery and continued access to and stability of financial markets. **TAGS:** **Sovereign defaults**; **Debt crisis**; **Debt Restructuring**; **Sovereign bonds yields**

Debt distress and development distress: Twin crises of 2021 **(2021)**

Homi Kharas, Meagan Dooley - Global Economy and Development, Center for Sustainable Development

Just over a year into the COVID-19 crisis, it is apparent that there is great urgency for governments to address an overlapping set of issues—among them health, climate, nature, resilience, recovery, jobs, and inequality—at a scale far larger than would have been imaginable before the onset of the crisis. The developing world is currently facing twin crises—a balance of payments and debt crisis that may upend development progress, and a development crisis that could erupt into a debt crisis as the state of the economy deteriorates. **TAGS:** **Debt crisis**; **Debt and growth**; **Debt and fiscal/monetary policies**; **Debt sustainability**; **COVID-19**

Institutional and Organizational Framework

[Economic Governance Improvements and Sovereign Financing Costs in Developing Countries](#) (2021)

Girum Abate, Michael Brown, Alex Sienaert, Mark Thomas - World Bank

Low- and middle-income country governments are increasingly tapping the global debt capital markets. This is increasing the amount of finance available for development, but at a considerably higher cost than traditional external borrowing on concessional terms. Using a novel methodology based on estimating sovereign credit ratings using the Moody's scorecard, and examining the associations between these ratings and the World Bank's Country Policy and Institutional Assessment scores, this paper examines how making improvements in the quality of economic policies and institutions can help lower governments' financing costs. This method aims to overcome the small-sample problem due to the number of rated developing country sovereigns still being relatively limited (although growing). Better economic governance Country Policy and Institutional Assessment scores are associated with better estimated ratings and materially lower financing costs; on average, improvements that are sufficient to increase the Country Policy and Institutional Assessment economic governance indicator score by one point are associated with interest costs that are lower by about 40basis points, even setting aside the direct impact on ratings of better governance indicators. There are many reasons why improving governance is a good thing. Among them is the potential payoff to the public purse — savings of $40million or more on a standard $1 billion, 10-year bond. **TAGS:** **Debt Policy**; **Sovereign Credit Ratings**; **Foreign Debt**

Contract Standards

How China lends: A rare look into 100 debt contracts with foreign governments (2021)

Anna Gelpern, Sebastian Horn, Scott Morris, Brad Parks, Christoph Trebesch - Peterson Institute for International Economics, Kiel Institute for the World Economy, Center for Global Development, University of Kiel

China is the world's largest official creditor, but we lack basic facts about the terms and conditions of its lending. Very few contracts between Chinese lenders and their government borrowers have ever been published or studied. This paper is the first systematic analysis of the legal terms of China's foreign lending. The authors collect and analyze 100 contracts between Chinese state-owned entities and government borrowers in 24 developing countries in Africa, Asia, Eastern Europe, Latin America, and Oceania, and compare them with those of other bilateral, multilateral, and commercial creditors. Three main insights emerge. First, the Chinese contracts contain unusual confidentiality clauses that bar borrowers from revealing the terms or even the existence of the debt. Second, Chinese lenders seek advantage over other creditors, using collateral arrangements such as lender-controlled revenue accounts and promises to keep the debt out of collective restructuring ("no Paris Club" clauses). Third, cancellation, acceleration, and stabilization clauses in Chinese contracts potentially allow the lenders to influence debtors' domestic and foreign policies. Even if these terms were unenforceable in court, the mix of confidentiality, seniority, and policy influence could limit the sovereign debtor's crisis management options and complicate debt renegotiation. Overall, the contracts use creative design to manage credit risks and overcome enforcement hurdles, presenting China as a muscular and commercially savvy lender to the developing world. **TAGS:**

Foreign Debt; **Transparency**; **Contract standards**

Debt Restructuring

Public Capital and Fiscal Constraint in Sovereign Debt Crises **(2021)**
Tamon Asonuma, Hyungseok Joo - International Monetary Fund, University of Surrey
Sovereigns' public capital and fiscal constraint influence sovereign debt crises and resolution. The authors compile a dataset on public expenditure composition around restructurings with private external creditors. They show that during restructurings, public investment (i) experiences severe decline and slow recovery, (ii) differs from public consumption and transfers, and (iii) relates with restructuring delays. They develop a theoretical model of defaultable debt that embeds endogenous public capital accumulation, expenditure composition, production, and multi-round debt renegotiations. The model quantitatively shows public investment dynamics and tight fiscal constraint delay debt settlement, i.e., "capital accumulation delays" and "fiscal delays". Data support these theoretical predictions. **TAGS:** **Debt Restructuring**; **Sovereign defaults**

Macroeconomic Analysis

A Theory of Debt Accumulation and Deficit Cycles **(2021)**
Antonio Mele - University of Lugano
This paper introduces a tractable model of sovereign debt where governments cannot default strategically but face intertemporal trade-offs between (i) preferring more primary deficits to less and (ii) avoiding costly defaults. Governments run deficits when debt and, then, the marginal costs of increasing debt are low. However, after an extended period of debt accumulation, default probabilities begin to rise quickly, and so do the marginal costs of running debt. Eventually, debt reaches a critical level relative to the size of the economy, a fiscal tipping point, after which debt accumulation stops, with governments cycling between deficits and surpluses, until perhaps a time of default. The main conclusions are that (i) fiscal tipping points typically occur when distance to-default is between 10% and 20%; (ii) tipping points are pushed back in a stable macroeconomic environment, such that default premiums are higher in countries that implement austerity earlier and remain positive even when exogenous risk is very small (two "volatility paradoxes"); (iii) liquidity conditions and fiscal reforms may affect default probabilities in an ambiguous way; (iv) fiscal austerity may arrive too late: "debt intolerance" arises around the fiscal tipping point. **TAGS:** **Sovereign defaults**; **Debt sustainability**; **Market Liquidity**

Balance Sheets and Debt Crises - Empirical Regularities for Modern Cases of Sovereign Distress **(2021)**
Alexis Meyer-Cirkel, Gonzalo Huertas - Harvard University, International Monetary Fund
Public and private sector balance sheets are an important component to any analysis of debt sustainability. A vulnerable and indebted private sector can become a sudden liability for the government; alternatively, resilient household and bank balance sheets may reveal potential sources of funding for the sovereign during times of fiscal distress. In this paper, the authors document empirical regularities in the behavior of macroeconomic variables during debt crises and show how both macroeconomic fundamentals and sectoral net worth can affect the likelihood of undergoing default. **TAGS:** **Debt sustainability**; **Debt crisis**; **Sovereign defaults**

The constraint on public debt when r < g but g < m (2021)

Ricardo Reis - London School of Economics and Political Science

With real interest rates below the growth rate of the economy, but the marginal product of capital above it, the public debt can be lower than the present value of primary surpluses because of a bubble premia on the debt. The government can run a deficit forever. In a model that endogenizes the bubble premium as arising from the safety and liquidity of public debt, more government spending requires a larger bubble premium, but because people want to hold less debt, there is an upper limit on spending. Inflation reduces the fiscal space, financial repression increases it, and redistribution of wealth or income taxation have an unconventional effect on fiscal capacity through the bubble premium. **TAGS:** Debt sustainability; Debt and fiscal/monetary policies

Primary Fiscal Performance, Economic Growth, and Public Debt in Lebanon (2021)

Carole Ibrahim - Saint Joseph University Dubai

Lebanese public debt has been accumulating since 1990, after the end of the civil war. Recently, concerns about the ability of the government to keep servicing its debt have emerged, particularly because the debt-to-GDP ratio reached almost 147% at the end of 2018. This study aims to examine whether a cointegrating relationship exists among primary fiscal performance, real economic growth, and public debt in Lebanon using an autoregressive distributed lag (ARDL) model between 2000 and 2018. The ARDL results suggest the non-existence of a cointegrating relationship and hence the unsustainability of the Lebanese public debt. The evidence of the short-run estimation indicates that better primary fiscal performance and a higher economic growth rate reduce Lebanese public debt in the short run. This study proposes that immediate reforms that increase the primary fiscal surplus and attract investors are crucial to prevent a debt crisis in the country. **TAGS:** Debt sustainability; Debt and growth; Debt and fiscal/monetary policies

Inflation Volatility, Financial Institutions and Sovereign Debt Rating (2021)

Noha Emara - Rutgers University

This study analyses the impact of reducing inflation volatility versus the impact of improving financial institutions with regard to the country's sovereign debt rating. An empirical analysis of the impact of inflation, inflation volatility and financial institutions on a country's sovereign debt rating is undertaken using a sample of 37 developed and developing countries over the period 1989–2006. The study estimates a non-linear rating regression that interacts inflation volatility with an index for financial institutions developed in this paper using the principal component analysis. The results suggest that reducing inflation volatility can have a statistically and economically significant positive effect on a country's sovereign debt rating as compared to the level of inflation. The results also show that improving financial institutions has a statistically and economically significant positive direct and indirect effect on a country's sovereign debt rating. A decrease of one standard deviation in inflation volatility leads to an increase of about two classifications in a country's sovereign debt rating. The increase in sovereign debt rating leads to a reduction in the average annual long-term bond yield by about 4.4%. On the other hand, an increase of one standard deviation in the financial institutions' index leads to an increase in the ratings class of about one class, which in turn reduces the average annual long-term bond yield by about 4.27%. **TAGS:** Sovereign Credit Ratings; Sovereign bonds yields

UK Debt in Perspective (2021)

Institute of Economic Affairs Submitter - Institute of Economic Affairs

National debt figures need perspective. This can come from viewing them as a ratio to national income. That ratio has surged in the last twenty years. But despite many assertions, the debt-to-income ratios of the past few years are not unprecedented. When the ratio reached such peaks in the past, much concern was expressed, but there was not a panic for immediate action. Problems may indeed follow, but they do not inevitably follow. The debt can be coped with and there need not be resort to any emergency measures. Historical investigation shows how and why: control of spending and measures to allow and, if possible, promote steady growth are sufficient. Inflation is a danger, but honest government and good sense can work. **TAGS:** **Debt sustainability**; **Debt and growth**

Public Debt Increase Challenge Under COVID-19 Pandemic Economic Crisis in the Caucasian Countries (2021)

Vakhtang Charaia, Vladimer Papava - Ivane Javakhishvili Tbilisi State University

The paper provides an analysis of public debt problem in the Caucasian countries of Armenia, Azerbaijan, Georgia, Iran, Russia, and Turkey during the economic crisis under the COVID-19 pandemic. It also discussed some closely related issues, such as inflation, economic growth, employment, international rankings etc. The paper analyses the different realities and perspectives of current and future developments of COVID-19 pandemic on selected countries economy. While recognizing that public debt increase was unavoidable during the global pandemic challenge, the paper concludes that its effectiveness is hugely depended on when global economy can finally overcome the fact of being a hostage of COVID-19. **TAGS:** **Debt sustainability**; **Debt and growth**; **COVID-19**

The role of the Independent Fiscal Institutions in assessing the sustainability of high public debt in the post-Covid era (2021)

EU Independent Fiscal Institutions

Weakened growth along with automatic stabilisers and additional fiscal stimulus are leading to higher public debt levels as a result of the Covid-19 pandemic. Against this background, this paper aims to assess the role of Independent Fiscal Institutions (IFIs), focusing on their public debt modelling. The paper draws on new data from a review of debt sustainability analysis (DSA) practices in the EU and a survey of members of the Network. More specifically, it explores the main challenges for IFIs in modelling public debt in times of greater unpredictability, higher public debt and low interest rates. **TAGS:** **Debt and fiscal/monetary policies**; **Financial stability**; **Debt sustainability**; **COVID-19**

Economic Policies

The Cost of Future Policy: Intertemporal Public Sector Balance Sheets in the G7 (2021)

Yugo Koshima, Jason Harris, Alexander F. Tieman, Alessandro De Sanctis - International Monetary Fund, PhD Paris School of Economics

This paper compiles the Intertemporal Public Sector Balance Sheets for all G7 countries and examines their relationship with government borrowing costs. In 2018, all G7 countries have negative Intertemporal Net Financial Worth (INFW), falling short of their intertemporal budget constraint. A decomposition of the evolution of INFW shows that short-term fluctuations are mainly driven by fiscal policy changes, while in the long run demographic changes and health and pension obligations play a larger role. The authors find that on average a 10-percentage point of GDP increase in INFW reduces the (future) 10-1-year sovereign yield curve spread by 2.8 basis points. These results suggest that financial markets pay attention to governments' future policy obligations, in addition to its current assets and liabilities. **TAGS:** **Debt and fiscal/monetary policies**; **Sovereign bonds yields**

US Debt Sustainability Under Low Interest Rates and After the COVID-19 Shock (2021)

William Cline - Peterson Institute for International Economics

US federal debt held by the public rose from 35 percent of GDP in 2007 to 72 percent in 2015, reflecting the Great Recession as well as rising health and social spending, and then to 79 percent in 2019 following the 2017 tax cuts. In 2020-21 federal assistance to address the COVID-19 shock will reach over 25 percent of 2021 GDP. The prolonged trend of declining real interest rates since the early 1980s has reduced the real economic burden associated with a given debt to GDP ratio. In part because of new attention to interest rate versus growth rate dynamics, economic thinking has correspondingly shifted toward less concern about debt levels. Nonetheless, Congressional Budget Office projections adjusted for the $1.9 trillion American Rescue Plan indicate that the interest burden will rise from the recent 1½ percent of GDP to 2.3 percent by 2030 and 8.4 percent by 2050, as the debt ratio rises to 116 percent of GDP and 203 percent respectively. Feedback from the rising debt ratio boosts the real interest rate in the CBO's model to about 1 percent by 2030 and 2½ percent by 2050. This study first estimates the ex-post realized real interest rate on federal debt over the past six decades. For projecting the debt burden, it suggests a prudential benchmark at the 33rd percentile in the past distribution, a real rate of 1 percent on the 10-year treasury note. Simulations of the CBO-based projections using this rate, which is higher in the 2020s but lower thereafter, find an interest burden of 4.7 percent of GDP by 2050, far above the average of 1.9 percent over the past six decades. At a real rate of 1 percent, classic Maastricht fiscal targets would shift to about 130 percent of GDP for the debt ceiling and 4 percent for the deficit. However, even these more lenient targets would not be met unless primary deficits are cut to about 1 to 2 percent of GDP, well below their current path rising from about 3 percent of GDP to 4.5 percent by the 2040s as social security and especially health outlays escalate. **TAGS:** **Debt and fiscal/monetary policies**; **Debt sustainability**; **Debt Forecasts**; **COVID-19**

Fiscal Discipline and Budget Processes: Evidence from Zimbabwe (2021)

Noell Machinjike, Wellington Garikai Bonga - Independent, Great Zimbabwe University

Zimbabwe is one of the least fiscally performing countries in Sub-Saharan Africa, with some fiscal outcomes for years 2009 to 2019 being unsatisfactory. The IMF 2020 Article IV consultation report on Zimbabwe suggested that fiscal and monetary slippages experienced in 2018 and 2019 resulted in macroeconomic imbalances in 2019 and greater part of 2020. The study adopted a qualitative approach to investigate the relationship between fiscal discipline and the budget processes in Zimbabwe. Informed by the fiscal illusion theory as well as the formative fiscal federalism theory, the study established that the growth in fiscal indiscipline in Zimbabwe leads to widening fiscal deficits, increased direct budget financing requirements on the domestic market and unsustainable debt profile. Fiscal indiscipline is driven by weak budget institutional frameworks, party institutionalisation and economic sanctions. To enhance fiscal discipline, strengthening and implementation of existing fiscal institutional frameworks and engagement of the international community on sanctions are necessary. Publication of agreed fiscal targets for credibility purposes may help. Promoting increased savings during booms for consumption smoothening in periods during periods of droughts, cyclones and pandemics is encouraged. **TAGS:** **Debt and fiscal/monetary policies**; **Debt Policy**

On Federal Deficits and Debt, Monetary and Fiscal Policy **(2021)**

Edward Lane - University at Albany

President Biden signed a $1.9 trillion COVID relief package (the American Rescue Plan) on March 11, 2021. Without a corresponding increase in taxes, this plan has set off alarm bells for those concerned about the expansion of government deficits and debt. Mainstream economists have raised issues of excessive inflation, crowding out of private sector investment, and an unacceptable repayment burden on the young and future generations. The purpose of this paper is to demonstrate that these concerns are based on a misunderstanding of the role played by the deficit, debt, and taxes in the U.S. economy, even a misunderstanding of how certain parts of the U.S. financial system actually work. […] **TAGS:** **Debt and fiscal/monetary policies**; **Debt sustainability**; **Financial stability**; **COVID-19**

Euro Area fiscal policies and capacity in post-pandemic times **(2021)**

Ramon Marimon, Adrien Wicht - European University Institute

The main legacy of the post-Covid-19-crisis euro area fiscal framework should be the development of a unique integrated fiscal policy and of a permanent and independent Fiscal Fund to implement it. To arrive at this conclusion, the authors analyse the challenges and build on current research on the optimal design of a fiscal fund. They characterise the fiscal policy, and the development of the Fund, together with the role and form that the Stability and Growth Pact can take in the new fiscal framework. **TAGS:** **Debt Policy**; **Debt and fiscal/monetary policies**; **Debt sustainability**; **COVID-19**

Joined at the hip: monetary and fiscal policy in a liquidity-dependent world **(2021)**

Guillermo A. Calvo, Andrés Velasco - Columbia University, London School of Economics

Because money is the unit of account, the price of money is the inverse of the price level. If prices are sticky, so is the price of money in terms of goods, and this is one important reason why money is liquid and attractive. By contrast, the price of government bonds is free to jump and often does, especially in response to news about changes in fiscal policy and the supply of bonds. Those movements in government bond prices affect available liquidity, and that matters for aggregate demand, inflation and output. In particular, the authors show that under these conditions, certain bond-financed fiscal expansions can be contractionary, causing deflation and a temporary recession. To avoid such effects, changes in fiscal policy and bond supply must be matched by changes in money supply and in the interest rate on money. They conclude that in a liquidity-dependent world, fiscal and monetary policies are joined at the hip. **TAGS:** **Debt and fiscal/monetary policies**; **Market Liquidity**; **Debt and growth**; **Debt and recession**

Policy mix during a pandemic crisis: a review of the debate on monetary and fiscal responses and the legacy for the future **(2021)**

Giuseppe Ferrero, Massimiliano Pisani, Martino Tasso - Bank of Italy

The paper reviews the recent literature on the macroeconomic effects of the Covid-19 shock and on the main policy responses of governments and central banks in the main advanced countries. Monetary and fiscal measures avoided a liquidity crisis and limited the drop in demand. After the pandemic crisis is over, they should be withdrawn gradually. An accommodative monetary policy (consistent with price stability) and government budgets oriented towards investment are necessary. Once the recovery is firmly under way, those governments facing a large public debt should implement, gradually, plans to achieve primary budget surpluses. Expansionary measures in countries with more fiscal space will be able to promote the recovery. **TAGS: Debt and fiscal/monetary policies**; **Debt and growth**; **Contingent Liabilities**; **Debt sustainability**; **COVID-19**

The Corona Debt Conundrum in the Eurozone **(2021)**

Paweł Tokarski, Alexander Wiedmann- SWP German Institute for International and Security Affairs

One of the most serious economic and social consequences of the pandemic is the higher public debt of the Eurozone countries. The massive interventions of the Euro¬system have lowered borrowing costs to record lows. For some time to come, the sustainability of the public finances of the most indebted Eurozone countries will depend on expansionary monetary policy. However, this approach raises questions. It is uncertain how long monetary policy can support the debt market of the EU-19, whether there are effective alternatives, and what impacts the high debt levels and the interventions of the European Central Bank (ECB) will have on the foundations of the Eurozone. **TAGS: COVID-19**; **Debt sustainability**; **Debt and fiscal/monetary policies**

Managing global liquidity through COVID-19 and beyond **(2021)**

Isabelle Mateos y Lago - Chatham House

One surprise of the COVID-19-related economic shock has been the lack of a persistent international liquidity crunch. Policymakers have successfully scaled up emergency measures from the 2008 global financial crisis and have introduced temporary debt service relief for poor countries. — However, the next phase of the policy response may be more challenging. In some countries, debt sustainability will need to be confronted. Monetary policy normalization, when it eventually happens, could lead to market volatility and tighter financing constraints. — This briefing proposes international coordination on several fronts to address these and related issues. The first is for the IMF to undertake general allocations of Special Drawing Rights (SDRs) as a source of liquidity. A multilaterally managed trust could ‘recycle’ SDR allocations from countries that don’t need them to those that do. […] **TAGS: Market Liquidity**; **Multilateral financing**; **Debt and fiscal/monetary policies**; **Debt Restructuring**; **Debt sustainability**

Climate, COVID-19, and the Developing Country Debt Crisis **(2021)**

Katharina Lütkehermöller, Veronica Hector, Aki Kachi – NewClimate

The ongoing COVID-19 pandemic and the associated economic crisis are contributing to what the IMF has warned may become an emerging market debt crisis. While many industrialised countries have been able to mobilise sizeable stimulus packages, many emerging markets and developing countries will struggle to follow suit. Debt levels in many developing countries have outpaced economic growth, and the ongoing pandemic is pushing tens of millions back into extreme poverty undoing years of progress. Despite discussions about promoting “green recoveries” and to helping to “build back better”, climate action is often a victim of a constrained economic environment. The situation has led to growing calls to tie debt relief to climate through “debt-for climate” swaps (multilateral, bilateral, or with private investors) or a climate-informed reallocation of Special Drawing Rights at the IMF. […] **TAGS:** **Buybacks & Exchanges**; **Debt Restructuring**; **Primary market**; **Debt sustainability**; **COVID-19**

Estimating Effects of Expansionary Monetary Policy since the Introduction of Quantitative and Qualitative Monetary Easing (QQE) Using the Macroeconomic Model (Q-JEM) **(2021)**

Takuji Kawamoto, Takashi Nakazawa, Yui Kishaba, Kohei Matsumura, Jouchi Nakajima - Bank of Japan

This paper estimates the macroeconomic effects of the Bank of Japan's expansionary monetary policies since the introduction of Quantitative and Qualitative Monetary Easing (QQE) using the Bank of Japan's large-scale macroeconomic model, Q-JEM (Quarterly Japanese Economic Model). The authors consider counterfactual paths of major financial variables, such as real interest rates, constructing hypothetical scenarios where the QQE and subsequent easing measures had not been introduced. They then conduct counterfactual simulations to examine how Japan's macroeconomic variables such as real GDP and CPI would have evolved under those hypothetical scenarios. In this setting, the authors estimate the policy effects on the macroeconomic variables as the difference between actual values and the counterfactual. Estimation results show that, on average during the period from the introduction of QQE to the July-September quarter of 2020, the policy effect on the level of real GDP is between around +0.9 and +1.3 percent and that on the year-on-year rate of change in the CPI (all items less fresh food and energy) is between around +0.6 and +0.7 percentage points. **TAGS:** **Debt and fiscal/monetary policies**; **Debt and growth**; **Economic Forecasts**

Monetary and Macroprudential Policies under Dollar-denominated Foreign Debt **(2021)**

Hidehiko Matsumoto - Bank of Japan

This paper studies the optimal monetary and macroprudential policies in a small open economy that borrows from abroad in foreign currency. The model features a novel mechanism in which sudden stops due to an occasionally binding borrowing constraint trigger a sharp currency depreciation through balance of payments adjustments, thereby increase the domestic-currency value of foreign debt and cause severe economic downturns. A policy analysis shows that a contractionary monetary policy mitigates depreciation during a crisis, but the anticipation of policy interventions during the crisis induces larger borrowings ex ante and destabilizes the economy. A combination of an ex ante macroprudential tax on foreign borrowing and ex post monetary policy interventions can stabilize the economy and improve social welfare. **TAGS:** **Foreign Debt**; **Debt sustainability**; **Financial stability**

Multilateral Financing

Development co-operation during the COVID-19 pandemic: An analysis of 2020 figures and 2021 trends to watch **(2021)**

Yasmin Ahmad, Eleanor Carey - OECD Development Co-operation Directorate

Overall official development assistance volumes increased to their highest level ever in 2020, even as global GDP fell dramatically. This chapter explores what drove the rise in official development assistance in 2020, the implications for development co-operation and trends to watch in 2021 including vaccines, climate and debt. Please note that all data and calculations in this chapter are correct as of 09 June 2021. Any announcements of new funding commitments to vehicles such as the WHO's ACT-A made after that date are not reflected in these data.

TAGS: [Multilateral financing](); [Debt relief](); [Debt sustainability](); [COVID-19]()

[When push came to shove: COVID-19 and debt crises in low-income countries]() (2021)
Christina Laskaridis - University of London
The pandemic brought to the fore the long-standing weaknesses of resolving countries' debt repayment difficulties. This article examines the response by the G20 and the IMF in the first six months of the pandemic focusing on low-income countries. This article maps the proposals and current debate motivated by the pandemic and argues that a critical element of the dysfunctional architecture that deserves more attention is Debt Sustainability Analysis (DSA). The article analyses the characteristics of IMF loans to DSSI eligible countries, and scrutinises the IMF's loan approval basis. The article finds that programmes were approved on the basis of sharp "V" shaped recovery and re-establishment of fiscal austerity after transitory deficit spending. **TAGS:** [Debt and fiscal/monetary policies](); [COVID-19](); [Multilateral financing](); [Debt sustainability]()

Reports

2021

[OECD Economic Outlook, Volume 2021 Issue 1]()
OECD
The COVID-19 pandemic continues to cast a long shadow over the world's economies. The OECD Economic Outlook, Volume 2021 Issue 1, highlights the improved prospects for the global economy due to vaccinations and stronger policy support, but also points to uneven progress across countries and key risks and challenges in maintaining and strengthening the recovery. This issue includes a general assessment of the macroeconomic situation, and a chapter summarising development and providing projections for each individual country. Coverage is provided for all OECD members as well as for selected partner economies. **TAGS:** [Economic Forecasts](); [Debt and fiscal/monetary policies](); [COVID-19](); [OECD]()

[World Economic Outlook - Managing Divergent Recoveries - April 2021]()
International Monetary Fund
Global prospects remain highly uncertain one year into the pandemic. New virus mutations and the accumulating human toll raise concerns, even as growing vaccine coverage lifts sentiment. Economic recoveries are diverging across countries and sectors, reflecting variation in pandemic-induced disruptions and the extent of policy support. […] **TAGS:** [Economic Forecasts](); [Debt Forecasts](); [COVID-19]()

[European Economic Forecast. Summer 2021]()
European Commission

The European economy is forecast to rebound faster than previously expected, as activity in the first quarter of the year exceeded expectations and the improved health situation prompted a swifter easing of pandemic control restrictions in the second quarter. **TAGS:** **Economic Forecasts**

Debt Management Report 2021

Ministry of Finance, Japan

The JGB market entered FY2020 amid turmoil that started in March 2020 due to the global spread of COVID-19. In the April-June quarter, yields on super long-term JGBs among others rose slightly as the market turmoil from the COVID-19 pandemic calmed down and the government decided to increase JGB issuance under two supplementary budgets. From July through December, yields remained stuck in a narrow range. […] **TAGS:** **Debt Policy**; **Primary market**; **Secondary Markets**; **Sovereign debt market**

ESMA Risk Dashboard - n. 1 June 2021

ESMA

Valuations in EU financial markets for most market segments are now at or above levels compared to pre-COVID-19 levels. They remain highly sensitive to events and volatile, as shown by the recent Gamestop related market movements and news on potential slow roll-out of vaccines driving equity prices. Fixed income valuations, notably for IG and HY corporate bonds are now far above their pre-COVID-19 levels, in part due to the continued monetary policy support. […] **TAGS:** **Financial stability**; **Secondary Markets**; **Market Liquidity**; **Cost and Risk**; **COVID-19**

Measuring and Managing ESG Risks in Sovereign Bond Portfolios and Implications for Sovereign Debt Investing

Lionel Martellini, Lou-Salomé Vallée - EDHEC-Risk Institute

Over the past decade, sustainable and responsible investing have gained momentum and continue to grow in popularity among investors, and it is increasingly recognized that the financial system has a particularly important role to play in the transition towards a low-carbon and climate-resilient economy. The integration of sustainability considerations into the decision-making process for investments, as measured by Environmental, Social and Governance (ESG) indicators, has been driven by investor demands, fiduciary duty, climate change and the development of new regulations and values. Sustainability in the financial sector is becoming mainstream and is reshaping global markets. […] **TAGS:** **Financial Analysis**; **Cost and Risk**

China's Sovereign Bonds. The Alternative Safe Haven

Tracy Chen - Brandywine Global Investment Management, LLC

Against a dreary backdrop of low, zero, or negative yields from traditionally safe-haven bonds like U.S. Treasuries, China's sovereign bonds offer an alternative way to diversify a global portfolio. By combining higher yields, relative to developed market bonds, and lower volatility, relative to emerging market bonds, Chinese sovereign bonds have produced high risk-adjusted returns with low correlations over the past 10 years. […] **TAGS:** **Financial Analysis**; **Sovereign debt market**; **Sovereign bonds yields**

BIS Annual Economic Report 2021

BIS

It is now over a year since the Covid-19 pandemic struck out of the blue, plunging the global economy into a historically deep recession. An acute health crisis turned into an overwhelming economic crisis, as policymakers adopted stringent containment measures to save lives. This was a recession in response to an insidious invisible enemy. […] **TAGS:** **Debt sustainability**; **Debt and fiscal/monetary policies**; **Debt and growth**; **Financial stability**

Report of the Task Force on Financial Stability

Glenn Hubbard, Donald Kohn, Laurie Goodman, Kathryn Judge, Anil Kashyap, Ralph Koijen, Blythe Masters, Sandie O'Connor, and Kara Stein· - Brookings

Following the Global Financial Crisis of 2007-09, the U.S. and other economies shored up the resilience of their banks through more demanding capital and liquidity requirements and rigorous stress testing. The disruptions of financial markets at the onset of the pandemic in March 2020 underscored the vulnerabilities of markets and institutions that comprise the important—and growing—nonbank sector of the financial system through which much credit to businesses, households, and government flows.[…] **TAGS:** **Market Liquidity**; **Sovereign debt market**

Euro area government deficit at 7.2% and EU at 6.9% of GDP

Eurostat

In 2020, the government deficit of both the euro area and the EU increased significantly compared with 2019, as did the government debt, in the context of the measures undertaken in response to the COVID-19 pandemic. In the euro area the government deficit to GDP ratio rose from 0.6% in 2019 to 7.2% in 2020, and in the EU from 0.5% to 6.9%. In the euro area the government debt to GDP ratio increased from 83.9% at the end of 2019 to 98.0% at the end of 2020, and in the EU from 77.5% to 90.7%. […] **TAGS:** **Debt Statistics**; **COVID-19**

Economic and social survey of Asia and the pacific 2021- Executive Summary

UN

The COVID-19 pandemic has exposed chronic development fault lines in Asia and the Pacific, taking a heavy toll on the social and economic well-being of the region's people. Slow regional progress in implementing the transformative 2030 Agenda for Sustainable Development has done little to reduce wide gaps in social services, digital access and green development, and that has exacerbated the vulnerability to such shocks. […] **TAGS:** **Economic Forecasts**; **Debt sustainability**; **Debt relief**; **COVID-19**

Creating Fiscal Space in the Covid-19 Era

Stephanie Segal - CSIS

Global health challenges threaten the United States' health and economic security, a reality made painfully clear over the past 14 months. Many low- and middle-income countries lack adequate domestic resources to invest in public health and, at the same time, face mounting debt burdens that impede their ability to raise new funding for essential investments. The Covid-19 pandemic is a call to action to rethink how the United States prioritizes pandemic preparedness and investments in public health. U.S. leadership will be essential to mobilizing investment from the official sector and private investors. **TAGS:** **Debt and fiscal/monetary policies**; **Debt and growth**; **Debt sustainability**; **Debt relief**; **COVID-19**

Maldive debt sustainability assessment

ADB

Maldives' public and publicly guaranteed (PPG) debt stood at 76.9% of gross domestic product (GDP) in 2019. Half of public debt is domestic and denominated in local currency. Domestic debt is held largely by the national pension (42%), commercial banks (36%), and the central bank (21%). The most recent staff report for Rapid Credit Facility (RCF) request by the International Monetary Fund (IMF) published in April 2020 finds Maldives' public debt to be sustainable, albeit with a weak debt-carrying capacity and at a high risk of debt distress. […] **TAGS:** **Debt Policy**; **Debt composition**; **Debt sustainability**; **Multilateral financing**

Fiscal support for a sustainable recovery in the euro area

Niels Thygesen, Roel Beetsma, Massimo Bordignon, Xavier Debrun, Mateusz Szczurek, Martin Larch, Matthias Busse, Mateja Gabrijelcic, Laszlo Jankovics, Janis Malzubris - University of Copenhagen, University of Amsterdam, Catholic University of Milan, National Bank of Belgium, European Fiscal Board

In its latest assessment of the euro area fiscal stance, the European Fiscal Board concludes that national policy plans for 2022 amount to an appropriate fiscal stance for the euro area as a whole. This column discusses how, against the backdrop of a strong economic rebound this year and next and the unwinding of emergency measures, the underlying fiscal deficit of the euro area should halve between 2021 and 2022, while nevertheless remaining well above pre-crisis levels. With significant fiscal support still in the pipeline, more targeted measures should avoid excess economic scarring and encourage sustainable growth while facilitating the green and digital transitions. **TAGS:** **Debt and fiscal/monetary policies**; **Economic Forecasts**; **Debt sustainability**

Financing for Sustainable Development Report 2021

UN

Debt levels are rising across developing and developed countries, as economies contract and fiscal deficits widen, under the impact of the COVID-19 pandemic. Global public debt is projected to approach 100 per cent of gross domestic product (GDP) in 2020, up from 65 per cent in 2008. The increase in public debt is more pronounced for developed countries, as developing and least developed countries were more financially constrained in their response to the pandemic and recession. Nonetheless, debt sustainability indicators worsened across the board. Five sovereigns defaulted in 2020. A third of emerging market economies are assessed to be at high risk of fiscal crisis, and over half of least developed and other low-income countries are assessed to be at high risk of, or already in, debt distress. **TAGS:** **Debt sustainability**; **Financial stability**; **COVID-19**

How COVID-19 is harming State and City Budgets

Anshy Siripurapu, Jonathan Masters - Council of Foreign Relations

State and local governments are responsible for the bulk of U.S. education and infrastructure spending. Many are facing severe budget shortfalls as a result of the coronavirus pandemic. Subnational governments have few options for dealing with budget crises, and the federal government has stepped in to provide aid. **TAGS:** **Subnational debt**; **Debt and fiscal/monetary policies**; **COVID-19**

Avoiding a K-Shaped Global Recovery

A. Michael Spence, Joseph E. Stiglitz, Jayati Ghosh - Council on Foreign Relations (CFR)

With the support of its wealthy members, including the United States, the IMF should provide greater financial assistance and more liberal borrowing terms to help the world's developing countries recover from the COVID-19 pandemic. **TAGS:** **Multilateral financing**; **Economic Forecasts**

Debt Report 2021 - Edition I

World Bank

This is the first of the series of debt reports for 2021 to be published online, at regular intervals, over the course of the year. Their aim is to provide users with analyses of evolving trends and development related to external debt and public debt in individual countries and regional groups, with primary emphasis on low- and middle-income countries, and to keep users abreast of debt-related issues and initiatives. This report presents a summary analysis of the composition of external debt stocks and flows from a regional perspective and draws out the main messages of the regional and country specific data. **TAGS:** **Debt Statistics**; **Foreign Debt**; **Debt composition**; **World Bank**

Debt Report 2021 Edition II

World Bank

This is the second of the series of Debt Reports for 2021 to be published online, at regular intervals, over the course of the year. Their aim is to provide users with analyses of evolving trends and development related to external debt and public debt in individual countries and regional groups, with primary emphasis on low- and middle-income countries, and to keep users abreast of debt-related issues and initiatives. Debt Report 2021 Second Edition is focused on the preliminary estimates of external debt stocks at end-2020 for 120 low, and middle-income countries, and information on low- and middle-income countries' bond issuance in international capital markets in 2020. It also provides an update on the Debt Service Suspension Initiative (DSSI) as well as an overview of a new initiative aimed at creating a comprehensive dataset of domestic debt obligations of low, and middle, income countries. **TAGS:** **Debt Statistics**; **Foreign Debt**; **Debt composition**; **Debt relief**; **World Bank**

Public Debt Projections Report 2021 - No 1

Brazil's National Treasury

The report updates the National Treasury scenarios for the General Government Gross Debt (GGGD) and Non-financial Public Sector Net Debt (PSND). In addition to the public debt projections for a 10-year horizon, the report presents an analysis of the factors behind the changes in the GGGD and PSND in 2020 and 2021, in comparison to the immediately preceding year. [...] **TAGS:** **Debt Forecasts**; **Debt sustainability**; **Debt and fiscal/monetary policies**; **COVID-19**

Brazilian Guaranteed Debt Report (Jan-Apr/2021)

Brazilian National Treasury

By the end of April 2021, the outstanding guaranteed debt amounted to BRL 304.80 bn. The domestic guaranteed debt reached BRL 114.07 bn, while the external guaranteed debt reached BRL 190.73 bn. In the first quarter of 2021 (January-April), the Treasury executed guarantees and paid BRL 2.52 bn of debts originally under the responsibility of states. Since 2016, the total reached BRL 35.47 bn. The full version of the Report is available in English at the National Treasury website. In addition, it also contains a series of indicators that detail the composition of the guaranteed debt regarding different currencies, indices, maturities and costs for all guaranteed entities. **TAGS:** **Debt Statistics**; **Contingent Liabilities**

Japanese Government Bonds Newsletter - May 2021

Ministry of Finance, Japan

On May 10, the Ministry of Finance released the latest data on central government debt. Outstanding government bonds and borrowings increased by 4.0 trillion yen to 1,216.5 trillion yen from the end of December 2020 (1,212.5 trillion yen). The total amount of General Bonds and FILP Bonds increased by 26.2 trillion ye n and 7.7 trillion yen respectively, while FBs decreased by 29.7 trillion yen. [...] **TAGS:** **Debt Statistics**; **Primary market**; **Debt composition**

Primary, Secondary & Post-Trade Markets Primer

SIFMA

This presentation, a companion to our Global Capital Markets & Financial Institutions Primer, reviews the structure of market segments including: - Primary Markets, where securities are created; - Secondary Markets, where existing stocks and bonds are traded among investors; - Post Trade Operations, the last phase of the trade lifecycle and the plumbing of the capital markets. The primer series from SIFMA Insights goes beyond a typical 101-level brief, breaking down important technical and regulatory nuances to foster a fundamental understanding of the marketplace and set the scene to address complex issues arising in today's markets. **TAGS:** **Primary market**; **Secondary Markets**; **Sovereign debt market**; **Repo market**

Uruguay Sovereign Debt Report - May 2021

Uruguay Debt Management Unit

Summary: - Update on Government's borrowing needs and funding sources for 2021. - S&P affirmed Uruguay's rating at BBB with stable outlook. - Government committed to embedding climate-action within the debt management strategy. **TAGS:** **Debt Policy**; **Debt Statistics**; **Debt Forecasts**

BIS Quarterly Review, June 2021 - Enhancing the BIS government bond statistics

BIS

This statistical feature presents a new data set on long-term debt securities issued by central and general governments in domestic and foreign currencies. It combines national aggregates with data on international issuance and BIS estimates, for improved coverage across all markets of issue. The annual series cover 54 countries, including 28 advanced economies and 26 emerging market economies (EMEs) from the early 2000s in most cases. These series reveal that the issuance of government bonds accelerated over the past decade and surged with the onset of the pandemic in 2020. With major EMEs increasingly tapping bond markets in their domestic currency, the foreign currency share in EME government bonds has continued to decline. **TAGS:** **Debt Statistics**; **Foreign Debt**; **Debt composition**

Emerging economies during and beyond the Covid crisis

Luca Bortolotti - University of Turin and OEET

The breakout of the COVID-19 has caused dramatic health and economic consequences worldwide. The severity of the contagion and the resources and policies employed to tackle the virus are different across the globe, therefore determining heterogeneous outcomes. Although the poorest countries and emerging economies are not amongst those most affected in terms of (reported) victims, the economic consequences appear severe, especially considering the areas and sectors more integrated in the global value chains and world economy. […] **TAGS:** **Debt crisis**; **Financial stability**; **Debt sustainability**; **COVID-19**

Sleep now in the fire: Sovereign Bonds and the Covid-19 Debt Crisis

Daniel Munevar - Eurodad

Public debt levels have been on the rise over the past decade and this dynamic has been exacerbated further by the Covid-19 pandemic. This report aims to shed light on the lack of transparency in the case of sovereign bonds of middle- and low-income countries. […] **TAGS:** **Debt crisis**; **COVID-19**; **Debt and fiscal/monetary policies**; **Transparency**; **Sovereign bonds yields**

Core investors turn away from developed sovereign Bonds

Clive Horwood - Omfif

Developed market sovereign bond issuers face declining demand from one of their core investor bases, according to the results of a survey conducted by OMFIF. Faced with a lower-for-longer yield environment, many global public investors are turning to riskier asset classes to maintain or increase returns, the survey found. These investors – central bank reserve managers, public pension funds and sovereign funds – typically construct risk-averse portfolios. Their reduced appetite for higher-rated sovereign bonds will concern debt management offices hoping for a return to more normal markets following a sustained and unprecedented period of direct central bank intervention. It also calls into question the overall demand from investors globally for their bonds. [...] **TAGS:** **Sovereign debt market**; **Debt and fiscal/monetary policies**

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.

JULY

Until 30 July 2021; International Monetary Fund, Virtually

Call for papers 9th IMF Statistical Forum: Measuring Climate Change: The Economic and Financial Dimensions

AUGUST

2 – 6 August 2021; Joint Vienna Institute, Virtual

Developing an Annual Borrowing Plan in line with the Debt Management Strategy

9 – 10 August 2021; Bank of Seoul, SEOUL

The Macroeconomic Consequences o COVID-19 - Annual International Journal of Central Banking Research Conference

Until 9 August 2021; CEPR, Trinity College Dublin
[CALL FOR PAPERS TCD/CEPR Workshop in Development Economics 2021]

16 – 27 August 2021; CODEV International, Tunis
[Public Financial Management: Audit and Compliance]

16 – 20 August 2021; Joint Vienna Institute, virtual
[Government Debt Management Performance Assessment Tool]

Until 20 August 2021; icmef, Zurich, Switzerland
[Call for Papers 4th International Conference on Management, Economics and Finance]

25 – 27 August 2021; Bocconi University, European Finance Association
[European Finance Association 2021 - Annual Meeting]

30 – 31 August 2021; Halle Institute for Economic Research, IWH-Konferenzsaal/ Online
[7th IWH-FIN-FIRE Workshop on "Challenges to Financial Stability"]

Until 31 August 2021; Journal of Economic and Administrative Sciences
[Call for papers The Impact of the Covid-19 Pandemic on Islamic Finance and Environmental, Social, and Corporate Governance (ESG)]

SEPTEMBER

8 – 17 September 2021; Crownagents, London, United Kingdom
[Public Debt Management: Issues and Solutions]

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

7 – 8 September 2021; Euromoney, virtual
[The GlobalCapital Sustainable and Responsible Capital Markets Forum 2021]

Until 7 September 2021; The Banque de France and the CEPR, Paris
[Call for papers Monetary Policy, Fiscal Policy and Public Debt in a Post COVID World]

10 – 12 September 2021; Icmef, Zurich, Switzerland
[4th International Conference on Management, Economics and Finance]

10 – 11 September 2021; Bank of Finland and CEPR, Helsinki, Finland and Online
[Bank of Finland and CEPR Joint Conference on New Avenues for Monetary Policy]

14 – 15 September 2021; bondsloans.com, Madinat Jumeirah, Dubai
[Bonds, Loans & Sukuk Middle East]

15 September 2021; Environmental Finance, Virtual
[Climate Transition and Net Zero Finance]

16 September 2021; Euromoney/ECBC, Virtual Event
[The Euromoney/ECBC Covered Bond Congress]

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

22 – 24 September 2021; AFME, Virtual
[3rd Annual European Capital Markets Technology and Innovation Conference]

23 – 24 September 2021; GRETA Associati, and Others, Palazzo Franchetti, Venezia - Italy
[Compound Risk: Climate, Disaster, Finance, Pandemic]

23 – 24 September 2021; The Canadian Derivatives Institute, Montreal
CDI Tenth Conference on Derivatives

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

27 – 28 September 2021; ICMA, Virtual
ERCC Professional Repo Market and Collateral Management workshop 2021

28 September 2021; bondsloans.com, Moscow
Bonds, Loans & Derivatives Russia & CIS 2021

OCTOBER

4 – 15 October 2021; JVI Joint Vienna Institute, Online
Debt Management, Debt Reporting, and Investor Relations

4 – 7 October 2021; International Monetary Fund, Kuwait City, Kuwait
Local Currency Bond Market Development

7 – 8 October 2021; International Research Conference, 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)

14 October 2021; environmental-finance.com, Virtual
Global Developments for Green, Social and Sustainability Bonds

18 – 19 October 2021; AFME, Virtual
14th Annual European Post Trade Virtual Conference

18 - 29 October 2021; Crownagents, Washington D.C., United States of America
Public Financial Management: Issues and Solutions

25 – 29 October 2021; Joint Vienna Institute, Online
Financial Sector Policies

25 October 2021; Bank of England, Banque de France, IMF, OECD, and Banca d'Italia, Paris or Online
2nd Joint Bank of England – Banque de France – IMF – OECD – Banca d'Italia Workshop on International Capital Flows and Financial Policies

29 October 2021; PDM Network, Italian Ministry of Economy and Finance, OECD, World Bank, Venue To be decided
Call for Papers - Public Debt Management Conference 2022 - Deadline 29 October 2021

30 – 31 October 2021; sdg.iisd.org, Rome, Lazio, Italy
G20 Leaders' Summit 2021

NOVEMBER

4 – 5 November 2021; The International Monetary Fund, Washington DC
22nd Jacques Polak Annual Research Conference: "Toward an Inclusive and Resilient Recovery"

8 - 19 November 2021; Crownagents, London, United Kingdom
Treasury Management

11 – 12 November 2021; EIEF, University of Modena, Goethe University Frankfurt and CEPR, Rome
CEPR Macroeconomics and Growth Programme Meeting

17 November 2021; AFME, Virtual
16th Annual European Government Bond Conference

17 – 18 November 2021; International Monetary Fund, Virtual
[9th IMF Statistical Forum: Measuring Climate Change: The Economic and Financial Dimensions]

18 – 19 November 2021; The Banque de France and the CEPR, Paris
[Monetary Policy, Fiscal Policy and Public Debt in a Post COVID World]

18 – 19 November 2021; CEPR, Trinity College Dublin
[TCD/CEPR Workshop in Development Economics 2021]

DECEMBER

2 – 4 December 2021; UNDP, AfDB and ECA, Cabo Verde
[African Economic Conference]

2022

4 March – 15 April 2022; IMF, Online
[Public Financial Management (PFMx)]

09 – 11 May 2022; UNCTAD, Palais des Nations Geneva, Switzerland
[International Debt Management Conference, thirteenth session]

PDM Network in Figures

As of 14th July 2021, total documents and reports available on the PDM Network website were 8,212. Events and News uploaded on the website since January 2021 were respectively 308 and 5,514. This newsletter is sent to 907 Subscribers from emerging and advanced countries.

Special Thanks

The PDM Secretariat is grateful to Banu Thuran and Bryan Gurhy (World Bank), Tanweer Akram (Wells Fargo), and various DMOs for information on new documents and reports.

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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, Saint 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.*