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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 on 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

**Keeping the Recovery on Track - OECD Economic Outlook, Interim Report September 2021**

OECD

The global economic recovery remains strong, helped by government and central bank support and by progress in vaccination. But although global GDP has now risen above its pre-pandemic level, the recovery remains uneven with countries emerging from the crisis facing different challenges. **Read more** TAGS: **Economic Forecasts**; **Debt and growth**; **Debt and fiscal/monetary policies**; **Debt sustainability**; **COVID-19**

**Investing in Human Capital for a Resilient Recovery: The Role of Public Finance**

World Bank

A new World Bank report considers the role of public finance to build, protect and utilize human capital as countries seek to recover from the COVID-19 (coronavirus) crisis and lay a foundation for inclusive, resilient and sustainable development. **Read more** **TAGS:** **Debt and fiscal/monetary policies**; **Debt and growth**; **Debt Restructuring**; **Debt relief**; **COVID-19**

**The role of households in financing government debt in the euro area**

Jeanne Pavot and Vilém Valenta - ECB

The coronavirus (COVID-19) pandemic has reinvigorated interest in how governments finance their spending to an extent not seen since the global financial and euro area sovereign debt crises of 2008-12. **Read more**; **TAGS:** **Debt Policy**; **Debt composition**; **Debt and fiscal/monetary policies**; **Institutional Investors**; **COVID-19**

## Documents

### Debt Policy

**Sovereign Debt, Incapacity and Insecurity in Sub-Saharan Africa** **(2021)**

Anthony N. Odiadi - Georgetown University Law Center

The thesis that sovereign debt and capital flight have some causative effect on the growing insecurity in Africa is one that has not been fully examined. That is the submission of this paper and the need to address it. Fighting insecurity comes at a huge cost and much of the funds diverted to the problem ought to have been available for agriculture boost, health, education and infrastructure needs.

The contractual obligation to debt service and the volatility of commodity-dependent economies of the nations in the global market remains a major challenge. Several initiatives to manage the debt are in place by the lending institutions such as IMF, World Bank including an entity like the Paris Club through restructuring, cancellation, etc.

Such economic and management strategies have helped to ameliorate but not appreciably solved the problems. This is because they are usually not comprehensive enough debt resumes from the necessity for further borrowings and the profitability of fresh lending by commercial lenders.

The legal framework for managing insecurity exists from the global to the regional and national jurisdictions, meaning that the responsibility is collective. However, the fact remains that higher access to funding is required to increase the capacity of the governments to deal with the issues and avoid the vicious cycle of debt, poverty and insecurity in Sub-Saharan African nations. **TAGS:** **Debt Policy**; **Sovereign debt market**; **Structural policies**

## Cost and Risk

**The risks from climate change to sovereign debt in Europe** **(2021)**
Stavros A. Zenios – Bruegel
The exposure of European Union sovereigns to climate risks can be acute, from extreme weather, or chronic, from the productivity effects of gradual temperature increase, increased sea levels and the transition to a low-carbon economy that results in repricing of assets. Climate-related innovations can also spur growth. These risks are priced by investors and can affect sovereign credit ratings. Governments and fiscal stability authorities have an interest in the sovereign-debt implications of climate change being transparent. To this end, the authors look at the exposure of EU sovereigns to climate risks, study international best practices, and describe the transmission channels from climate change to public finance. European union institutions and national fiscal authorities should mainstream climate risk analysis in public finance. Stress testing of debt dynamic requires a link between regional climate scenarios and country debt dynamics. The authors argue for the adoption of an architecture of narrative climate scenarios, to guide national policymaking. […] **TAGS:** **Cost and Risk**; **Sovereign Credit Ratings**; **Sovereign debt market**; **Debt sustainability**; **Financial Analysis**

## Secondary Markets

**The Impact of Containment Measures and Monetary and Fiscal Responses on US Financial Markets during the Covid-19 Pandemic** **(2021)**
Aikins Abakah, Emmanuel Joel, Caporale, Guglielmo Maria, Gil-Alana, Luis A. - CE.SI.FO
This paper analyses the effects of containment measures and monetary and fiscal responses on US financial markets during the Covid-19 pandemic. More specifically, it applies fractional integration methods to analyse their impact on the daily S&P500, the US Treasury Bond Index (USTB), the S&P Green Bond Index (GREEN) and the Dow Jones (DJ) Islamic World Market Index (ISLAM) over the period 1/01/2020-10/03/2021. The results suggest that all four indices are highly persistent and exhibit orders of integration close to 1. **TAGS:** **Financial Analysis**; **Secondary Markets**; **COVID-19**

**A Survey of the Microstructure of Fixed-Income Market** **(2021)**
Hendrik Bessembinder, Chester Spatt, Kumar Venkataraman - Arizona State University, Carnegie Mellon University, Southern Methodist University
In this article, the authors survey the literature that studies fixed-income trading rules and outcomes, including Treasury securities, corporate and municipal bonds, and structured credit products. The authors compare and contrast the microstructure and regulation of fixed-income markets with equity markets. They highlight the nature of over-the-counter trading in the face of search costs and the associated slow evolution of electronically facilitated intermediation. They discuss the databases available to study fixed-income microstructure, as well as measures and determinants of trading costs, and the important roles dealer networks and limited transparency play. The authors also highlight unresolved issues. **TAGS:** **Primary market**; **Secondary Markets**; **Trading platforms**; **Sovereign debt market**

**[Analysis of government bonds and prediction of their development after the pandemic caused by COVID-19](#) (2021)**

Petr Suler, Vaclav Polan - Institute of Technology and Business, Ceske Budejovice, Czech Republic

This paper describes the current state of the government bond market and predicts the future development of government bond yields using the yield curve to bond maturity, spot yield curve, credit rating and simple prediction. The ongoing economic crisis caused by the COVID-19 pandemic is changing the lives of many people. In order for each individual country to help its households, prevent mass job lay-offs and high mortality, their fiscal budget deficits are growing to unexpected heights. The aim of this paper is to analyse government bonds as one of the tools that can help both the state and individual households at this time. Government bond yields are analysed and compared with other countries based on the development of government bonds using credit ratings, yield curves to maturity, spot yield curves and simple historical development of government bonds from the previous economic crisis in 2008. Based on the results, the authors conclude that countries severely affected by the COVID-19 pandemic and subsequent mortality, such as Italy, have a relatively stable yield. In contrast, for countries such as the Czech Republic and South Korea, yields to maturity at both ends are relatively declining. **TAGS: Secondary Markets**; **Sovereign bond market**; **Financial Analysis**; **Sovereign bonds yields**; **COVID-19**

## Subnational Debt

**Public Debt, Private Pain: Regional Borrowing, Default, and Migration (2021)**

Grey Gordon, Pablo Guerron-Quintana - Federal Reserve Bank of Richmond, Boston College

How do local government borrowing, default, and migration interact? The authors find in-migration results in excessive debt accumulation due to a key externality: Immigrants help repay previously issued debt. In addition to providing direct evidence on this mechanism, the authors show cities are heavily indebted and remain so even after large population growth, resulting in boom defaults. While default rates are currently low, default risk has increased secularly despite the secular decline in interest rates, which the authors show lowered default risk else equal. Our quantitative model implies large interest rate declines in the Great Recession and COVID-19 crisis prevented default. **TAGS: Subnational debt**; **Debt sustainability**; **Structural policies**

**What Determines the Risk-pricing of Local State-owned Enterprise Bond in China? (2021)**

Yabin Wang, Sharon Xiaohui Wu - Hong Kong Monetary Authority

Focusing on local state-owned enterprise (SOE) bond credit spreads in China during the period 2013 to 2020, the authors disentangle a province premia component from firms' fundamentals and present evidence of an increasing subnational debt market fragmentation since 2018, which is shown to be associated with previous local SOE default incidences and local government fiscal space. An endogenously estimated local debt to GDP threshold that would exert impact on the province premia is found to be lower than the debt sustainability thresholds suggested by the World Bank and the IMF. Our study sheds lights on the needs for a more market-based risk-pricing and its important implications on debt market functioning, as well as the hidden cost of local government debts beyond its conventional sustainability concerns. **TAGS: Subnational Debt**; **Debt sustainability**; **Sovereign debt market**

**How do subnational governments react to shocks to different revenue sources? evidence**

**from hydrocarbon-producing provinces in Argentina** (2021)

Besfamille Martin, Jorrat, Diego, Manzano Osmel, Sanguinetti, Pablo - CE.SI.FO

Based on the fiscal regime that prevailed in Argentina from 1988 to 2003, the authors estimate the effects that changes in intergovernmental transfers and hydrocarbon royalties had on provincial public consumption and debt. From a one-peso increase in intergovernmental transfers, all provinces spent 76 centavos on public consumption and decreased their debt by 22 centavos. However, when hydrocarbon-producing provinces faced a one-peso increase in royalties, they saved 95 centavos. The authors provide evidence that the exhaustible nature of royalties may explain this saving reaction in hydrocarbon-producing provinces. **TAGS:** **Subnational debt**; **Debt and fiscal/monetary policies**; **Debt sustainability**

**Global COVID-19 Pandemic and Indebtedness of Municipalities with Extended Power in the Czech Republic** (2021)

Eva Lajtkepová - Brno University of Technology, Czech Republic

Research background: In theory, indebtedness of municipalities is only ever associated with the acquisition of investments. It is advised that indebtedness should be regulated by the state, but there is a risk of limiting investment in local infrastructure. Purpose of the article: According to Act No. 23/2017 Coll., municipalities must regulate their own indebtedness and comply with the fiscal rule on pain of penalty. The aim of this text is to provide an analysis and examine the prospects of compliance with the fiscal rule in 205 municipalities with extended power. The analysis is carried out between 2017 and 2019, the risks of compliance in the following years mainly relate to the emerging economic crisis caused by the COVID-19 pandemic. Methods: Given the subject of the analysis, secondary data was used for the research. Data was taken from the Monitor database operated by the Ministry of Finance of the Czech Republic. The obtained data had been processed using standard statistical methods. Findings & Value added: To date, the indebtedness of municipalities with extended power is not excessive: the mean and median values are still well below the legal limit. Still, there are some municipalities where the legal limit has been exceeded, or whose indebtedness is nearing the limit. In the event of reduced tax revenue, which is to be expected in the coming years, these municipalities will struggle to comply with the fiscal rule. The consequences will include halting or limiting local investment, and/or reducing the quality of local public goods. **TAGS:** **Subnational debt**; **Debt sustainability**; **Debt and fiscal/monetary policies**; **COVID-19**

## Financial Analysis

**Government Debt Maturity in Japan: 1965 to the Present** (2021)

Junko Koeda, Yosuke Kimura - Waseda University, Tokyo Institute of Technology

This study constructs a dataset of Japanese government bonds' maturity structure for the fiscal years 1965–2020. Using the maturity structure data at the end of each fiscal year for the past three decades, this study structurally estimates a canonical preferred-habitat term structure model extracting the bond supply factor. The results provide a debt maturity equation in the fiscal-year cycle and demonstrate that two yield factors (bond supply factor and short-term interest rate) can account for annual-frequency variations in Japanese bond yields. The supply factor also explains the continued decline in the long-term interest rate for the past two decades. **TAGS:** **Debt Statistics**; **Debt composition**; **Sovereign bonds yields**

**Numerical Fiscal Rules for Economic Unions: the Role of Sovereign Spreads** (2021)

Juan Carlos Hatchondo, Leonardo Martinez, Francisco Roch - Federal Reserve Bank of Richmond, International Monetary Fund

The authors study gains from introducing a common numerical fiscal rule in a "Union" of model economies facing sovereign default risk. They show that among economies in the Union, there is significant disagreement about the common debt limit the Union should implement: the limit preferred by some economies can generate welfare losses in other economies. In contrast, a common sovereign spread limit results in higher welfare across economies in the Union. **TAGS:** **Financial Analysis**; **Sovereign risk premia**

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**Fiscal Limits and the Pricing of Eurobonds** **(2021)**

Kevin Pallara, Jean-Paul Renne - University of Lausanne

This paper proposes a methodology to price bonds jointly issued by a group of countries—called Eurobonds in the euro-area context. The authors consider two types of bonds: the first is backed by several and joint (SJG) guarantees, the second features several but not joint (SNJG) guarantees. A crucial ingredient of the underlying pricing model is the fiscal limit, defined as the level of debt beyond which the risk of default is no longer zero. The pricing of the two types of Eurobonds reflects different assumptions regarding the pooling of the countries' fiscal resources and limits. The authors estimate fiscal limits for the four largest euro-area economies over 2008-2020 and deduce counterfactual Eurobond prices. Amid the euro-debt crisis, 5-year SNJG bond yield spreads would have been about twice larger than SJG ones. Hence, issuing SJG bonds would result in gains at the aggregate level. The authors finally show that (i) these gains can be shared among countries through post-issuance schemes so that all countries benefit from the issuance of SJG bonds, and that (ii) these redistribution schemes may alleviate the reduction in market discipline resulting from common bond issuances. **TAGS:** **Financial Analysis**; **Primary market**; **Sovereign bonds yields**

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**The Evolution of Sovereign Debt Default: From the Thirteenth Century to the Modern Era** **(2021)**

Richard C. K. Burdekin, Richard J. Sweeney - Claremont McKenna College, Georgetown University

A key feature of the full sovereign default record from 1294-2008 is that serial default is far rarer than the much-ballyhooed 1980s experience suggests. The only mass default in Europe's long record, dating back to 1294, occurs during the Napoleonic Wars (1800-1815). The majority of the serial defaults occurred only after 1975, primarily in Africa, Asia, and Latin America, and were heavily concentrated in the 1980s. These countries' multiple defaults, in common with some earlier default waves in Latin America, reflect the experiences of newer nation states. These defaults also occurred in conjunction with the inherent vulnerability of countries on the periphery to events in the much longer-established major financial centers. This was quite distinct from the earlier defaults seen in Europe and largely represent an aberration when taken in context of the overall historical record both before and after. **TAGS:** **Financial Analysis**; **Sovereign defaults**

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**International Transmission of Interest Rates: the role of International Reserves and Sovereign Debt** **(2021)**

Afonso António, Huart, Florence, Tovar Jalles João, Stanek, Piotr – IFO

The authors analyse the international transmission of interest rates by focusing on the role of the accumulation of international reserves and on the financing of sovereign debt. An increase in foreign exchange reserves is expected to moderate the influence of U.S.

interest rates. However, a high level of government debt raises the sovereign risk premium. Moreover, an increase in the stock of government debt denominated in foreign currency may increase the expected rate of depreciation of the domestic currency. The authors explain the theoretical mechanisms in a model, which describes the money market equilibrium in an economy with capital account openness. Then, they test the predictions of the model for a panel of advanced and developing economies over the period 1970-2018. Our main findings are: i) significant spillovers from the U.S. interest rates to other countries, mostly for Advanced Economies; ii) a dampening effect of the share of external liabilities in the domestic currency, clearly a determinant of risk premium; iii) a negative effect of international reserves on interest rates, as expected; iv) higher reserves decrease risk premia, for long-term interest rates; v) the significance of spillovers fades once the sovereign debt reaches 100% of GDP in developed countries. **TAGS:** **Financial Analysis**; **Debt and fiscal/monetary policies**; **Sovereign risk premia**; **Sovereign bonds yields**

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**Interest Rate skewness and Biased beliefs** **(2021)**

Bauer, Michael D., Chernov, Mikhail - Ce.Si.FO

Conditional yield skewness is an important summary statistic of the state of the economy. It exhibits pronounced variation over the business cycle and with the stance of monetary policy, and a tight relationship with the slope of the yield curve. Most importantly, variation in yield skewness has substantial forecasting power for future bond excess returns, high-frequency interest rate changes around FOMC announcements, and consensus survey forecast errors for the ten-year Treasury yield. The COVID pandemic did not disrupt these relations: historically high skewness correctly anticipated the run-up in long-term Treasury yields starting in late 2020. The connection between skewness, survey forecast errors, excess returns, and departures of yields from normality is consistent with a theoretical framework where one of the agents has biased beliefs. **TAGS:** **Sovereign bonds yields**; **Financial Analysis**; **Economic Forecasts**; **COVID-19**

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**The influence of Covid-19 on the Public Debt Growth and Default Risk: a Fiscal Sustainability analysis** **(2021)**

George Abuselidze - Batumi Shota Rustaveli State University

This topic is relevant due to the fact that Georgia's public debt is increasing from year to year, and there is a lack of comprehensive research on the public debt management. The problem is how to assess whether or not the public debt is managed properly. The purpose of this article is to analyse and evaluate the Georgia public debt management by developing a public debt management assessment model. The paper deals improving mechanisms of State Debt management and determining its importance for economic development of the country. It is offered in the future decisions, related to Georgia public debt management, to take into account the burden of public debt to future generations. **TAGS:** **COVID-19**; **Debt sustainability**; **Subnational Debt**; **Sovereign risk premia**

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**The Sovereign-Bank Nexus in the Face of the COVID-19 Pandemic Outbreak - Evidence from EU Member States** **(2021)**

Iustina Alina Boitan, Kamilla Marchewka-Bartkowiak - Bucharest University of Economic Studies, Poznań University of Economics and Business

The major focus of this paper is on the sovereign–banks relationship following the COVID-19 pandemic crisis outbreak, with a view to gaining an insight into banks' exposure to the sovereign. The authors rely on a series of complementary research approaches, such as desk research, comparative statistical analysis, exploratory learning algorithm, and a deterministic panel regression framework. The analysis reveals that most EU countries were not prepared for the pandemic crisis as they lacked a financial security buffer. The growing fiscal pressure and lockdown restrictions additionally resulted in an increase in banks' exposure to the government debt market and higher government debt securities exposure on their balance sheets. One of the novelties of the research is the adoption of the gap method in order to measure the changes between banking assets major items (government securities vs. loans) and uncovering the preference for holding a specific type of asset. Additional insight is brought by the clustering solution, which shows increased cross-country heterogeneity in terms of the sovereign–banks relationship. Empirical research shows that banks' involvement in the sovereign debt market is sensitive mainly to negative information related to pandemic occurrence and, to a lower extent, to positive information reflected by government's reactions and economic stimulus measures. In addition, our results reveal there is no crowding-out effect triggered by the pandemic, in terms of lending to the sovereign against lending to the real economy. In the pandemic onset banks did not proceed to a sharp portfolio rebalancing in favor of the sovereign. **TAGS:** **Financial Analysis**; **Sovereign debt exposure**; **Sovereign debt market**; **COVID-19**

## Debt Crisis

**A debt pandemic** **(2021)**

Daniel Munevar – EuroDad

This briefing provides an overview of the dynamics and implications of the 2020 sovereign debt crisis. The apparent financial resilience of developing countries in the aftermath of the Covid-19 shock is misleading. It is the result of a combination of cyclical factors in the form of sectoral adjustments and monetary policy responses triggered by the pandemic. Promoting a prompt return of countries to international financial markets without addressing the debt vulnerabilities exacerbated by the crisis will increase the external financial fragility of developing countries. In turn, it will require a growing transfer of resources from public borrowers to their external creditors over the coming decade. Until now, countries across the world have done so at great human and social costs to their populations. Continuing down this path will sound the death knell for the commitments under the 2030 Agenda, the Paris Climate Agreement and the Beijing Declaration. **TAGS:** **Debt crisis**; **Debt relief**; **Multilateral financing**; **COVID-19**; **Debt sustainability**

**The aftermath of Sovereign Debt Crises: a narrative approach** **(2021)**

Rui Esteves, Jason Lennard, Sean Kenny - Centre for Economic Policy Research

Default is as old as sovereign debt. Since 1820, countries that issued sovereign debt have spent 18% of time in a state of default. Despite the scale of the problem, the causes and consequences of defaults are still imperfectly understood. In this paper the authors quantify the aggregate cost of defaults, based on a large panel of 50 sovereigns between 1870 and 2010. Since defaults are endogenous to the business cycle, the authors use the narrative approach to identify plausibly exogenous debt crises. Our estimates yield significant and persistent costs of defaults starting at 1.6% of GDP and peaking at 3.3% before reverting to trend five years after a debt event. Moreover, the authors identify a large heterogeneity of costs by the cause of default. Higher costs are associated with defaults initiated by negative supply shocks, political crises, or adverse terms of trade. In contrast, domestic demand shocks have a moderate effect, quickly reversed. Despite working with a large sample, the authors document how average estimates of default costs can be sensitive to different dating and definitions of defaults. **TAGS:** **Sovereign defaults**; **Debt crisis**; **Debt Restructuring**

## Institutional and Organizational Framework

**Legal Issues in Sovereign Debt (2021)**

Anthony N. Odiadi - Georgetown University Law Center

The challenge of managing sovereign debt comes with a lot of complex and real strategic approaches to retain the interest of lenders while the borrower nation is helped to retain the capacity to avoid defaults. The issues at play during negotiations and documentations critical of which are the terms upon which the loan is granted. The clarity as to the implication of each provision which may prove to be of an adverse interest to the borrower must be well understood. It is known that bilateral loans and those from Paris Club as distinct from the commercial loans of the London private lenders come with different dynamics. Events of default and compulsion to reschedule create difficulties as expectations of repayment fails. Sovereign borrowers are usually better tolerated despite the stress on the financial market portfolio such huge debts causes this is because of the social and developmental obligations of government. The growing trend of debt transfer, swap and securitisation has helped in converting debt to some kind of tradable product or 'asset' as it were. The knowledge and science of sovereign debt management remains a continuously evolving interconnection of policy, economics, politics and law. **TAGS:** **Contract standards**; **Debt Policy**; **Sovereign defaults**; **Sovereign immunity**; **Debt Restructuring**

## Debt Restructuring

**Is to Forgive to Forget? Sovereign Risk in the Aftermath of a Default (2021)**

Silvia Marchesi, Tania Masi, Pietro Bomprezzi - University of Milano Bicocca, "G. d'Annunzio", University of Chieti-Pescara

The authors examine the link between sovereign defaults and credit risk, by taking into account the depth of a debt restructuring and by distinguishing between commercial and official debt. The focus is on debt restructuring events, which take place at the end of a default spell. The authors use a novel methodology (Jordà and Taylor 2016) to estimate the average treatment effect of a default episode on our outcome variables, agency ratings and bond yield spreads, accounting for the endogeneity of the default. Our results show that the average treatment effect on ratings is negative (and positive for bond spreads) up to seven years following a default, while the opposite holds for a default with official creditors. Our results are robust to using a panel analysis, which allows us to investigate on the importance of the (final) haircut size. Specifically, they find that the rating (spread) variation (increase) is larger for cases with deeper haircuts. Therefore, they find evidence that official and private defaults may have different costs and then induce selective defaults. **TAGS:** **Debt Restructuring**; **Sovereign defaults**; **Sovereign Credit Ratings**; **Financial Analysis**

**Greek Debt Restructuring Case (2021)**

Michael Waibel - University of Vienna

Two complainants brought a constitutional complaint before the German Constitutional Court. The complaint was directed against a judgement of the Federal Court of Justice (Bundesgerichtshof) that dismissed their action because the Hellenic Republic enjoyed state immunity before the German courts. in February 2012, Greece restructured its debts through a bond exchange in response to its major debt crisis. In this exchange, Greece offered its bondholders new bonds with a 53.5% percent reduction in the nominal value compared to the old bonds. The bond exchange was conditional on bondholders representing 2/3 of the aggregate principal voting in favour of the exchange, and subject to a quorum of 50% of bondholders. The complainants brought claims against the Hellenic Republic before the Regional Court of Osnabrück for the repayment of the funds that they originally paid to acquire the bonds, or alternatively, for the loss in value suffered due to deliberate immoral damage, unlawful expropriation, or unlawful interference equivalent to expropriation. In their constitutional complaints, the complainants invoked breaches of their right to a lawful judge based on Article 101(1) 1 Sentence 2, Article 100(2) and Article 25, first Sentence 1 of the German Basic Law. They also argued that the Federal Court of Justice unlawfully ruled on the scope of state immunity and failed to consult the Federal Constitution Court through the norm verification procedure. The German Constitutional Court did not accept the constitutional complaint for decision. **TAGS:** **Debt Restructuring**; **Buybacks & Exchanges**; **Sovereign immunity**

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**G20 Debt-Relief Initiatives for Low-Income Countries During the Pandemic (2021)**

José Ramón Martínez Resano, Sonsoles Gallego - Banco De España

The serious economic impact deriving from the COVID-19 pandemic on already ailing low-income countries has prompted the search for support instruments among the international financial community. The official debt moratorium agreed by the G20 for these countries in the spring of 2020 has brought a modest temporary relief to their public finances. However, the agreements reached among official creditors could facilitate consensus on farther-reaching initiatives for the resolution of debt problems in the international sphere. In this connection, the fact that an agreement has been reached by the G20 on a "common framework for debt treatments" is an important precedent for coordination among official creditors. This article puts the debt-relief measures agreed and the challenges associated with their application into context. Their implementation and effectiveness will depend on the degree of coordination achieved in practice by creditor countries. **TAGS:** **Debt Restructuring**; **Debt relief**; **Multilateral financing**; **COVID-19**

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**Dealing with Africa's risk of debt distress (2021)**

François Faure, Perrine Guérin - BNP Paribas

Zambia's recent sovereign default has cast a shadow of a looming wave of debt restructuring in Sub-Saharan Africa. The Covid shock has brought a significant risk of debt distress in several African countries, by exacerbating vulnerabilities that have built up over the past decade. While liquidity facilities through the DSSI and emergency lines have provided temporary support to many countries in the region, solvency issues remain and the prospect of debt restructuring is gaining ground. In this context, the methodology of the IMF and the World Bank remains the most suitable tool for assessing debt sustainability for low-income countries. The framework for common treatment of restructuring has recently been extended to all creditors. Given the scale of its financial commitments to African countries, China's participation is essential. So far, the country has demonstrated a lack of transparency and limited cooperation. Its commitment to the common framework for debt treatment thus remains to be confirmed. **TAGS:** **Debt crisis**; **Debt Restructuring**; **Debt and fiscal/monetary policies**; **Sovereign defaults**; **Multilateral financing**

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## Accounting, Statistics, Reporting and Auditing

**Accounting for climate policies in Europe's sovereign debt market (2021)**

Marta Domínguez-Jiménez, Alexander Lehmann - Brueghel

International debt investors increasingly demand assets that are aligned with environmental, social and governance objectives. Sovereign debt is being belatedly swept up in this change. This huge asset class represents a uniquely long-term claim and funds a wide range of public expenditure, both brown and green. Public capital expenditures will be a central part of the roughly €3 trillion investment budget needed to pay for the European Green Deal.

European Union countries have so far met investor appetite for climate-aligned assets through sovereign green bonds, the issuance of which has rapidly grown since 2017. The EU itself will also issue green bonds in large volumes. However, because of some inherent flaws in such instruments and as their still-weak frameworks, these bonds are unlikely to meet the environmental criteria demanded by investors and will complicate established principles in sovereign debt management.

Much more comprehensive information is needed on the climate-related aspects of the public budgets of EU countries. Greater transparency in this respect would support stability and improve the functioning of capital markets, given that sovereign debt plays a pivotal role in all investor portfolios and in regulatory and monetary policy.

Adoption by sovereign issuers of green budgeting principles, based on a common taxonomy of sustainable activities, would enhance transparency. It could also be driven by investors who, under new EU rules, must disclose the climate-related aspects of all financial instruments offered in the capital market. **TAGS:** Accounting, statistics, Reporting and Auditing; Primary market; Transparency; Debt and fiscal/monetary policies; Sovereign debt market

## Macroeconomic Analysis

**Public Debt and Inflation Nexus in Nigeria: An ARDL Bounds Test Approach (2021)**

Akingbade U. Aimola, Nicholas M. Odhiambo - University of South Africa

Inflationary tendencies of public debt have been the cause of an unsettling debate among policymakers in Nigeria. Using the autoregressive distributed lag (ARDL) framework, this study attempts to investigate the impact of total public debt on inflation in Nigeria for the period 1983–2018. The cointegrating regression results reveal evidence of a stable long-run relationship among inflation, total public debt, money supply, interest rate, economic growth, trade openness, and private investment in the presence of structural breaks. Empirical results show that the impact of public debt on inflation is statistically insignificant, irrespective of whether the regression was in the short or the long run. Hence, the study concludes that inflation in Nigeria could be driven by other factors other than public debt.

**TAGS:** Debt sustainability; Financial stability

**Identifying Countries at Risk of Fiscal Crisis: High-Debt Developed Countries (2021)**

Betty C. Daniel, Christos Shiamptanis, - University at Albany, Wilfrid Laurier University

Crises in European countries in 2010 and beyond demonstrated that fiscal crises and sovereign default are not confined to emerging and developing countries. Advanced economies can sustain much larger debt-to-GDP ratios than emerging economies, but how much larger? Experience is heterogeneous both across countries and across time. What determines this heterogeneity? The authors show that a low growth-adjusted interest rate, a large maximum value for the primary surplus, and a strong surplus-responsiveness to debt can support higher debt-to-GDP ratios without fiscal crisis. The authors use our estimates to assess fiscal crisis risk for nine-high-debt developed countries following the financial crisis in 2008. Our results imply that Ireland and Portugal lost access to financial markets due to the rise in growth-adjusted interest rate, whereas Greece would have lost access regardless of the interest rate. Additionally, our results warn of potential future crises for Greece, Italy, and Japan even if these countries remain in a low interest rate environment. **TAGS:** **Debt and growth**; **Debt sustainability**; **Sovereign bonds yields**; **Sovereign defaults**

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**Evolution of Government Debt and Its Sustainability in Japan and Germany: Two Contrasting Cases** **(2021)**

D. K. Srivastava, Muralikrishna Bharadwaj, Tarrung Kapur, Ragini Trehan - EY LLP India

The authors examine the contrasting evolution of government debt-GDP ratio for Germany and Japan. While Germany contained the growth of its debt-GDP ratio close to its sustainability level over a long period, Japan has slipped away towards non-sustainability. This is due to the behaviour of primary balance to GDP ratio. The estimated debt sustainability thresholds are 62.0% for Germany and 176.0% of GDP for Japan. In the post Covid years, Germany would converge back to its debt sustainability level almost automatically whereas Japan will have to make a strong conscious policy effort to reduce its primary deficit relative to GDP. **TAGS:** **Debt sustainability**; **Debt and growth**; **COVID-19**

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**Foreign debt sustainability and human development in Sub Saharan Africa** **(2021)**

Gianni Vaggi, Luca Frigerio - University of Pavia – Italy

Despite the debt relief initiatives at the turn of the century, the external debt of Africa is rising again with some new worrying features: diminishing concessionality, growing private component and a strong presence of opaque Chinese loans. Sub-Saharan countries devote a relevant portion of their fiscal resources to service the debt, this prevents them from increasing development expenditures. The 2020 Debt Service Suspension Initiative, DSSI, by the G20 recognizes these difficulties but it falls shorts from providing long term solutions. The authors evaluate external debt sustainability in four SSA countries: Cote D'Ivoire, Ethiopia, Ghana, and Kenya plus a composite country called Wakanda, representative of the whole region. **TAGS:** **Debt crisis**; **Foreign Debt**; **Debt sustainability**; **Multilateral financing**; **Financial stability**

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**Money Aggregates, Debt, Pent-Up Demand, and Inflation: Evidence from WWII** **(2021)**

Federico S. Mandelman - Federal Reserve Bank of Atlanta

The COVID-19 pandemic produced a massive decline in U.S. consumption in 2020 and swift fiscal and monetary policy responses. After growing at a rather steady 5 percent rate for decades, the money supply (M2) increased 25 percent over the past year alongside unprecedented fiscal support, raising some inflation concerns. Concurrent with the reopening of the economy as vaccines roll out, this article derives some lessons from the U.S. experience during and after WWII. The debt-to-GDP ratio increased from 40 percent to 110 percent because of the war effort. Most of it was financed by Fed debt purchases, through a de facto yield curve control that held down short-and long term interest rates. The money supply doubled in size, but inflation was muted during the conflict as private consumption demand was severely restrained. Private consumption was suppressed, as factories were fully devoted to the rearmament effort, food was rationed, and construction was practically prohibited. Households' saving boomed as a result. After the war, swift pent-up consumption demand culminated in a short-lived spike in inflation from 2 percent to 20 percent in 1946–47, which quickly returned to 2 percent in 1949. Contractionary monetary and fiscal policies, along well-anchored low inflation expectations inherited from the Great Depression, appeared to have contributed to rapid disinflation. The author also discusses the experiences of Japan and Europe in recent decades. […] **TAGS:** **Debt and fiscal/monetary policies**; **Debt and growth**; **Sovereign bonds yields**

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**Is government debt good or bad for labor productivity? A dynamic panel analysis over 1972-2019** **(2021)**

Carvelli, Gianni, Trecroci Carmine - University of Brescia

In this paper the authors provide new insights on the nexus between public debt and economic growth, focusing on the growth of debt rather than its level. By exploiting updated macroeconomic time series for 75 countries (37 OECD and 38 non-OECD) over the period 1972-2019 and using the system-GMM technique, the authors estimate the impact of the growth of public debt per worker on labor productivity growth. The authors find evidence of a significant adverse effect of the growth of public debt per worker on labor productivity growth, as proxied by the growth of output per worker. Similar results arise when they consider the growth of public debt per capita and the growth of real GDP per hours worked. **TAGS:** **Debt and growth**; **Debt sustainability**

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**The Liquidity Channel of Fiscal Policy** **(2021)**

Christian Bayer, Benjamin Born, Ralph Luetticke - Ifo Institute

The authors provide evidence that expansionary fiscal policy lowers return differences between public debt and less liquid assets—the liquidity premium. The authors rationalize this finding in an estimated heterogeneous-agent New-Keynesian model with incomplete markets and portfolio choice, in which public debt affects private liquidity. This liquidity channel stabilizes fixed-capital investment. The authors then quantify the long-run effects of higher public debt and find little crowding out of capital, but a sizable decline of the liquidity premium, which increases the fiscal burden of debt. The authors show that the revenue-maximizing level of public debt is positive and has increased to 60 percent of GDP post-2010. **TAGS:** **Financial Analysis**; **Debt and fiscal/monetary policies**; **Debt sustainability**; **Debt and growth**

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**Public Debt and state-dependent Effects of Fiscal Policy in the Euro Area** **(2021)**

Snezana Eminidou, Martin Geiger, Marios Zachariadis - University of Cyprus

The authors investigate public debt related state dependencies in the impact of fiscal policy shocks on the macroeconomy for a panel of fifteen euro area economies during the period from 2000:Q1 to 2019:Q4. Their estimated impulse response functions suggest that the impact of fiscal policy shocks varies depending on the level of public debt characterizing an economy. The authors observe that differences in the time-serial as well as in the cross-sectional dimension play an important role driving the impact of fiscal policy. In the high-debt cross-sectional state, output, consumption and inflation, as well as consumption intentions and inflation expectations, go up in response to a positive government spending shock, and these responses are distinctly different from those in the low-debt state. Using an extended model that considers simultaneously time-serial and cross-sectional high- and low-debt states, authors' results suggest that cross-sectional debt variation is more important in driving cross-country differences in the responses to expenditure shocks across the euro area. **TAGS: Debt and fiscal/monetary policies**; **Financial Analysis**

## Economic Policies

**Public debt and Covid-19 (2021)**

Jacques Fontanel - Université Grenoble-Alpes

The morality defined by the political system of the market economy is based on the respect of debt repayment. However, public debt is different and has not to be analysed as a worse management of public resources. Contrary to private agents, State has not, in principle, a limited time horizon and it is possible to repay its debt over long periods by "rolling over its debt". Moreover, public debt helps to regulate the economy in times of crisis. When a Covid-19 arrives, public health becomes the national and international priority and the public debt is a solution to solve both the pandemic and the problems of unemployment, health costs and education gap that it causes. Public debt is an instrument for societal change, with less inequalities, poverty and precariousness. **TAGS: Debt and fiscal/monetary policies**; **Structural policies**

**Fiscal and monetary policy interactions in a low interest rate world (2021)**

Boris Hofmann, Marco Jacopo Lombardi, Benoit Mojon, Athanasios Orphanides - BIS, Central Bank of Cyprus

The authors analyse fiscal and monetary policy interactions when interest rate policy is hampered by the zero lower bound (ZLB) in an environment where expectations are formed with perpetual learning. The ZLB induces a deterioration of economic performance and raises the risk of persistent low inflation that can disanchor inflation expectations and lead to debt deflation. Systematic use of quantitative easing (QE) can partially substitute for interest rate easing and, if sufficiently aggressive, can maintain average inflation in line with the central bank's goal. By compressing term premia on long term interest rates, QE creates fiscal space that facilitates expansionary fiscal policy and reduces debt-deflation risk. The ZLB can be counteracted with less aggressive QE if mildly negative policy rates are feasible, if more countercyclical fiscal policy can be activated, or if the central bank can credibly communicate a clear inflation goal. Timidity in implementing QE and excessively debt-averse fiscal policies are counterproductive. **TAGS: Debt and fiscal/monetary policies**; **Debt and recession**; **Sovereign bonds yields**

**Can Monetary Policy Create Fiscal Capacity? (2021)**

Vadim Elenev, Tim Landvoigt, Patrick Shultz, Stijn Van Nieuwerburgh - Johns Hopkins Carey Business School, University of Pennsylvania, Columbia University Graduate School of Business

Governments around the world have gone on a massive fiscal expansion in response to the Covid crisis, increasing government debt to levels not seen in 75 years. How will this debt be repaid? What role do conventional and unconventional monetary policy play? The authors investigate debt sustainability in a New Keynesian model with an intermediary sector, realistic fiscal and monetary policy, endogenous convenience yields, and substantial risk premia. When conventional monetary policy is constrained by the ZLB during an economic crisis, increased government spending and lower tax revenue lead to a large rise in government debt and raise the risk of future tax increases. The authors find that quantitative easing (QE), forward guidance, and an expansion in government discretionary spending all contribute to lowering debt/GDP ratio and reducing this fiscal risk. A transitory QE policy deployed during a crisis stimulates aggregate demand. **TAGS:** **Debt and fiscal/monetary policies**; **Debt sustainability**; **COVID-19**

**Averting Catastrophic Debt Crises in Developing Countries** **(2021)**

Joseph Stiglitz, Hamid Rashid - Columbia University

This Policy Insight includes four sections. In the first, the authors describe the nature of the current debt problem, identifying some of the factors that led so many developing countries and emerging markets to such a precarious position in which they are so vulnerable to the shock of the pandemic. In the second, the authors explain why urgent actions are needed and why current proposals, mostly entailing debt standstills, will not suffice. In the third, the authors consider a number of alternative proposals to reduce debt burdens, including encouraging and enforcing comprehensive standstills and debt restructurings. The authors suggest one in particular that has not received sufficient attention – bond buybacks. In the fourth section, They discuss some measures that might be taken to prevent future debt crises. **TAGS:** **Debt crisis**; **Debt and fiscal/monetary policies**; **COVID-19**

**Sliding down the Slippery Slope? Trends in the Rules and Country Allocations of the Eurosystem's PSPP and PEPP** **(2021)**

Havlik Annika, Heinemann Friedrich – IFO

The Eurosystem has become one of the crucial players in the market for euro area government bonds. After first substantive purchases through the Securities Market Programme (SMP) in 2010, the Eurosystem's involvement has reached a new breadth and magnitude with the establishment of the Public Sector Purchase Programme (PSPP) in 2015. On top of this, the ECB Council has set up the Pandemic Emergency Purchase Programme (PEPP) in March 2020 in order to stabilize the euro area economy in the crisis and to contain the rise of sovereign risk premia. This study analyzes trends in the rules, volumes and country allocations of the two active sovereign purchase programmes, the PSPP and the PEPP. For an economic assessment, it is of importance to which extent the purchase programmes are of an asymmetric nature and whether the Eurosystem increasingly accepts the role of a strategic creditor who has veto power in debt negotiations. **TAGS:** **Debt and fiscal/monetary policies**; **Sovereign bonds yields**; **Sovereign risk premia**; **Financial stability**

**The Global Fiscal Response to COVID-19** **(2021)**

Callum Hudson, Benjamin Watson, Alexandra Baker, Ivailo Arsov - Reserve Bank of Australia, Economic Analysis Department

Globally, the fiscal policy response to the COVID-19 crisis has been the largest and fastest in peacetime. Governments have prioritised direct fiscal support for private incomes and employment, which has limited economic scarring and established a solid foundation for the recovery. The size and composition of the fiscal response has varied across countries, reflecting differences in automatic stabilisers, pre-pandemic fiscal space, the severity of infections and policy preferences. Fiscal policy is likely to remain supportive for some time after the pandemic subsides, and in many countries is expected to focus increasingly on boosting investment. For as long as governments anchor spending decisions in a sound medium-term fiscal framework and interest rates remain lower than the rate of economic growth, ongoing fiscal support need not pose problems for government debt sustainability. **TAGS:** **Debt and fiscal/monetary policies**; **Debt sustainability**; **COVID-19**

**[COVID-Induced Sovereign Risk in the Euro Area: When Did the ECB Stop the Spread?](#) (2021)**

Aymeric Ortmans, Fabien Tripier - Université Paris-Saclay

This paper studies how the announcement of the ECB's monetary policies stopped the spread of the COVID-19 pandemic to the European sovereign debt market. The authors show that up to March 9, the occurrence of new cases in euro area countries had a sizeable and persistent effect on 10-year sovereign bond spreads relative to Germany: 10 new confirmed cases per million people were accompanied by an immediate spread increase of 0.03 percentage points (ppt) that lasted 5 days, for a total increase of 0.35 ppt. For periods afterwards, the effect falls to near zero and is not significant. The authors interpret this change as an indicator of the success of the ECB's March 12 press conference, despite the "we are not here to close spreads" controversy. Our results hold for the stock market, providing further evidence of the effectiveness of the ECB's March 12 announcements in stopping the financial turmoil. A counterfactual analysis shows that without the shift in the sensitivity of sovereign bond markets to COVID-19, spreads would have surged to 4.2% in France, 12.5% in Spain, and 19.5% in Italy by March 18, when the ECB's Pandemic Emergency Purchase Programme was finally announced. **TAGS: Secondary Markets; Sovereign risk premia; Debt and fiscal/monetary policies; COVID-19**

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**Public debt dynamics: the interaction with national income and fiscal policy (2021)**

Vasileios Spyrakis, Stelios Kotsios - National and Kapodistrian University of Athens

The 2008 financial crisis triggered the debt crisis in Europe. High debt-to-GDP ratios made it impossible for some countries to apply countercyclical policy in order to overcome the recession. As a result, highly indebted countries were forced to apply austerity measures to avoid sovereign default, which deepened even further the decline of their GDP. The authors examine the case of a highly indebted country, which is not cut off from the financial markets yet, using a bilinear difference equation system. The authors contemplate the dynamic equations of national income and sovereign debt together, as GDP fluctuations directly affect the debt evolution and they introduce the notion of the second relation, namely the deceleration of private investments due to sovereign debt. The authors build a new method for the implementation of fiscal policy, a feedback control of the economic system, and they stress its consequent policy implications. The authors contribute to the existing debt dynamics literature providing a new perspective for the interaction of public debt and GDP. The fiscal policy method they propose vanishes the dilemma between the front-loaded and back-loaded austerity, combines the fiscal recovery from a recession and the fiscal consolidation, as it immediately improves the debt-to-GDP ratio by increasing the national income and restraining the rise of public debt. Finally, they stress why the second relation is important for the implementation of fiscal policy, as its presence leads to a slower and more painful recovery. **TAGS: Debt and fiscal/monetary policies; Debt and growth; Debt and recession**

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**Implications of the 2021 stability programmes for fiscal policies in the euro area (2021)**

Stephan Haroutunian, Sebastian Hauptmeier, Steffen Osterloh – ECB

The stability programmes for the period 2021-24 for the first time provide comprehensive details of the euro area countries' medium-term budgetary plans in response to the coronavirus (COVID-19) pandemic. Last year, given the newness of the major health crisis and the extreme uncertainty associated with it, euro area governments mostly abstained from submitting detailed fiscal plans. The updated programmes, which were submitted at the end of April 2021, were prepared by governments in the knowledge that the general escape clause of the Stability and Growth Pact (SGP) would remain active until at least the end of 2021, allowing them to deviate from the SGP's adjustment requirements.[...] **TAGS:** **Debt and fiscal/monetary policies**; **Debt sustainability**; **COVID-19**

## Multilateral Financing

**The liquidity and sustainability facility for African sovereign bonds: who benefits? (2021)**

Daniela Gabor - UWE Bristol

Over the past few decades, market-based finance has become central to the global financial system. Huge volumes of financial instruments are traded daily. To improve access to global financial markets for African countries, the United Nations Economic Commission for Africa (ECA) – in cooperation with the asset management firm PIMCO – has proposed setting up a Liquidity and Sustainability Facility (LSF). This is designed to create a Special Purpose Vehicle to subsidise private sector investment in African sovereign debt. The LSF would be financed by official development assistance (ODA), multilateral development banks and/or by the central banks of members of the Organisation for Economic Co-operation and Development (OECD). The LSF proposal comes at a time when several African countries are desperate to get access to finance to respond to the humanitarian, social and economic crisis triggered by the Covid-19 pandemic. It is presented as a viable alternative to debt restructuring that would accommodate the reluctance of many African countries to endanger market access by joining initiatives such as the Debt Service Suspension Initiative (DSSI), launched by the Group of 20 (G20) and the Paris Club in 2020. These initiatives have so far proved to be insufficient when it comes to addressing existing debt problems. [...]
The aim of this paper is to contribute to an informed dialogue on the most appropriate forms of development finance. In view of the critical debt situation of African countries in the wake of the Covid-19 crisis, and of the longer-term ambition to deliver on the Sustainable Development Goals and the Paris Agreement, this discussion is more vital than ever. **TAGS:** **Multilateral financing**; **Debt Restructuring**; **Debt relief**; **COVID-19**

**Sovereign Debt and Financing for Recovery (2021)**

Group of Thirty's Steering Committee and Working Group on Sovereign Debt and COVID-19

COVID-19 triggered a historic collapse in peacetime economic activity. Every indicator continues to point to a multiyear crisis with long-lasting repercussions. School closures will disrupt the lives and prospects of seven out of ten children worldwide. With extreme poverty, hunger, and deprivation rising for the first time in decades around the world, as many as 100 million more people could be living on less than US$1.90 a day in the wake of the pandemic. Global trade is on track to shrink by 10 percent in 2020 and will take years to recover to pre-pandemic levels. After driving global growth for two decades, an unprecedented nine out of ten emerging market economies are slated to contract. Among the most vulnerable countries, rising debts had already threatened funding for development priorities such as public health on the eve of the pandemic. A lost decade of growth in large parts of the world remains a plausible prospect absent urgent, concerted, and sustained policy response. [...] **TAGS:** **Multilateral financing**; **Debt and growth**; **COVID-19**; **Debt and fiscal/monetary policies**

# Reports

## 2021

**Municipal and sub-federal debt market in 2020**
IEP Submitter, Artem Shadrin - Gaidar Institute for Economic Policy
The crisis phenomena in the global and Russian economy directly related to the introduction of quarantine measures in 2020, led to the deficit of the consolidated regional budget. At end-2020, the consolidated regional budget and the budgets of territorial state extra-budgetary funds ran a deficit of Rb667.4 bn, or 0.63% of GDP. To compare, in 2019 the consolidated regional budget and the budgets of territorial state extra-budgetary funds ran a surplus of Rb17.4 bn, or 0.02% of GDP. **TAGS:** Subnational debt; Debt Statistics

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**The euro area sovereign debt markets in the crisis: role and impact on financial stability perspectives**
Banque de France
The demand and supply environment in which European sovereign debt markets operate has changed over the last years and is still changing: (i) Firstly, liquidity in the financial system has increased, both in terms of excess reserves held by commercial banks and deposits held by the non-financial sector, notably corporates, whose considerable increase in gross debt has so far largely been offset by a similar rise of liquid assets on aggregate; […] **TAGS:** Primary market; Debt and fiscal/monetary policies; Secondary Markets; Bond market development; Financial stability; COVID-19

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**State of the LDCs - Section G. Financing to address the Covid-19 crisis and prepare for a sustainable recovery**
UN
COVID-19 has at the same time led to increased needs for spending to address the health, social and economic crisis as well as sharply reduced domestic revenues due to a decline in economic activity, including a decline in export revenues, further reducing their already limited fiscal space. **TAGS:** Multilateral financing; Debt and fiscal/monetary policies; Debt sustainability; Debt relief; COVID-19

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**Can Diaspora Bonds supercharge Development Investment?**
Aleksandr V. Gevorkyan – Migration Policy Institute
Over the past two decades one of the most intriguing ideas in development finance has been the proposal that developing nations can raise substantial funds from their expatriate communities by creating diaspora bonds. Recently, the economic fallout from the COVID-19 public-health crisis and subsequent sudden exit of foreign capital from emerging markets have reignited interest in the search for alternative development funding. Raising funds from diasporas via the bond, a fixed-income financial instrument, is high on the list again. **TAGS:** Primary market; Sovereign debt market; Debt and growth

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**Fiscal Panorama of Latin America and the Caribbean -2021**
Economic Commission for Latin America and the Caribbean (ECLAC)
In 2021, Latin America and the Caribbean faces an economic context that remains complex and uncertain. The coronavirus disease (COVID-19) pandemic continues to impact the region, with a fresh

wave of cases that has led to the implementation of new public health measures to curb the spread of the virus. Vaccination campaigns, which are a priority, have been hampered by unequal access to vaccines globally and challenges in vaccine production and distribution. […] **TAGS:** **COVID-19**; **Debt and fiscal/monetary policies**; **Debt and growth**; **Structural policies**

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**The role of credit rating agencies in debt relief, debt crisis prevention and human rights**

UNHCR

In this report, the Independent Expert on foreign debt and human rights examines the inherent structural problems of credit rating agencies and their failure to perform well their role of assessing risk and addressing the information asymmetry for bridging investors and debtors, thus having a negative impact on debt crisis prevention and resolution. […] **TAGS:** **Sovereign Credit Ratings**; **Debt sustainability**; **Structural policies**

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**International debt architecture reform and human rights: Call for input**

UNHCR

The below questionnaire addressed to Member States and other stakeholders is meant to assist the Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights, to elaborate a comprehensive report on the on international debt architecture reform and human rights. The report will be presented to the General Assembly during its 76th session in October 2021. **TAGS:** **Foreign Debt**; **Debt sustainability**; **Financial stability**; **Structural policies**

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**Debt Relief for a Green and inclusive Recovery**

Ulrich Volz, Shamshad Akhtar, Kevin P. Gallagher, Stephany Griffith-Jones, Jörg Haas, Moritz Kraemer - Heinrich-Böll-Stiftung, SOAS, University of London, Boston University

The G20's Common Framework urgently needs to be revamped to include middle-income countries and allow for comprehensive debt relief by both public and private creditors oriented around a green, inclusive recovery. To avoid a delay of debt restructuring where it is needed, the G20 should encourage all low- and middle-income countries whose debt is considered unsustainable to participate in debt restructuring. […] **TAGS:** **Debt relief**; **Debt sustainability**; **Multilateral financing**; **Cost and Risk**; **Debt Restructuring**; **COVID-19**

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**The evolution of bond and swap trading**

Martin Scheicher – SUERF

The current structure for trading bonds and swaps builds on bank Dealers as core intermediaries. These firms provide essential liquidity to clients by buying and selling instruments in part from their own books. The purpose of this overview paper is to analyse the post-GFC role of bank Dealers in OTC fixed income markets. […] **TAGS:** **Secondary Markets**; **Sovereign debt market**; **Trading platforms**; **Derivatives**; **COVID-19**

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**EMEA Emerging Markets Sovereign Rating trends midyear 2021**

Frank Gill, Samuel Tilleray - S&P Global

Seven of the 53 emerging market (EM) sovereigns we rate in EMEA carry negative outlooks, down from 12 at end-2020. No sovereign rating is on positive outlook. The average rating in EM EMEA is at a historical low, reflecting pandemic-related effects on reserve adequacy, fiscal fundamentals, and growth. Nevertheless, on a GDP-adjusted basis, rating trends in EM EMEA have stabilized. **TAGS:** **Sovereign Credit Ratings**

**Inflation impact on Sovereigns Depends on Real Interest Rates**

Fitch Ratings

Inflation trends and associated risks around interest rates and exchange rates may have direct sovereign credit implications, says Fitch Ratings. A critical question for government debt sustainability is how inflation will affect debt/GDP ratios. Higher levels of global government debt as a result of the coronavirus pandemic have made sovereign creditworthiness increasingly sensitive to interest rate change. […] **TAGS:** **Debt and fiscal/monetary policies**; **Sovereign bonds yields**; **Financial Analysis**

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**IMF loans and offshore financial flows**

Shekhar Aiyar, Manasa Patnam – IMF

Recent research suggests that World Bank aid disbursements are associated with outflows from recipient countries to offshore financial centres, indicating elite capture of aid. This column uses 25 years of data to examine whether the same is true for IMF lending. It finds no evidence that IMF loans are diverted to offshore bank accounts. This could be because IMF lending differs in structural respects – such as conditionality, concessionality, and continuity – from World Bank aid. […] **TAGS:** **Multilateral financing**; **Cost and Risk**

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**Strengthening Risk Management before the Next Big Crisis**

GFOA

As we begin to emerge from the pandemic, most business leaders, including those at the helm of state and local governments, are seeking ways to learn from this experience and to strengthen their level of preparedness for the next risk management crisis. In fact, the authors' recent research finds that a strong majority of organizations (73 percent) report that there will be significant changes in their approach to continuity planning and crisis management processes. These levels are even higher for state and local governments and non-profits. Some organizations are realizing that their approach to managing risks is woefully lacking in robustness and maturity. **TAGS:** **Cost and Risk**; **Subnational debt** **Financial stability**

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**10 Steps: finding your exposure to LIBOR-and what to do about it**

GFOA

The London Interbank Offered Rate (LIBOR) is a global benchmark interest rate calculated daily, and it is the most widely used benchmark in the capital markets. State and local governments often see this rate in swaps/derivatives products intertwined with municipal debt, and in floating rate notes, lease contracts, bank loans, direct placements, and other types of financings and credit enhancements. **TAGS:** **Derivatives**; **Best Practices**; **Subnational debt**

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**10 Steps to COVID-Era Debt Disclosures**

GFOA

Most governments have experienced some level of disruption since the onset of the COVID-19 pandemic, including budgetary and operational difficulties. But because your debt management program and disclosure responsibility never pause, GFOA has resources to provide guidance and assistance. **TAGS:** **COVID-19**; **Best Practices**; **Subnational debt**; **Transparency**

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**Path for the Public Finances 2021: Ensuring debt sustainability in a post-Covid world - Conference Proceedings**

The Irish Fiscal Advisory Council

The Irish Fiscal Advisory Council hosted its fifth annual conference focusing on long-term public finance issues online on 8th-9th February 2021. The conference focused on the theme of fiscal policy in the era of high public debt and low interest rates that follows the outbreak of Covid-19. The conference had two sessions: the first looked at fiscal policy of high debt conditional on current interest rates (debt sustainability analysis; what does it means for the fiscal rules, how should policymakers respond). The second took a more "big picture" look at the sustainability of low interest rates given high public debt, ageing, financial implications and whether such pressures might influence monetary policy. **TAGS:** **COVID-19**; **Debt sustainability**; **Cost and Risk**; **Sovereign risk premia**; **Debt and fiscal/monetary policies**

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**The reliability of public debt forecasts**

Julia Estefania Flores, Davide Furceri, Siddharth Kothari, Jonathan D. Ostry – IMF

Public debt ratios have increased significantly in 2020 from already elevated levels. Current projections envisage a quick stabilisation and subsequent decline in debt ratios. This column assesses the likelihood of this projection by looking at past evidence on forecast accuracy, based on a new comprehensive dataset of medium-term debt forecasts. It finds that forecasts have systematically understated the actual evolution of debt. If the past is a guide to the future, rather than declining, debt ratios could be some 7% of GDP higher five years from now than they are today in emerging and developing countries […] **TAGS:** **Financial Analysis**; **Debt Forecasts**

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**China's Sovereign Bonds**

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:** **Primary market**; **Debt sustainability**; **Sovereign bonds yields**; **Sovereign debt market**

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**Sustainable Debt Markets Surge As Social And Transition Financing Take Root**

S&P Global – Ratings

We expect global issuance in sustainable debt to surpass $700 billion in 2021, driven by an acceleration of green-labeled bond issuance and continued growth of other sustainable debt instruments, including social and sustainability bonds. - Innovation within the sustainable debt market will continue as new types of instruments, including sustainability-linked loans and bonds, expand rapidly and diversify the ways issuers and investors contribute to sustainability objectives. […] **TAGS:** **Primary market**; **Sovereign debt market**; **Bond market development**

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**Questions and Answers: European Green Bonds Regulation**

EU Commission

The Commission is proposing today a Regulation to create the "European Green Bond Standard" or "EUGBS". The EUGBS is intended to be a voluntary "gold standard" for green bonds. Use of the standard would allow companies and public bodies to more easily raise large-scale financing for climate and environmentally friendly investments, while protecting investors from greenwashing. The standard will use the detailed definitions of green economic activities in the EU Taxonomy to define what is considered a green investment. […] **TAGS:** **International and Macroprudential Regulations**; **Contract standards**; **Primary market**; **Sovereign debt market**

**COVID-19 and financial fragility**

Carmen Reinhart - World Bank

Besides soaring infection rates, the COVID-19 pandemic has delivered widespread lockdowns, shattering declines in output, and spiking poverty. Behind these trends, a quieter crisis in the financial sector is gathering momentum. The financial fallout from the pandemic does not respect differences by region or income status. Financial institutions around the globe are facing a marked rise in nonperforming loans. COVID-19 is also a regressive crisis, disproportionally hitting low-income households and smaller firms that have fewer assets to avert insolvency. […] **TAGS: Financial stability**; **COVID-19**; **Multilateral financing**

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**Liquid illusions: Who really benefits from the Liquidity and Sustainability Facility?**

Daniel Munevar – Eurodad

During the past year, the United Nations Economic Commission for Africa, in partnership with the US asset management firm PIMCO, has advocated for the establishment of a Liquidity and Sustainability Facility (LSF). The LSF has been presented as a mechanism to support countries in Africa in the aftermath of the Covid-19 pandemic. But which countries and investors really stand to benefit? **TAGS: Multilateral financing**; **Debt sustainability**; **COVID-19**

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**Fiscal-monetary crosswinds in the euro area: Conventional and unconventional shocks**

Lucrezia Reichlin, Giovanni Ricco, Matthieu Tarbé - London Business School, Warwick University

Monetary policy has fiscal implications since its effect on interest rates, inflation and output relaxes or tightens the general government inter-temporal budget constraint. Inflation dynamics is the result of both monetary policy and the fiscal response to it via the adjustment of the primary deficit. This column discusses estimates of the fiscal responses to monetary policy in the euro area. It shows that the more modest impact of unconventional monetary policy easing on inflation, if compared with the impact of conventional easing, can be explained by a more modest increase in the primary deficit in the former case. **TAGS: Debt and fiscal/monetary policies**; **Debt and growth**; **Sovereign bonds yields**

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**AFME Government Bond Data Report - Q1 2021**

AFME

Contents: Highlights and Market Environment; Regulatory update; Issuance; Recent Auctions and Primary Dealers; Outstanding; Credit Quality; Secondary Market Trading Volumes and Turnover Ratios; Valuations. **TAGS: Debt Statistics**; **Primary market**; **Secondary Markets**; **Market Liquidity**

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**Abolishing the Debt Brake Is Not Worth It**

Clemens Fuest - Ifo Institute

The debt brake enshrined in Article 115 of Germany’s constitution has been the subject of controversial debate since its introduction in 2009. Critics argue that in the event of major economic slumps, the maximum permissible deficit for the federal budget of 0.35 percent of gross domestic product (GDP) is too small, even when adjusted for cyclical effects. The debt brake also leads to an excessive reduction in government debt and creates incentives to neglect public investment. Moreover, interest rates are so low that significantly more government debt can be afforded. **TAGS: Debt and fiscal/monetary policies**; **Debt sustainability**; **COVID-19**

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**Brazil: roadmap to sustainable sovereign bonds - Nature-based challenges, opportunities and solutions**

Peter Elwin, Nick Robins, John Willis, Giorgio Cozzolino - Planet Tracker
This report updates and builds on the award- winning paper 'The Sovereign Transition to Sustainability' jointly written by Planet Tracker and the Grantham Research Institute. It provides sovereign investors with an updated case study of Brazil demonstrating how to incorporate the state of a country's natural capital into the assessment of the financial strength of its sovereign bonds. Credit ratings are currently missing this aspect. […] **TAGS: Debt Policy**; **Primary market**; **Sovereign debt market**; **Debt sustainability**

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**Cabri Virtual Policy Dialogue on Raising and Managing Debt for post-COVID recovery - Recordings and Presentations**
The Collaborative Africa Budget Reform Initiative (CABRI)
The COVID-19 crisis has exacerbated existing debt vulnerabilities as well as created new fiscal challenges for governments worldwide. Borrowing requirements will remain high, due to weaker economic recoveries and higher inflation expectations in developed countries. Debt levels in Africa are on an upward debt trajectory and soon debt service relative to tax revenues is to exceed 20 percent, potentially crowding other critical spending. To avoid further fiscal deterioration, the risks in the debt portfolios should be actively managed, to maintain and reduce costs. […] **TAGS: Debt sustainability**; **Debt and growth**; **Debt Restructuring**; **Debt relief**; **COVID-19**

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**International Conference on Climate Change - Recordings and Presentations**
Italian Presidency of the G20
The International Conference on Climate Change was held on 11 July in Venice, hosted by the Italian Presidency of the G20 and organized by the Bank of Italy and the Ministry of Economy and Finance. The Conference provided an opportunity to present and open a political discussion on: i) how to spur a just transition towards a low-carbon and greener economy; ii) which concrete policy options can be endorsed to effectively curb emissions and fight climate change; iii) how to close the climate data gaps and promote environmental disclosures by harmonizing sustainability scores and developing sustainable taxonomies that are key incentives for financial market players and, finally, iv) how to incentivize and align private financial flows with the green transition.[…] **TAGS: Financial stability**; **Debt and fiscal/monetary policies**; **Debt sustainability**

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**The Impact of Public Debt on Human Rights during COVID-19**
Institute for Economic Justice
Borrowing by the South African government, and how government believes it should manage this, are not abstract economic questions. They have a direct bearing on all South Africans, in particular because of how they impact the government's ability to fulfil its socio-economic rights obligations. Finance Minister Tito Mboweni frequently says South Africa's debt is "unsustainable", and uses this to justify major cuts in social expenditure and limit COVID-19 relief measures. […] **TAGS: Debt Policy**; **Debt sustainability**; **Debt and fiscal/monetary policies**; **COVID-19**

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**Uruguay - Sovereign Debt Report - August 2021**
Uruguay Debt Management Unit
Update on Government's borrowing needs, funding sources and net indebtedness for 2021, based on the latest Annual Budget Review submitted to Congress. The Government resumes issuance of Treasury Notes denominated in nominal fixed-rate pesos, as part of its domestic market issuance calendar for the second semester. Fitch and R&I affirmed Uruguay's investment grade rating. **TAGS: Debt Policy**; **Debt Statistics**; **Debt Forecasts**

## 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.

**SEPTEMBER**

**24 September 2021; ICMA, Virtual**
**ICMA & NAFMII virtual event: The opening-up of China's bond market - the perspectives of issuers and investors**

**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**

**29 – 30 September 2021; IMF, Virtual**
**4th IMF Macro-Financial Research Conference**

**29 – 30 September 2021; OMFIF, Virtual**
**Sustainable Policy Institute Symposium**

**30 September 2021; ISDA, Online**
**Derivatives Trading Forum: Trading ESG Products**

**30 September 2021; OECD, Virtual**
**OECD Webinar on Sovereign Funding in Emerging Market Economies**

**30 September – 1 October 2021; New York Fed, virtual**
**Implications of Federal Reserve Actions in Response to the COVID-19 Pandemic**

**Until 30 September 2021; waset.org, London, United Kingdom**
**Call for paper International Conference on Emerging Markets and Developing Economies**

**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

6 October 2021; ICMA, Virtual
Realising the potential of the sustainable debt market in Brazil

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

11 – 17 October 2021; World Bank Group and International Monetary Fund, Virtual
The 2021 Annual Meetings of the World Bank Group and the International Monetary Fund

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

11 – 15 October 2021; Institute of International Finance, livestream
2021 IIF Annual Membership Meeting

12 – 14 October 2021; climatebonds.net, virtual
Green Bond Training

13 October 2021; ICMA, Virtual
ICMA European Repo and Collateral Council (ERCC) General Meeting

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

19 October 2021; Bank of Finland and SUERF, Helsinki and Online
Monetary Policy Approaches: A Comparative Appraisal

20 October 2021; Kanga News, Westpac Britomart Auckland
New Zealand Sustainable Finance Summit

20 – 22 October 2021; GFOA, Virtual
3rd Annual MiniMuni Conference

21 October 2021; ICMA, Virtual
ICMA Primary Market Forum

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

26 October – 23 November 2021; ASIFMA, virtual
Asia Financial Markets Explained

Until 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

31 October 2021; SUERF/UniCredit, virtual
Call for Papers Post-COVID non-performing loans: effectiveness and efficiency of government intervention, implications for banks, role of financial regulation and supervision

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

23 – 26 November 2020; Jvi, Virtual Training
Public Financial Management and Administrative Reforms

24 – 25 November 2021; GFC Media Group, Shangri-La Bosphorus, Istanbul
Bonds, Loans & Sukuk Turkey

30 November – 1 December 2021; GFC Media Group, The Ritz-Carlton Coconut Grove, Miami
Bonds & Loans Latin America & Caribbean 2021

DECEMBER

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

9 – 10 December 2021; waset.org, London, United Kingdom
International Conference on Emerging Markets and Developing Economies

13 – 14 December 2021; University of Zurich, Zurich, Switzerland
6th Zurich Conference on Public Finance in Developing Countries

14 December 2021; AFME, virtual
GFMA's 2nd Annual Global Capital Markets Sustainable Finance Conference

## 2022

9 – 11 February 2022; FIA and SIFMA AMG, The Ritz Carlton Laguna Nigel in Dana Point, CA
Asset Management Derivatives Forum

22 February 2022; GFC Media Group, Fairmont Hotel, Riyadh
Capital Markets Saudi Arabia 2022

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

9 – 11 May 2022; UNCTAD, Palais des Nations Geneva, Switzerland
International Debt Management Conference, thirteenth session

## PDM Network in Figures

**As of 21st July 2021, total documents and reports available on the PDM Network website were 8,286. Events and News uploaded on the website since January 2021 were respectively 342 and 6,819. This newsletter is sent to 915 Subscribers from emerging and advanced countries.**

### Special Thanks

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

## Our Subscribers

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*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.*