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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**.

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Highlight

Sustainability of debt management in the post-pandemic era: The Italian Treasury hosted the 2nd international conference of the Public Debt Management Network

Italian Treasury, OECD, World Bank Public Debt Management Network

The 2nd Public Debt Management Conference organised by the Public Debt Management (PDM) Network was held in Rome on May 26-27, 2022. The first edition of the Conference took place in Paris, at the OECD headquarters, in 2019. Hosted this year by the Italian Treasury, the conference was attended by around 250 participants from all continents.
Public debt managers, representatives of international institutions, leading academics as well as the authors of the 17 papers selected as the outcome of a call for papers launched by the PDM Network

last year, participated to the debate. **Read more** **TAGS:** **Debt Policy**; **Public Debt Management Conference**; **Debt and fiscal/monetary policies**; **Sovereign debt market**; **Primary market**; **COVID-19**; **Cost and Risk**; **Sovereign ALM**; **Market Liquidity**; **Primary dealers**; **PDM network**; **World Bank**; **Debt sustainability**; **OECD**; **Debt and growth**; **Bond market development**

Special Focus

Call for Papers - Special Section on Public Debt in the New Normal
Economia Politica - Journal of Analytical and Institutional Economics
The Global Financial Crisis, the Covid pandemics and now the war in Ukraine have occasioned very extensive public support to prevent economic collapse, support households and revive ageing infrastructures. Looking forward, it is hard to imagine, as our countries go back to a more normal state of affairs, that monetary and fiscal policy will be removed from the policy maker's toolbox. Fiscal policy in particular, will be central in managing a volatile economy and fostering the environmental and digital transition through public investment and industrial policies. **Read more** **TAGS:** **Debt and fiscal/monetary policies**; **Debt Forecasts**; **Economic Forecasts**; **Debt Policy**; **Financial stability**

Fiscal space watch: No time to sit on laurels
M. Ayhan Kose, Franziska Ohnsorge, Naotaka Sugawara - Prospects Group, Equitable Growth, Finance, and Institutions (EFI), World Bank
Amid weakening growth prospects and tightening global financial conditions, most emerging market and developing economies have limited fiscal space and greater exposure to international risk sentiment than before previous episodes of financial stress. In more than 80 percent of these countries, government debt is now higher than before the 2008-09 global financial crisis. Many of these economies need to urgently improve fiscal positions within credible medium-term fiscal plans and tilt borrowing towards longer maturities and domestic currency. **Read more** **TAGS:** **Debt and fiscal/monetary policies**; **Debt sustainability**; **Debt crisis**; **COVID-19**; **Cost and Risk**; **Debt Policy**; **World Bank**

Documents

Debt Policy

Can EU bonds serve as euro denominated safe asset? **(2022)**
Tilman Bletzinger, William Greif, Bernd Schwaab - European Central Bank
A safe asset is of high credit quality, retains its value in bad times, and is traded in liquid markets. The authors show that bonds issued by the European Union (EU) are widely considered to be of high credit quality and that their yield spread over German Bunds remained contained during the 2020 Covid-19 pandemic recession. Recent issuances and taps under the EU's SURE and NGEU initiatives helped improve EU bonds' market liquidity from previously low levels, also reducing liquidity risk premia. Eurosystem purchases and holdings of EU bonds did not impair market liquidity. Currently, one obstacle to EU bonds achieving a genuine euro denominated

safe asset status, approaching that of Bunds, lies in the one-off, time-limited nature of the EU's Covid-19-related policy responses. **TAGS:** [Debt Policy]; [Eurobonds]; [Sovereign debt market]; [COVID-19]

Primary Market

[Analysis of Costs and Main Investors of Sovereign Debt Issuances in Latin American and Caribbean Countries] (2022)

Joan Prats, María Eugenia Pereira - Inter-American Development Bank

Sovereign debt issuances are often assessed in quantitative terms and in terms of their impact on a country's debt profile. However, behind every debt issuance there are also a series of operational practices which involve engaging with parties such as credit rating agencies, law firms, underwriters, and investors which also warrant assessment. The costs, periodicity, and range of these engagements vary across Latin America and the Caribbean (LAC). This paper aims to illuminate practices surrounding the selection processes, associated costs, and priorities of debt management offices (DMOs) across LAC. By classifying the participating countries in three main categories--large economies that are regular sovereign debt issuers, smaller economies that are also regular issuers and that issued debt in 2020, and smaller economies that are non-regular issuers--the analysis identifies common regional practices, as well as differences among countries. The main purpose of the paper is to present data that may be relevant to LAC countries in assessing their own procedures at the time of issuing debt, and to identify strengths and areas for improvement that may lead to more efficient operational financing practices in the region as a whole. **TAGS:** [Primary market]; [Public debt auctions]; [Best Practices]

[FTPL and the Maturity Structure of Government Debt in the New-Keynesian Model] (2022)

Max Ole Liemen, Olaf Posch - University of Hamburg

In this paper, the authors revisit the fiscal theory of the price level (FTPL) within the New Keynesian (NK) model. They show in which cases the average maturity of government debt matters for the transmission of policy shocks. The central task of this paper is to shed light on the theoretical predictions of the maturity structure on macro dynamics with an emphasis on model-implied expectations. In particular, the authors address the transmission channels of monetary and fiscal policy shocks on the interest rate and inflation dynamics. Authors' results illustrate the role of the maturity of existing debt in the wake of skyrocketing debt-to-GDP ratios and increasing government expenditures. The authors highlight their results by quantifying the effects of the large-scale US fiscal packages (CARES) and predict a surge in inflation if the deficits are not sufficiently backed by future surpluses. **TAGS:** [Financial Analysis]; [Debt composition]; [Debt and fiscal/monetary policies]; [Debt sustainability]

[Emerging Market Real Economy Sustainable Bonds - Current and Potential Issuance: Country Focus - Egypt, Ghana, Morocco, Nigeria, South Africa: Sector Analysis - Power, Transport, Agribusiness] (2022)

Cashion,Peter Goldblum, Dan Gibson, Tony Ben Smith, Anne Igbinedion, Benita Nguyen, Quyen Thuc Joseph, Roshin Mathai - World Bank

This paper examines the sustainability of subnational governments in Mexico, focusing on its top 110 most indebted municipalities. The authors employ dynamic panel data techniques to assess whether municipal debt remained sustainable during 2007–2017. Their study finds that the subnational fiscal position of Mexican municipalities remains sustainable despite the rapid growth of public debt following the 2008 global financial crisis. However, using Monte Carlo simulations, the authors show that random disturbances can significantly impact municipal governments' debt, deteriorating governments' finances after the shocks materialize. **TAGS:** **Primary market**; **Contract standards**; **Sovereign debt market**; **Bond market development**; **Cost and Risk**; **Financial stability**; **Debt sustainability**; **Debt Policy**

Subnational Debt

Local Government Debt and Firm Productivity: Evidence from China **(2022)**

Jun Zhu, Haokun Xu,Yue Zhang - Nanjing University of Finance and Economics

This paper establishes the relationship between firms and explores a possible development path of China's economy: improving efficiency of debt. In recent years, the growth of Chinese economy has been accompanied by a rising trend in the size of Chinese government debt, but corporate yields are falling. With the increase of research on the scale of local government debt in China, the research on efficiency of debt has been less involved. This paper calculates the efficiency of China's local government debt and firm productivity of prefecture-level cities and finds a misallocation between economic development and the efficiency of debt. The authors reveal that the efficiency of debt has a non-linearly U-shape effect on firm productivity, and further find industry and equity heterogeneity in different firms. In conclusion, there needs to be a reasonable match between efficiency and scale to promote high-quality development of firms, thus boosting high-quality development of Chinese economy. **TAGS:** **Subnational debt**; **Debt and growth**

Local Government Debt Valuation **(2022)**

Oliver Giesecke, Haaris Mateen, Marcelo Jardim Sena - Columbia University, Stanford University

The authors construct a novel data set on the fiscal position of municipalities in the United States and document a secular decline in their financial health. Their data combines financial data from the Annual Comprehensive Financial Reports (ACFRs) of municipalities along with Census data of their revenue and expenditure cash flows. The authors find that a large share of municipalities operate with a negative net position---akin to a negative book equity position in the corporate context. The authors find that most of the decline originates from the accumulation of legacy obligations, i.e., pensions and other post-employment benefits (OPEBs); this is recognized by municipal bond markets through higher credit spreads. While accounting values from the ACFRs are informative, they are based on book valuations which potentially convey limited information about the economic value of assets and liabilities. Thus, the authors turn to the market valuation of local governments' equity by estimating an SDF that matches the valuation of a wide range of assets in the economy to prices future tax and expenditure claims. Using market prices for tax and expenditure claims, and market valuations of liability positions the authors find that the market values of equity are highly correlated with the book values. The negative equity position---in terms of book and market values---for some local governments suggests the presence of implicit insurance by the state and federal governments. **TAGS:** **Subnational debt**; **Sovereign defaults**; **Debt sustainability**

The Sustainability of Mexican Municipal Public Debt **(2022)**

Rufino Tamayo, Eugenio Garza Lagüera, San Pedro Garza García - EGADE Business School, Tecnologico de Monterrey, Mexico

This paper examines the sustainability of subnational governments in Mexico, focusing on its top 110 most indebted municipalities. The authors employ dynamic panel data techniques to assess whether municipal debt remained sustainable during 2007–2017. Their study finds that the subnational fiscal position of Mexican municipalities remains sustainable despite the rapid growth of public debt following the 2008 global financial crisis. However, using Monte Carlo simulations, the authors show that random disturbances can significantly impact municipal governments' debt, deteriorating governments' finances after the shocks materialize. **TAGS:** **Debt sustainability**; **Financial stability**; **Financial Analysis**; **Subnational debt**

Financial Analysis

The Social Costs of Sovereign Default **(2002)**

Juan P. Farah-Yacoub, Clemens Graf von Luckner, Rita Ramalho, Carmen Reinhart - Harvard University, Sciences Po, World Bank Group, NBER & CEPR

This paper estimates the costs of sovereign defaults to a broader extent than has been done in the literature. Applying the synthetic control method to a sample of 131 defaults since 1900, it finds that, on average, growth in the first two years falls 3.6 and 2.4 percentage points short of the counterfactual. Still, after a decade, defaulters' economic output per capita is nearly 17 percent below that of the counterfactual. Poverty headcounts—available since the 1980s—exceed their pre-crisis levels by roughly 30 percent shortly after default and remain elevated a decade later. Variables proxying access to nutrition, energy, and health outcomes—available since the 1960s—suggest that standards of living decline sharply after sovereign defaults. For instance, on average, by year 10 after default, defaulters have 13 percent more infant deaths every year than the synthetic control. And surviving infants are expected to have shorter lives: life expectancy drops to 1.5 percent below the counterfactual. **TAGS:** **Financial Analysis**; **Sovereign defaults**

A global monetary policy factor in sovereign bond yields **(2002)**

Dimitris Malliaropulos, Petros Migiakis - Bank of Greece

The authors document the existence of a global monetary policy factor in sovereign bond yields, related to the size of the aggregate balance sheet of nine major central banks of developed economies that have implemented programs of large-scale asset purchases. Balance sheet policies of these central banks reduced the net supply of safe assets in the global economy, triggering a decline in global yields as investors rebalanced their portfolios towards more risky assets. The authors find that central banks' large-scale asset purchases have contributed to significant and permanent declines in long-term yields globally, ranging from around 330 bps for AAA-rated sovereigns to 800 bps for non-investment grade sovereigns. The stronger decline in yields of high-risk sovereigns can be partly attributed to the decline in the foreign exchange risk premium as their currencies appreciated. Global central bank asset purchases during the Covid-19 crisis have more than counterbalanced the effects of expanding fiscal deficits on global bond yields, driving them to even lower levels. Authors' findings have important policy implications: normalizing monetary policy by scaling down central bank balance sheets to pre-crisis levels may lead to sharp increases in sovereign bond yields globally, widening spreads and currency depreciations of vulnerable sovereigns with severe consequences for financial stability and the global economy. **TAGS:** **Financial Analysis**; **Sovereign bonds yields**; **Debt and fiscal/monetary policies**; **Financial stability**; **COVID-19**

[Financial History of Europe: New Indices](#) (2022)

Bryan Taylor - Global Financial Data

New indices for stocks, bonds and bills are generated for both Europe and for individual countries. The indices begin in 1601 for equities, 1700 for bonds and 1694 for bills. New indices are provided for Great Britain, France, Germany, the Netherlands, Russia, Austria, Hungary, Czechoslovakia and Romania. The indices allow researchers to analyze several centuries of the behavior of European stocks as well as bull and bear markets in individual countries. **TAGS:** **Financial Analysis**; **Debt Statistics**

Sovereign Debt Holding and Bank Sensitivity Toward Market Risk: An Alternative View of the Bank-Sovereign Problem (2022)

Aneta Hryckiewicz, Petra Pawlowski, Piotr Mazur, Marcin Borsuk - Kozminski University, European Central Bank

Government bonds have always been a popular type of investment for banks. However, this trend has been further enhanced by the provisions of numerous banking regulations aimed at promoting investment in these securities. The authors empirically test the role of the fiscal incentive provided by Polish authorities aimed at encouraging banks to invest in sovereign debt. Additionally, the authors verify whether and how increased sovereign debt holding has exposed banks to fair value accounting and test the consequent market risk related to such investment. To this end, the authors use unique quarterly balance sheet data on sovereign holdings at Polish banks for the period from 2008Q1 to 2017Q4, organized in line with International Financial Reporting Standards (IFRS) as "available for sale", "held for trading" and "held to maturity". Their regression results evidence that fiscal incentives greatly increase banks' bias towards sovereign debt while reducing other investment. More importantly, their findings document that banks have enlarged the share of sovereign debt heavily exposed to market changes, primarily holding it under "available for sale". Authors' stress-tests document that a yield curve shock might leave less capitalized banks with the shortage of regulatory capital. Their findings seem particularly important today, in the context of the COVID-19 pandemic, when the deteriorating fiscal situation of many countries may give a rise to a bond-yield shock and force banks to include potential losses in the regulatory capital. **TAGS:** **Financial Analysis**; **Sovereign debt exposure**; **Institutional Investors**; **COVID-19**

Testing Explosive Bubbles with Time-Varying Volatility: The Case of Spanish Public Debt (2022)

Vicente Esteve García, Maria A. Prats - Universidad de Valencia and Universidad de Alcalà, Universidad de Murcia

In this +paper the dynamics of the Spanish public debt-GDP ratio is analysed during the period 1850-2021. The authors use recent procedures to test for explosive bubbles in the presence under time-varying volatility (Harvey, Leybourne, Sollis and Taylor (2016), Harvey, Leybourne and Zu (2019, 2020), Kurozumi, Skorobotov and Tsarev (2022)) in order to test the explosive behavior of Spanish public debt over this long period. The authors extend previous analysis of Esteve and Prats (2022) where assume constant unconditional volatility in the underlying error process. **TAGS:** **Financial Analysis**; **Debt sustainability**

Sovereign Default Risk and Climate Change: Is it Hot Enough? (2022)

Ibrahima Diarra, Adham Jaber - Université Paris-Saclay

The authors estimate the effects of temperature anomalies – temperature's deviation from its long-run mean – on sovereign default risk and explore the transmission channels. The authors use cross-country panel data covering 76 countries over the period 1999-2017. Their results suggest that an increase of temperature leads to an increase of the sovereign credit default swap (CDS) premium. Building on an equilibrium bond pricing equation, the authors document the existence of a "debt limit channel" of temperature: higher temperature, relatively to the long-run mean, has a negative impact on future growth rate, which lowers the country's debt limit – the maximum debt-to-GDP ratio it can sustain without defaulting. As a result, the probability of default increases, leading to a higher CDS spread. **TAGS:** **Financial Analysis**; **Sovereign risk premia**; **Climate change**

Sources of Fluctuations in Short-Term Yields and Recession Probabilities (2022)

Andrea Ajello, Luca Benzoni, Makena Schwinn, Yannick Timmer, Francisco Vazquez-Grande - FED of Chicago

An inverted yield curve—defined as an episode in which long-maturity Treasury yields fall below their short-maturity counterparts—is a powerful near-term predictor of recessions. While most previous studies focus on the predictive power of the spread between the long- and short-term Treasury yields, Engstrom and Sharpe (2019) have recently shown that a measure of the nominal near-term forward spread (NTFS), given by the difference between the six-quarter-ahead forward Treasury yield and the current three-month Treasury bill rate, dominates long-term spreads as a leading indicator of economic activity. **TAGS: Financial Analysis**; **Sovereign bonds yields**; **Economic Forecasts**

Building portfolios of sovereign securities with decreasing carbon footprints (2022)

Gong Cheng, Eric Jondeau, Benoit Mojon - BIS, University of Lausanne

The authors propose a strategy to build portfolios of sovereign securities with progressively declining carbon footprints. Passive investors could use it as a new Paris-consistent benchmark to construct a "net zero" (NZ) portfolio while tracking closely the risk-adjusted returns of a business-as-usual (BAU) benchmark. Their strategy rewards sovereign issuers that have made stronger efforts in reducing carbon intensity, measured by total domestic emissions per capita. The NZ portfolio would have reduced carbon intensity by 41% between 2014 and 2019, by assigning higher weights to countries that have had lower carbon emissions. Among advanced economies, rebalancing leads to raising shares of France, Italy and Spain in the portfolio at the expense of the United States. And among emerging market economies, this leads to higher shares for Chile, the Philippines and Romania at the expense of China. Importantly, the NZ portfolio retains the same creditworthiness as the BAU benchmark without entailing materially higher foreign exchange risks. **TAGS:** **Financial Analysis**; **Bond market development**; **Green bonds**; **Climate change**; **Institutional Investors**

The Eurosystem's bond market share at an all-time high: what does it mean for repo markets? (2022)

Tomás Carrera de Souza and Tom Hudepohl - The Netherlands' Central Bank

In this paper the authors study the link between central bank asset purchases and the repo market, to examine the impact of the Eurosystem's increased footprint in financial markets resulting from the response to the Covid-19 crisis. To do so, the authors exploit different highly granular data on government bond purchases and money market transactions. The authors find that both marginal purchases (flow effect) and aggregate holdings (stock effect) have a significant downward impact on repo rates. The stock effect is nonlinear, and is amplified when the central bank's holdings are larger. Finally, the authors find that the Eurosystem's Securities Lending Facility alleviates the downward pressure on repo rates for scarce bonds, but it does not fully compensate for the downward pressure created by purchases. This collateral scarcity may hamper a smooth functioning of repo and underlying bond markets. **TAGS:** **Financial Analysis**; **Repo market**; **Sovereign bond market**; **Secondary Markets**; **COVID-19**

Capital flows and monetary policy trade-offs in emerging market economies **(2022)**
Paolo Cavallino and Boris Hofmann - BIS
The authors lay out a small open economy model incorporating key features of EME economic and financial structure: high exchange rate pass-through to import prices, low pass-through to export prices and shallow domestic financial markets giving rise to occasionally binding leverage constraints. As a consequence of the latter, a sudden stop with large capital outflows can give rise to a financial crisis. In the sudden stop, the central bank faces an intratemporal trade-off as output declines while inflation rises. In normal times, there is an intertemporal trade-off as the risk of a future sudden stop forces the central bank to factor financial stability considerations into its policy conduct. The optimal monetary policy leans against capital flows and domestic leverage. Macroprudential, capital flow management and central bank balance sheet policies can help to mitigate both intra- and intertemporal trade-offs. Fiscal policy also plays a key role. A higher level of public debt and a weaker fiscal policy imply greater leverage and hence greater tail risk for the economy. **TAGS:** **Financial Analysis**; **Debt and fiscal/monetary policies**; **Financial stability**

Risk capacity, portfolio choice and exchange rates **(2022)**
Boris Hofmann, Ilhyock Shim and Hyun Song Shin – BIS
The authors lay out a model of risk capacity for global portfolio investors in which swings in exchange rates can affect their risk-taking capacity in a Value-at-Risk framework. Exchange rate fluctuations induce shifts in portfolio holdings of global investors, even in the absence of currency mismatches on the part of the borrowers. A currency appreciation for an emerging market borrower that is part of a broad-based appreciation of emerging market currencies leads to larger bond portfolio inflows than the equivalent appreciation in the absence of a broad-based appreciation. As such, the broad dollar index emerges as a global factor in bond portfolio flows. The empirical evidence strongly supports the predictions of the model. **TAGS:** **Financial Analysis**; **Cost and Risk**; **Foreign Debt**; **Financial stability**

Institutional and Organizational Framework

Central Bank communication with the general public: promise or false hope? **(2022)**
Alan S. Blinder, Michael Ehrmann, Jakob de Haan, David-Jan Jansen – ECB
Central banks are increasingly reaching out to the general public to motivate and explain their monetary policy actions. One major aim of this outreach is to guide inflation expectations; another is to ensure accountability and create trust. This article surveys a rapidly-growing literature on central bank communication with the public. The authors first discuss why and how such communication is more challenging than communicating with expert audiences. Then the authors survey the empirical evidence on the extent to which this new outreach does in fact affect inflation expectations and trust. On balance, the authors see some promise in the potential to inform the public better, but many challenges along the way. **TAGS:**

Transparency; Debt and fiscal/monetary policies

International and Macroprudential Regulations

International Investment Law and the Stifling Threat of Debt (2022)

David Schneiderman - University of Toronto

The object of the paper is to recover the institutional memory of the 1980s debt crisis, when the decolonized world experienced forms of tutelage at the hands of international financial institutions, so as to sketch out continuities and discontinuities with investment law's present. The paper asks whether damage awards in investment arbitration serve functions analogous to state indebtedness in the 1980s. As during the 1980-89 debt crisis, states are expected to generate the conditions for investor confidence by, among other things, guaranteeing rights to property and to contract. State indebtedness, in both periods, places stress on government budgets and reduces the living standards of poor people, contributing to heightened inequality within and between states. The chapter begins with a social-theoretical discussion of how debt serves to curb the possibilities for political action. This is followed by a review of IMF borrowing practices in the 1980s and a discussion of the merits of comparison with contemporary investment law. The narrative frames arising during the 1980s debt crisis that continue to have resonance in the era of investment law are taken up in subsequent sections, focusing on the refrains of mismanagement, the missing development angle, shrunken policy space, and irrelevance of ability to pay. The method is predominantly qualitative although reference will be had to relevant empirical work. In the course of the discussion, the Tethyan Copper v. Pakistan (2019) ruling is periodically revisited as a specimen of how tribunals arrive at damages assessments in investment arbitration. The upshot is that indebtedness in the contemporary world serves functions similar to that in the 1980s: to constrain policy capacity in a wide range of sectors. These binding constraints serve the interests of only a small set of actors while those rendered most vulnerable by these constraints are relegated to the margins. **TAGS:** International and Macroprudential Regulations; Debt crisis; Debt and fiscal/monetary policies

Debt Restructuring

Draft Proposal for a Foreign Sovereign Debt Restructuring Law (2022)

Daniel Reichert-Facilides - Institute for Law and Finance

Reflecting widespread concern as to the effectiveness of the G20 Common Framework, the paper presents a short proposal for domestic legislation to facilitate the enforcement of automatic stays and comparable treatment of private creditors in sovereign debt restructurings. It builds on recent recommendations from the IMF and the World Bank for the implementation and expansion of the Common Framework, and on increasing support from practitioners and academics for domestic legislation as a crucial element for the improvement of the international financial architecture. **TAGS:** Debt Restructuring; Contract standards

Debt-for-Climate Swaps: Analysis, Design, and Implementation (2022)

Marcos Chamon, Erik Klok, Vimal Thakoor, Jeromin Zettelmeyer - International Monetary Fund, Ministry of Foreign Affairs NL

This paper compares debt-for-climate swaps—partial debt relief operations conditional on debtor commitments to undertake climate-related investments—to alternative fiscal support instruments. Because some of the benefits of debt-climate swaps accrue to non-participating creditors, they are generally less efficient forms of support than conditional grants and/or broad debt restructuring (which could be linked to climate adaptation when the latter significantly reduces credit risk). This said, debt-climate swaps could be superior to conditional grants when they can be structured in a way that makes the climate commitment de facto senior to debt service; and they could be superior to comprehensive debt restructuring in narrow settings, when the latter is expected to produce large economic dislocations and the debt-climate swap is expected to materially reduce debt risks (and achieve debt sustainability). Furthermore, debt-climate swaps could be useful to expand fiscal space for climate investment when grants or more comprehensive debt relief are just not on the table. The paper explores policy actions that would benefit both debt-climate swaps and other forms of climate finance, including developing markets for debt instruments linked to climate performance. **TAGS:** Debt Restructuring; Debt relief; Climate change; Green bonds

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Mass Sovereign Debt Litigation: A Computer-Assisted Analysis of the Argentina Bond Litigation in the U.S. Federal Courts 2002-2016 (2022)

Gregory Makoff, Mark C. Weidemaier - Centre for International Governance Innovation, University of North Carolina School of Law

This article presents a computer-assisted analysis of the first large-scale mass litigation of sovereign debt claims. Between 2002 and 2016, hundreds of lawsuits were filed against Argentina in the United States, virtually all in the Southern District of New York. Historically, litigation against a foreign government would have involved a few hedge funds that had invested in debt at distressed prices. Argentina faced thousands of investors, including small retail bondholders, in litigation that more closely resembled a mass tort or federal multidistrict litigation than any prior episode involving a sovereign's debt default. This article combines traditional analysis of court records with computer-assisted analysis of dockets and hearing transcripts using machine learning techniques. It provides a comprehensive account of the Argentina bond litigation, demonstrating that a wide range of investment funds and even retail investors can finance and aggressively pursue litigation against a foreign state. The article develops metrics to measure the intensity of litigation, shows that a relative handful of cases and litigants generated disproportionate activity, and reveals patterns in how groups of plaintiffs competed and coordinated. The findings suggest that, despite recent reforms designed to reduce litigation, sovereign debt litigation is here to stay. **TAGS:** Debt Restructuring; Sovereign defaults; Sovereign debt litigation

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Accounting, Statistics, Reporting and Auditing

Standardized Sovereign Debt Statistics for Latin America and the Caribbean: Analysis of Regional and Country Trends and Cross-Country Comparisons (2022)

Joan Prats, María Eugenia Pereira - Inter-American Development Bank

This document analyzes gross and net public debt data for countries in the Latin American and Caribbean (LAC) region up to December 2020. It provides a unique overview of the main characteristics of the regions debt and a comparative analysis of its most pressing risks (currency, maturity, rate, and credit). Its main purpose is to assess the changes in size and composition of debt for the region and to provide a comparative analysis of the diverse country cases that comprise it. 2020 was an atypical and pressing year in fiscal demands motivated by the COVID-19 pandemic, leading to increased financing needs and thus a potential to disrupt the characteristics of debt. Using debt data collected since 2006 by the IDBs LAC Debt Group, the analysis aims to contextualize the 2020 debt structure. It also analyzes LAC debt in the first year of the pandemic, examining its evolution between June 2020 and June 2021 and provides an overview of key variables for debt in LAC countries. **TAGS:** **Debt Statistics**; **COVID-19**

Macroeconomic Analysis

Counter-cyclical fiscal rules and the zero lower bound **(2022)**

Sebastian Hauptmeier, Christophe Kamps, Lucas Radke - European Central Bank, University of Cologne

The authors analyse the effectiveness of optimal simple and implementable monetary and fiscal policy rules in stabilising economic activity, inflation and government debt in face of an occasionally binding lower bound on the nominal interest rate in a New Keynesian model. The authors show that, within the traditional assignment of active monetary policy and passive fiscal policy, the optimal fiscal policy rule features a strong counter-cyclical response to the deviation of inflation from the central bank's target - providing significant macroeconomic stabilisation especially at the lower bound - while also featuring a strong response to government debt. Their quantitative results show that the optimal counter-cyclical fiscal feedback to inflation significantly improves welfare and reduces the lower-bound frequency. In addition, the optimal simple monetary and fiscal rules almost completely resolve the deflationary bias associated with the lower bound. **TAGS:** **Debt and fiscal/monetary policies**; **Debt sustainability**

Economic Growth After Debt Surges **(2022)**

João Tovar Jalles, Paulo Medas - University of Lisbon, IMF

Debt levels, both private and public, were already at record highs before the Covid-19 pandemic and surged further in 2020. The high indebteness raises concerns whether it will undermine future growth prospects. This paper contributes to the ongoing debate by examining what happens to economic growth after debt surges. The authors apply a local projection method to a new dataset of debt surges in 190 countries between 1970 and 2020. Their results show that the relationship between debt surges and economic growth are complex. Debt surges tend to be followed by weaker economic growth and persistently lower output. However, this negative relationship does not always hold. Surges in public debt tend to have the most negative impact on future growth prospects. This is particularly the case if the economy is already operating with a large positive output gap. Debt surges also tend to be followed by weaker economic growth if the initial debt levels are high, especially for private debt surges. Their results also show how debt surges impact future growth. Public debt surges are associated with especially weaker private and public investment, although both private and public consumption are also negatively affected. Surges in corporate debt are followed by lower private and public investment. **TAGS:** **Debt and growth**; **Debt sustainability**

The Systemic Impact of Debt Default in a Multilayered Global Network Model **(2022)**

Nathan Porter, Camilo E. Tovar, Juan P. Treviño, Johannes Eugster, Theofanis Papamichalis - IMF

The world has become more interconnected over the past few decades. Against this backdrop, economic and financial contagion following adverse shocks can have a severe impact on the global economy. How systemic can the effects of contagion be? What specific transmission channels are involved? What is their relative importance? The authors address these questions using a multilayered global network model of contagion that simulates the impact of sovereign debt default on the global economy. The authors also develop a measure of global systemic risk and use bank stress testing techniques to quantify the systemic impact of the shock and the extent of contagion on the global economy. Their model shows that economic and financial contagion are highly non-linear, and many bystander economies can experience significant negative effects as the initial default is spread through the network. This suggests that many economies might be systemically more important than what conventional measures of size or openness might suggest. **TAGS:** **Sovereign defaults**; **Financial stability**

The Economics of Sovereign Debt, Bailouts and the Eurozone Crisis **(2022)**

Pierre-Olivier Gourinchas, Philippe Martin, Todd Messer - UC Berkeley, Sciences Po, FED

Despite a formal 'no-bailout clause; the authors estimate significant net present value transfers from the European Union to Cyprus, Greece, Ireland, Portugal, and Spain, ranging from roughly 0.5% (Ireland) to a whopping 43% (Greece) of 2010 output during the Eurozone crisis. The authors propose a model to analyze and understand bailouts in a monetary union, and the large observed differences across countries. The authors characterize bailout size and likelihood as a function of the economic fundamentals (economic activity, debt-to-gdp ratio, default costs). Their model embeds a 'Southern view' of the crisis (transfers did not help) and a 'Northern view' (transfers weaken fiscal discipline). While a stronger no-bailout commitment reduces risk-shifting, it may not be optimal from the perspective of the creditor country, even ex-ante, if it increases the risk of immediate insolvency for high debt countries. Hence, the model provides a potential justification for the often decried policy of 'kicking the can down the road.' Mapping the model to the estimated transfers, the authors find that the main purpose of the outsized Greek bailout was to prevent an exit from the eurozone and possible contagion. Bailouts to avoid sovereign default were comparatively modest. **TAGS:** **Sovereign defaults**; **Debt Policy**

The Impact of Climate Change on Budget Balances and Debt in the Middle East and North Africa (MENA) Region **(2022)**

Eleftherios Giovanis, Oznur Ozdamar - Izmir Bakircay University International Trade and Business, Aydın Adnan Menderes University

Lower tax revenues and greater government spending result in higher deficits and public debt. As a result, determining the degree of budgetary effects is vital, but important to assess the persistence of these effects. We aim to investigate the impact of climate change on the fiscal balance and public debt in the countries of the Middle East and North Africa. The empirical analysis relies on panel data in the period 1990-2019 and employs various models. The findings show that temperature changes adversely affect the government budget and increase debt, but the authors find no significant impact of changes in rainfall. The average temperature decreases fiscal balance by 0.3 percent and increases debt by 1.87 percent. Using projections of temperature and rainfall over the years 2020 to 2099, the authors find a significant decrease in the fiscal balance at 7.3 percent and an increase in the public debt at 16 percent in 2060-2079 and 18 percent in 2080-2099 under the assumption of a high greenhouse gas (GHG) emissions scenario. On the contrary, under the low GHG emissions scenario, the fiscal balance deteriorates by 1.7 percent in 2020-2039 and 2.2 percent in 2080-2099, while public debt rises by 5 percent in 2020-2039 and 6.3 percent in 2080-2099. **TAGS:** **Climate change**; **Debt sustainability**

Stock-Flow Adjustments, Public Debt Management and Interest Costs (2022)

Fabrizio Casalin, Floriana Cerniglia, Enzo Dia - Bicocca University, Catholic University of Lille

The authors find evidence of a non-linear relationship between stock-flow adjustments and debt levels that is different for low- and high-debt economies. Stock-flow adjustments are largely a by-product of efficient public debt management. The authors study an alternative measure of interest costs on debt — dubbed shadow interest costs — that accounts for the effects of stock-flow adjustments, allowing stock-flow consistent analyses of debt dynamics. Shadow interest costs are larger, more volatile, and sensitive to changes in macroeconomic conditions than standard interest costs. The dynamics of shadow interest costs is largely shaped by common global factors that mirror U.S. interesse rates.**TAGS: Financial Analysis**; **Sovereign bonds yields**; **Debt sustainability**

Back to the Well? Untangling the New Debt Accumulation, COVID 19 and Social Crisis in Africa (2022)

Samuel Ojo Oloruntoba - Institute of African Studies, Carleton University

The high hopes that the debt forgiveness and rescheduling of the early 2000s would boost the fiscal space in Africa through savings from the high costs of debt servicing is fast disappearing. The post 2008-2009 global financial crises have brought new regime of debt accumulation in Africa. The sharp fall in commodity prices from 2014 affected the major economies like Nigeria, South Africa, Angola, Zimbabwe with many of these countries entering recessions in quick successions. According to the International Monetary Fund, at least seventeen countries, representing roughly a quarter of the continent's GDP, are either at debt distress or high risk of debt distress. From Nigeria to South Africa, debt to GDP ratio has grown dramatically. […] **TAGS: Debt relief**; **Debt sustainability**; **Financial stability**; **Debt and fiscal/monetary policies**; **COVID-19**

External public debt in Jordan: from crisis to reform (2022)

Nooh Alshyab, Serena Sandri - Yarmouk University, German Jordanian University

The fall of international oil prices by the mid-1980s and the associated economic downturn of the oil-rich countries of the Gulf represented a turning point in the economic history of Jordan, which has been historically dependent on international aid and workers' remittances. Expansionary policies, failing to recognize the reduced inflow of external rent, led to an unprecedented rise in public debt. The situation culminated in 1989 in a deep financial crisis which induced Jordan to start a comprehensive economic reform program, inspired by the principles of the Washington Consensus. This study aims at investigating the emergence and main sources of Jordanian public debt, focusing on its external components. Based on archival research and interviews with experts, the study analyses the main reasons behind the rapid public debt increase in the second half of the 1980s and discusses its sustainability in relation to main creditor nations, negotiations with the donor community, conditionality of support, and implementation of reforms. The analysis reveals that before the 1989 crisis, there was no centralized management of public debt and debt was contracted to finance the needs of a bloated state apparatus and was not linked to comprehensive development strategies. **TAGS: Foreign Debt**; **Debt Policy**; **Debt composition**; **Debt sustainability**; **Multilateral financing**

Analyzing Greece 2010 Memorandum's impact on Macroeconomic and Financial Figures through FCM (2022)

Stavros P. Migkos, Damianos P. Sakas, Nikolaos T. Giannakopoulos, Georgios Konteos, Anastasia Metsiou - University of Western Macedonia, University of Athens

The financial crisis of 2008 has caused a series of drawbacks to economies around the world. Greek economy has been hit twice at 2009, since its credibility worsened, provoking the implication of harsh fiscal measures from the 2010 Memorandum of Understanding (MoU). The effects of these measures to Greek macroeconomic figures have been widely criticized. Authors aim to estimate these effects at the macroeconomic figures of Greece through utilization of Decision Support Systems, and propose accurate insights regarding their efficacy. By capitalizing on regression analysis and Fuzzy Cognitive Mapping processes, specific results from 2010 Memorandum's measures arise. It has been calculated that measures implied by 2010 Memorandum have been harsh and posed a negative effect on key Greek macroeconomic figures like GDPR, public debt, etc., especially with the ongoing 2008 financial crisis. **TAGS:** Debt and fiscal/monetary policies; Debt crisis; Debt sustainability; Structural policies

Economic Policies

Fiscal Monetary Services and Inflation (2022)

Andrew Keinsley - Weber State University

In this paper the author uses a Fisher ideal index to track the monetary services provided by marketable US government debt. To do so, he first develops the theory necessary to consider using such a statistical index number, shows how the value of these fiscal monetary services expand the fiscal capacity to borrow, and provides evidence that the monetary services are primarily safety services. The author then uses Jorda (2005) projections to estimate the impact of such monetary services on inflation. He finds that a one-percent increase in fiscal monetary services produces a positive and statistically significant inflationary response that peaks between four and five basis points and persists for ten months. Given that the average growth rate of the fiscal monetary services in his sample is 2.5 percent, the impact is also economically significant. Together, these results suggest that there is a monetary services channel to the fiscal theory of the price level. **TAGS:** Debt and fiscal/monetary policies; Debt sustainability

Inflation, Global Financial Crisis, and COVID-19 Pandemic (2022)

Grzegorz Jałtuszyk - SGH Warsaw School of Economics

In the years 2021-2022, world inflation has drastically increased. The analyses of the main characteristics of the 2007-2009 financial crisis and of the economic crisis caused by COVID-19 pandemic as well as of the rise in total debt of the non-financial sector suggest that the growth of inflation was triggered by excessive debt growth of the government sector in 2020-2021. In that period, the main goal of the debt growth of the government sector was to finance the aid schemes limiting the negative effects of the COVID-19 pandemic. These aid programmes were indispensable to avoid deep and long-term global economic recession, however their value was too high to keep inflation in the world under control. Fiscal intervention of particular countries should be coordinated internationally, as the cumulative result of the operations undertaken by particular states might have detrimental effect globally. **TAGS:** Debt and fiscal/monetary policies; COVID-19 Debt sustainability

Public Financing Under Balanced Budget Rules PEPP and NGEU: Short-term Reactions to the Monetary and Fiscal Policy Paradigm Shift in Light of the Lagarde Gaffe (2022)

Thomas Jopp - University of Wuerzburg

This paper examines the short-term financial market reactions of four issuer-specific gauges for different euro area countries in relation to PEPP (Pandemic Emergency Purchase Programme) as well as NGEU (Next Generation EU) events in 2020 using event-based regressions. In addition, the Lagarde gaffe (". . . we are not here to close spreads.") on 12/3/2020 is taken into account. The gauges are the ten-year bond yield, credit spread, CDS spread and CDS-bond basis. The results suggest that the PEPP and the NGEU seem to have been effective in principle, especially for countries with a high sovereign debt ratio. However, the reactions of these countries' gauges to the Lagarde gaffe indicate that shifting away from the European Central Bank's "whatever it takes" stance will prove to be extremely difficult. This is highly relevant in the context of the current battle against high inflation rates in the euro area. **TAGS:** **Debt and fiscal/monetary policies**

Do citizens care about government debt? Evidence from survey experiments on budgetary priorities **(2022)**

Björn Bremer, Reto Bürgisser - Max Planck Institute for the Study of Societies, University of Zurich

Ever since the Great Recession, public debt has become politicised. Some research suggests that citizens are fiscally conservative, while other research shows that they punish governments for implementing fiscal consolidation. This begs the question of whether and how much citizens care about debt. The authors argue that debt is not a priority for citizens because reducing it involves spending and tax trade-offs. Using a split-sample experiment and a conjoint experiment in four European countries, the authors show that fiscal consolidation at the cost of spending cuts or taxes hikes is less popular than commonly assumed. Revenue-based consolidation is especially unpopular, but expenditure-based consolidation is also contested. Moreover, the public has clear fiscal policy priorities: People do not favour lower debt and taxes, but they support higher progressive taxes to pay for more government spending. The article furthers our understanding of public opinion on fiscal policies and the likely political consequences of austerity. **TAGS:** **Debt sustainability**; **Debt and fiscal/monetary policies**

Hard or soft landing?

Frederic Boissay, Fiorella De Fiore and Enisse Kharroubi – Bank of International Settlement

Inflation is now at its highest level in several decades and threatens to become entrenched. Whether inflation is demand- or supply-driven, central banks have little choice but to tighten policy to lower aggregate demand and bring inflation back to target. Evidence from past tightening cycles suggests that strong growth and high job vacancies, as well as front-loaded rate hikes, can help prevent a hard landing. But rapidly increasing inflation, low term spreads and elevated debt levels raise the risk of a recession, particularly in the face of persistent negative supply shocks. Central banks need to steer a narrow course between tightening too much or too quickly, which could precipitate a hard landing, and tightening too little or too late, which could lead to inflationary pressures becoming ingrained, necessitating more costly measures down the road. **TAGS:** **Debt and fiscal/monetary policies**; **Economic Forecasts**; **Sovereign bonds yields**

How large is the Risk of Stagflation in the Eurozone? **(2022)**

Markus Demary, Michael Hüther - German Economic Institute (IW)

The rapid recovery of demand combined with supply constraints has led to rising prices during the past months. This is evident in oil and gas markets, but also in international trade, which has been thrown out of step by bottlenecks at Asian ports. This situation creates a trade-off for the European Central Bank, because a more expansionary monetary policy cannot mitigate the supply bottlenecks and supply-side restrictions, while a more restrictive monetary policy would slow down the economic recovery. For this reason, key interest rate hikes in the eurozone are not to be expected for 2022. If the supply-side factors become persistent and wage policy tries to pass the price effects on, monetary policy will be forced to become restrictive. **TAGS:** **Debt and fiscal/monetary policies**; **Economic Forecasts**; **Debt and growth**

Addressing Sovereign Debt Challenges in the Era of Covid-19 and Beyond: The Role of the United Nations **(2022)**

Alberto Isgut – Economic and Social Commission for Asia and the Pacific (ESCAP)

The COVID-19 pandemic has caused an extraordinary socioeconomic crisis throughout the world. To control the spread of the deadly virus and reduce pressure on overwhelmed health systems, governments have imposed unprecedented social distancing policies, including lockdowns, business closures and travel bans. These emergency policies have succeeded in flattening the curve of contagion and saved lives, but they also have resulted in the sudden disappearance of millions of jobs, and countless business being brought to be verge of bankruptcy. These socioeconomic consequences have been met with a robust and fast policy response. According to IMF (2020a), the global fiscal response as of September 2020 – which included additional spending, temporary tax cuts and liquidity support to businesses through loans, guarantees, and capital injections – amounted to $11.7 trillion, or close to 12 per cent of global gross domestic product (GDP). The global monetary response has been equally aggressive, with central banks of the G10 countries expanding their balance sheets by $7.5 trillion, and 20 emerging market central banks deploying asset purchases for the first time (IMF, 2020b). […] **TAGS:** **Debt and fiscal/monetary policies**; **Multilateral financing**; **COVID-19**; **Debt and growth**; **Financial stability**; **Debt sustainability**

Economic Policy Uncertainty, Social Financing Scale and Local Fiscal Sustainability: Evidence from Local Governments in China **(2022)**

Yuanting Xia, Wenxiu Hu, Zhenxing Su - Xi'an University of Technology, Xi'an International Studies University, China

The motivation for this paper is to investigate a previously unexplored exogenous shock to fiscal sustainability from economic policy uncertainty. To control for the impact of local government institutional and cultural factors on fiscal sustainability, the authors select data from 30 Chinese provinces for the 2012–2020 period for empirical analysis. The authors find that economic policy uncertainty shocks have a robust negative effect on fiscal sustainability after controlling for endogeneity. Economic policy uncertainty has an impact on fiscal sustainability mainly through the mediating variable of the social financing scale. To cope with the impact of uncertain economic policies, corporations reduce the scale of investment and financing, and residents have defensive savings motivations, reducing consumption and increasing savings. Therefore, economic policy uncertainty can lead to a reduction in the social financing scale. A reduction in the social financing scale can reduce government revenue and increase the debt scale. Ultimately, this leads to a decrease in the fiscal sustainability of local governments. This paper can provide a theoretical reference for reducing the negative impact of government policy adjustments and improving fiscal sustainability. **TAGS:** **Debt and fiscal/monetary policy**; **Debt sustainability**;

Financial stability; Subnational debt; COVID-19

Is EU Fiscal Governance Effective? A Case Study for the Period 1999-2019 (2022)

Panagiotis Liargovas, Vasilis Pilichos - University of Peloponnese, Centre of Planning and Economic Research (KEPE)

This paper examines the factors that influence the effectiveness of fiscal governance in the EU through a panel of 19 Eurozone countries for the period 1999–2019 using an OLS method. The results show the positive effects of economic growth, inflation and the change in the general government balance on the fiscal forecast error. Furthermore, the fiscal forecast error is negatively affected by the level of public debt and by elections. Fiscal transparency is integrated into the analysis through independent financial institutions, which positively influence the general government balance forecast error. Finally, Economic Adjustment Programs have a positive effect on the fiscal forecast error, thus improving the efficiency of fiscal governance. This paper suggests that independent budgetary institutions, such as fiscal councils, and the delegation of further responsibilities to them increase countries' sustainability of public finances. **TAGS:** Debt and fiscal/monetary policies; Debt Forecasts; Transparency; Debt sustainability

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Monetary Finance: Do Not Touch, or Handle with Care? (2022)

Itai Agur, Damien Capelle, Giovanni Dell'Ariccia, and Damiano Sandri – IMF

Over the past decade and a half, the world economy has confronted two major crises—the global financial crisis (GFC) and the COVID-19 pandemic. In both, central banks responded by cutting interest rates and deploying unconventional monetary policy tools in several countries. These measures certainly helped to support economic activity and maintain financial stability. Yet various countries were pushed in a liquidity trap with interest rates close to zero while public debt rose to historic highs. Against this background, a debate ensued about whether central banks should take even more unorthodox measures, including reconsidering the well-established opposition to monetary finance (MF)—that is, the financing of the government via a permanent increase in the monetary base. This paper reviews the theoretical arguments in favor and against MF and presents an empirical assessment of the risks that it may pose for inflation. **TAGS:** Debt and fiscal/monetary policies; Market Liquidity; Debt crises

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Debt sustainability and monetary policy: the case of ECB asset purchases (2022)

Enrique Alberola-Ila, Gong Cheng, Andrea Consiglio and Stavros A. Zenios - BIS, University of Palermo, University of Cyprus

The authors incorporate monetary policy into a model of stochastic debt sustainability analysis and evaluate the impact of unconventional policies on sovereign debt dynamics. The model optimizes debt financing to trade off financing cost with refinancing risk. The authors show that the ECB pandemic emergency-purchase programme (PEPP) substantially improves debt sustainability for euro area sovereigns with a high debt stock. Without PEPP, debt would be on an increasing (unsustainable) trajectory with high probability, while, with asset purchases, it is sustainable and the debt ratio is expected to return to pre-pandemic levels by about 2030. The improvement in debt dynamics extends beyond the PEPP and is larger for more gradual unwinding of the Central Bank balance sheet. Optimal financing under PEPP induces an extension of maturities reducing the risk without increasing costs. The analysis also shows that inflation surprises have relatively little impact on debt dynamics, with the direction and magnitude of the effect depending on the monetary policy response. **TAGS:** [Debt sustainability]; [Debt and fiscal/monetary policies]

[Rethinking Sovereign Debt from Colonial Empires to Hegemony] **(2021)**

Pierre Pénet, Juan Flores Zendejas - Oxford Academic

This descriptive chapter identifies the available narratives on the evolution of sovereign debt across the four historical clusters the authors have chosen to examine and show how this volume updates and complements existing research. Consistent with the diplomatic framework outlined in the introduction, the authors survey patterns of similarities and differences between clusters in terms of risk analysis, legal clauses, bargaining power, and conceptions of state responsibility. Their periodization will not surprise the reader inasmuch it broadly conforms to the conventional reading that the Great Depression and the collapse of the Bretton Woods system in 1971 were two critical junctures that deeply altered the form of creditor–debtor interactions in the sovereign sector. Yet, as the authors show below, this volume also makes substantial amendments to this conventional story. First, their focus on colonial history from the nineteenth-century building of empires to postcolonial transitions allows to diversify and identify discrepancies in the available narratives on each periods. Second, their attention to colonialism leads us to pay sustained attention to debt disputes arising during the postcolonial transitions of the 1960s–70s, a cluster of defaults which has not received sufficient scholarly attention. As explained below, their proposal to jointly analyse the historical threads of sovereign debt and colonialism allows for revisiting certain well-known cases of debt disputes and to examine previously unknown or little known events. The last section of this chapter presents the general organization of the volume as well as the list of selected case studies. **TAGS:** [Debt and fiscal/monetary policies]; [Sovereign defaults]; [Debt sustainability]

Multilateral Financing

[Update on the Joint World Bank/IMF Multipronged approach to address Debt Vulnerabilities] **(2022)**

World Bank - IMF

Amid rising debt risks in low-income developing countries and emerging markets, the IMF and the WB have been implementing a multipronged approach (MPA) to address debt vulnerabilities. Amplification of debt risks owing to COVID-19 has upped the urgency to implement the MPA and highlights the importance of debt sustainability and transparency for long-term financing for development. At the same time, it should be noted that countries have limited capacities which are further stretched by COVID-19 and that implementation of the MPA by itself may not be sufficient to address debt vulnerabilities and risks from global economic shocks. The MPA is organized around four mutually-reinforcing pillars. It seeks to (i) strengthen debt transparency by helping borrowing countries, and by reaching out to creditors, to make better public sector debt data available; (ii) support capacity development in public debt management to avert and mitigate debt vulnerabilities; (iii) provide suitable tools to analyze debt developments and risks; and (iv) explore adapting the IMF's and World Bank's lending policies to better address debt risks and promote efficient resolution of debt crises. **TAGS:** [Transparency]; [Debt crisis]; [Debt Policy]; [Best Practices]; [Debt sustainability]; [Financial stability]; [World Bank]; [Multilateral financing]

[Making Debt Work for Development and Macroeconomic Stability] **(2022)**

World Bank - IMF
The coronavirus crisis has stiffened debt and development-related headwinds that had become strong even before 2020. Sustaining development while maintaining debt sustainability has been made harder by the protracted effects of the pandemic on public finances, earnings and employment, and human capital accumulation of vulnerable populations. The fiscal support programs financed by public debt provided relief and saved lives and livelihoods. But debt-induced uncertainty can now dampen investment and growth, especially given rising global interest rates. Bigger debt servicing burdens will reduce available fiscal space for development and stabilization and growing sovereign debt financing needs can crowd out domestic investment. Over-indebtedness can adversely affect economic development through many channels—"debt overhang," "fiscal space," "crowding out" and increased crisis risk — making countries vulnerable to abrupt changes in market sentiment, jeopardizing both stability and growth. […] **TAGS:** **Debt and fiscal/monetary policies**; **Debt and growth**; **COVID-19**; **Multilateral financing**; **Debt Policy**; **Debt Restructuring**; **Financial stability**; **Debt sustainability**; **Structural policies**

Debt Management Monitor 2022: DMF Country Profiles - Debt Management Technical Assistance **(2022)**

Razlog, Lilia - World Bank
During 2021, the public debt outlook for developing countries and emerging markets continued to worsen due to the impact of the Coronavirus (COVID-19) pandemic. The crisis drove up fiscal pressures and elevated financing needs, while weakening countries' capacity to service and repay public debt. This edition of the Debt Management Monitor (DMM) is designed to inform stakeholders and partners of public debt trends and vulnerabilities in DMF-eligible countries and to track their recent progress in improving debt management. For each country, the DMM covers recent macro-fiscal developments, the evolution of the debt stock and debt financing, debt management performance, debt-management TA received under the DMF, relevant reform actions undertaken by the authorities, the government's publicly disclosed debt-portfolio risk profile, and debt issuances in domestic and international markets. The DMM is intended to contribute to the monitoring and evaluation framework of the DMF program and to promote debt transparency in DMF countries. **TAGS:** **Debt Policy**; **Multilateral financing**; **Debt and fiscal/monetary policies**; **Debt sustainability**; **Transparency**; **World Bank**

Reports

Green Bond Market Survey for the Philippines: Insights on the Perspectives of Institutional Investors and Underwriters
ADB Asian Development Bank
This publication draws on findings from a survey on the Philippines' green bond market to provide insights on what support is needed to further develop the country's sustainable finance market. The survey assessed the interest of institutional investors in green bond issuances in the Philippines. It helped identify drivers and impediments for the development of country's sustainable finance market as well as priority areas in which ADB and other development partners could provide support. **TAGS:**

Green bonds; **Institutional Investors**; **Sovereign debt market**; **Bond market development**

Asian Development Outlook (ADO) 2022 Supplement: Recovery Faces Diverse Challenges

ADB Asian Development Bank

ADB has lowered its growth forecasts for developing Asia from 5.2% to 4.6% for 2022 and from 5.3% to 5.2% for 2023. The downward revisions to the forecasts made in April reflect worsened economic prospects due to slower expansion in the People's Republic of China (PRC), more aggressive monetary tightening in advanced economies, and fallout from the continued Russian invasion of Ukraine. **TAGS: Economic Forecasts**; **Debt Forecasts**; **Debt and fiscal/monetary policies**

BIS Quarterly Review, September 2022

BIS

Worsening growth prospects and evolving perceptions of the monetary stance shaped financial markets during the review period. Economic indicators deteriorated due to the fallout from the Ukraine war and weakness in China. Market-based expectations of inflation and policy rates fluctuated as monetary tightening quickened globally and energy disruptions intensified in Europe. All these factors swayed financial conditions and contributed to market volatility. […] **TAGS: Secondary Markets**; **Financial stability**; **Debt and fiscal/monetary policies**; **Market Liquidity**; **Sovereign bonds yields**

How does excessive Debt hurt an Economy?

Michael Pettis - Peking University's Guanghua School of Management

Most economists have trouble understanding why too much debt may harm an economy, let alone how much debt counts as too much. To make matters worse, the common practice of comparing vastly different countries' debt-to-GDP levels is not a useful tool for gauging how a particular economy is likely to manage its debt burden. […] **TAGS: Debt Policy**; **Debt Statistics**; **Debt sustainability**; **Financial stability**; **Debt and fiscal/monetary policies**

Inflation expectations and interest rate swap returns

Macrosynergy Research

Inflation expectations wield great influence over fixed income returns. They determine the nominal yield required for a given equilibrium real interest rate, they influence inflation risk premia, and they shape the central bank's course of action. There is no uniform inflation expectation metric than can be tracked in real-time. However, there are useful and complementary proxies, such as market-based breakeven inflation and economic data-based estimates. For trading strategies, these two can be combined. The advantage of breakeven rates is the real-time tracking of a broad range of influences. […] **TAGS: Financial Analysis**; **Derivatives**; **Sovereign risk premia**

When the debt crises hit, don't simply blame the pandemic

Marcello Estevão, Sebastian Essl - World Bank

Every debt crisis begins with unheeded warnings and ends with severe limits on investment in education, health, and infrastructure among other things. These crises often spark civil unrest and government collapse, delivering a lasting setback to the growth prospects of the affected country. In the wake of the COVID-19 pandemic, global debt has surged. Today, 58 percent of the world's poorest countries are in debt distress or at high risk of it, and the danger is spreading to some middle-income countries as well. High inflation, rising interest rates, and slowing growth have set the stage for financial crises of the type that engulfed a series of developing economies in the early 1980s. […] **TAGS:**

COVID-19; **Debt crisis**; **Debt and fiscal/monetary policies**

Raising the bar on debt data transparency

Carmen Reinhart, Takahiro Tsuda, Nada Hamadeh Diego Rivetti - World Bank

Total public debt stands at an alarming 50-year high in low- and middle-income economies, the equivalent of more than 200 percent of government revenues. With the pandemic-induced economic slowdown, the impact of the war in Ukraine, and the rise of interest rates, many countries are facing severe challenges in servicing their debt. According to the World Bank's recent International Debt Statistics 2022 report, as a result of COVID-19, the external debt burden of the world's low-income countries rose by 12% to a record $860 billion in 2020 —the fastest accumulation since World War II. […] **TAGS:** **Transparency**; **Debt sustainability**; **Accounting, statistics, Reporting and Auditing**

Green Bond Market Survey for the Lao People's Democratic Republic: Insights on the Perspectives of Institutional Investors and Underwriters

Asian Development Bank

This publication draws on findings from a survey on the green bond market in the Lao People's Democratic Republic to provide insights on what support is needed to further develop the country's sustainable finance market. The survey assessed the interest of institutional investors in green bond issuances in the Lao PDR. It helped identify drivers and impediments for the development of country's sustainable finance market as well as priority areas in which ADB and other development partners could provide support. […] **TAGS:** **Primary market**; **Green bonds**; **Debt sustainability**; **Institutional Investors**; **Bond market development**

Latin America isn't at risk of a 1980s-style crisis (but an era of missed opportunities looms)

Carlos Felipe Jaramillo, Marcello Estevão - World Bank

Food lines that stretch across multiple city blocks. Spiraling unemployment. Out-of-control inflation. Unsustainable debt. These issues, which traumatized many economies across Latin American in the 1980s, continue to reverberate today and, given current economic conditions, you could be forgiven for fearing that history is about to repeat itself. However, the region's biggest risk at present is not another "lost decade" fueled by financial crises, but rather a decade of missed opportunities. […] **TAGS:** **Debt crisis**; **Debt Restructuring**; **Debt and fiscal/monetary policies**; **Financial stability**; **Debt sustainability**

Recession's coat of many colours

ING Think Economic and Financial Analysis

Different shades of recession are spreading across the globe at record speed as soaring inflation, geopolitical tensions, and astronomical gas prices show no signs of abating. As central banks grapple with working out how to balance inflation and growth, there's one thing we're sure of: tough times lie ahead. […] **TAGS:** **Economic Forecasts**; **Debt Forecasts**; **Market Liquidity**; **Secondary Markets**; **Debt and fiscal/monetary policies**

How rising interest rates are impacting the bond market

US Wealth Management

The interest rate environment changed dramatically in 2022. The benchmark 10-year U.S. Treasury note yielded 1.5% at the end of 2021, but quickly moved higher. By May, the yield topped 3% and in June, the 10-year Treasury yield reached its highest level in 11 years, 3.485.1 This was generally considered a negative development for bond investors because of the inverse relationship between bond yields and bond prices. When yields rise, prices of bonds already in the market fall. This is a function of supply and demand in the marketplace. When demand for bonds declines, issuers of new bonds are forced to offer higher yields to attract buyers. That reduces the value of existing bonds that were issued at lower interest rates. Bondholders were hard hit by this environment in the opening months of the year. […] **TAGS: Financial Analysis**; **Secondary Markets**; **Sovereign bonds yields**

Analytical Perspectives - Budget of the US Government - FY 2023

U.S. Government

Budget of the United States Government, Fiscal Year 2023 contains the Budget Message of the President, information on the President's priorities, and summary tables. Analytical Perspectives, Budget of the United States Government, Fiscal Year 2023 contains analyses that are designed to highlight specified subject areas or provide other significant presentations of budget data that place the budget in perspective. […] **TAGS: Accounting, statistics, Reporting and Auditing**; **Economic Forecasts**; **Debt Forecasts**

Africa's 2022 growth prospects: Poise under Post-Pandemic and heightening Geopolitical pressures

Hippolyte Fofack - African Export-Import Bank

Despite the numerous, lingering negative effects of the pandemic — from global supply chain disruption and rising inflationary pressures to recurrent waves of COVID-19 infections and the emergence of threatening variants — the globalisation of growth resilience will emerge as one of the most important stories when economic historians reflect on this time. In a major and synchronised reversal, growth bounced back in 2021 in one of the strongest post-recession recoveries in decades [….] **TAGS: Economic Forecasts**; **Debt Forecasts**; **Multilateral financing**; **Foreign Debt**; **Debt sustainability**

July 2022 Sovereign Mid-Year Outlook

Scope Ratings

Growth in the global economy is expected to slow to around 3.1% in 2022, compared with the 4.5% expected this year under our December 2021 projections. We forecast 3.6% global growth for 2023 with the skew of risk for our outlook remaining on the downside entering the coming year. Current stagflationary conditions hold both positive and negative impacts for sovereign ratings, with more sovereign borrowers seeing downside rating actions than upside actions since the escalation of the Russia-Ukraine war. […] **TAGS: Sovereign Credit Ratings**; **Debt Forecasts**; **Economic Forecasts**

Asset Purchase Facility Quarterly Report - 2022 Q2

Bank of England

This report contains information on the Bank of England's Asset Purchase Facility (APF) for 2022 Q2, describing operations from 1 April 2022 to 30 June 2022. More information on what the APF is and what it does is available in our Market Operations Guide. A short timeline describing the history of the APF is provided as background at the end of the report. **TAGS: Debt and fiscal/monetary policies**; **Transparency**; **Debt Statistics**

Financial market reforms - approach and expectations

Shaktikanta Das - The Reserve Bank of India

Speech by Mr Shaktikanta Das, Governor of the Reserve Bank of India, at the Fixed Income Money Market and Derivatives Association of India (FIMMDA) annual event, Mumbai, 5 September 2022. In his address this evening, he proposes to reflect upon some recent financial market developments and their efforts to navigate through them in the prevailing global and domestic environment. [...] **TAGS:** Market Liquidity; Financial Analysis; Debt and fiscal/monetary policies; Financial stability

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Litigation issues in sovereign debt – 2022

LexisNexis & Rodrigo Olivares-Caminal - LexisNexis, University of London

The following Restructuring & Insolvency practice note produced in partnership with Rodrigo Olivares-Caminal, Professor in Banking and Finance Law at Queen Mary University of London and Principal of Pari Passu Consulting Ltd provides comprehensive and up to date legal information covering: - Litigation issues in Sovereign debt; - Where to sue?; - Enforcing a judgment against a Sovereign; - Concluding remarks. **TAGS:** Sovereign debt litigation; Sovereign defaults

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New Zealand Government Securities Funding Strategy

New Zealand Debt Management

The objective of New Zealand Debt Management (NZDM) is to minimise the Crown's borrowing costs over the long-term with due consideration to risk, while ensuring ongoing access to debt funding markets. [...] **TAGS:** Debt Forecasts; Debt Policy; Debt Statistics

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Angola's Interest Rate fixings generate USD 270 Million in potential savings

The World Bank

The World Bank Treasury supported Angola to reduce interest rate risks on 98 percent of their IBRD outstanding debt amount and helped create up to USD 270 million in potential savings on the estimated interest repayment [...] **TAGS:** Debt sustainability; Multilateral financing

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Reforming the EU Benchmarks Regulation: Updated Recommendations

ISDA

European retail and institutional investors use European Union (EU) and third-country benchmarks for a variety of critical commercial purposes, from hedging their exposures to converting overseas revenue and repatriating funds. The EU Benchmarks Regulation (BMR) was intended to protect European investors from the risks and disruption posed by poorly run or failing benchmarks. [...] **TAGS:** International and Macroprudential Regulations; Secondary Markets; Financial stability

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Asia Bond Monitor - June 2022

ADB Asian Development Bank

Persistent inflationary pressure has led to the tightening of monetary stances in major advanced economies and several emerging East Asian economies. Financial conditions in emerging East Asia weakened between 28 February and 9 June amid ongoing monetary tightening and headwinds facing the global and regional economies that are being driven by continued inflation, rising commodity prices, a slowdown in economic growth in the People's Republic of China due to coronavirus disease (COVID-19) containment measures, supply chain disruptions, and the Russian invasion of Ukraine. [...] **TAGS:** Secondary Markets; Sovereign risk premia; Financial Analysis

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Islamic Finance Outlook 2022 Edition

S&P Global Ratings

S&P Global Ratings believes the global Islamic finance industry will expand 10%-12% in 2021-2022. The expansion of Islamic banking assets in some Gulf Cooperation Council (GCC) countries, Malaysia, and Turkey and sukuk issuances exceeding maturities explain this expected performance. Islamic finance expanded rapidly in 2020 with total assets increasing 10.6% despite the double shock from the COVID-19 pandemic and drop oil prices. […] **TAGS: Bond market development**; **Financial Analysis**; **Economic Forecasts**

Expanding Access to the Standing Repo Facility for U.S. Treasuries - August 2022

Hal Scott, John Gulliver, Brian Johnson - The Program on International Financial Systems (PIFS)

This report is the third in a series of reports by the Program on International Financial Systems on enhancing the market structure for trading U.S. Treasuries ("cash Treasuries") and for repurchase agreements of U.S. Treasuries ("Treasury repos"). In this report, we describe the Federal Reserve's domestic standing Treasury repo facility and consider whether expanding access to the standing Treasury repo facility would enhance the liquidity and stability of U.S. Treasury markets, as has been argued by financial market experts. […] **TAGS: Repo market**; **Financial stability**; **Market Liquidity**

ICMA Repo Survey 2022

ICMA

The repo market is pivotal to other financial markets, particularly those in bonds and derivatives. Despite its importance it is hard to obtain figures on the size of the European repo market and the ICMA survey is the only authoritative source of data for its size and composition. For the most recent survey a sample of financial institutions in Europe were asked for the value of their repo contracts that were still outstanding at close of business on a single day in December 2021. Replies were received from 57 institutions, representing the majority of significant players in the European repo market. All institutions who participate in the survey automatically receive, in confidence, a list of their rankings in the various categories of the survey. The results of this, the forty-second semi-annual survey of the repo market in Europe set the baseline figure for market size at EUR 9,198 billion. […] **TAGS: Repo market**; **Financial stability**; **Market Liquidity**

International Debt Statistics (IDS)

World Bank

Now in its forty-eighth year, International Debt Statistics (IDS) supports policymakers and analysts by monitoring aggregate and country-specific trends in external debt in low- and middle-income countries. It provides a comprehensive picture of external borrowing and sources of lending by type of borrower and creditor with information on data availability and comparability. To further enhance debt transparency, this year's report introduces additional features, such additional information on average lending terms by creditor country and the currency composition of debt stock. **TAGS: Transparency**; **Debt Statistics**; **Debt composition**; **Best Practices**

Debt Transparency: Debt Reporting heat map

World Bank

How transparent are IDA countries in their debt reporting practices? This heat map presents an assessment based on the availability, completeness, and timeliness of public debt statistics and debt management documents posted on national authorities' websites. The assessment will be updated annually. **TAGS: Best Practices**; **Transparency**; **Debt Statistics**; **Debt sustainability**

Japan's economy and monetary policy

Masayoshi Amamiya - Bank of Japan

Speech by Mr Masayoshi Amamiya, Deputy Governor of the Bank of Japan, at a meeting with local leaders, Iwate, 28 July 2022. At the Monetary Policy Meeting (MPM) held last week, the Bank of Japan updated its projections for Japan's economic activity and prices through fiscal 2024 and released them in the latest Outlook for Economic Activity and Prices (Outlook Report). Mr Masayoshi talks about the Bank's view on Japan's economic activity and prices based on the Outlook Report and explains its thinking on the conduct of monetary policy. **TAGS:** **Debt and fiscal/monetary policies**; **Economic Forecasts**

Overview of the South African economy

Lesetja Kganyago - South African Reserve Bank

Address by Mr Lesetja Kganyago, Governor of the South African Reserve Bank, at the 102nd annual ordinary general meeting of the SARB shareholders, Pretoria, 29 July 2022. The country has managed its way through the severe and tragic global calamity of Covid19. Mobility and activity restrictions, public health, fiscal and monetary efforts, in South Africa and abroad, have been unprecedented. In the early days of the pandemic, the South African Reserve Bank (SARB) cut the repurchase (repo) rate to an all-time low of 3.5%, pulling the prime rate down to a 54-year low of 7.0%. [...] **TAGS:** **Financial stability**; **Debt and fiscal/monetary policies**; **Economic Forecasts**; **COVID-19**

AGS Investor Chart Pack - Budget 2022-23 Update

Australian Office of Financial Management

The chart pack is for wholesale investors containing information about the Government's fiscal and economic position, AOFM's issuance program, the AGS market and investor base. The underlying cash balance (UCB) in 2021-22 is forecast to be 3.5 per cent of GDP (MYEFO 2021-22 forecast was 4.5 per cent). The deficit in 2022-23 is expected to be 3.4 percent compared to 4.4 per cent forecast at MYEFO 2021-22. An improved economic outlook and high near-term commodity prices has driven a large upgrade to forecast tax receipts. The forward estimates show a steady improvement in the deficit to 1.6 per cent of GDP in 2025-26. [...] **TAGS:** **Debt Policy**; **Debt Statistics**; **Sovereign debt market**; **Debt and fiscal/monetary policies**

Netherlands Economic Developments and Outlook - June 2022

The Netherlands Central Bank

The war in Ukraine is affecting the Dutch economy, which is reaching its capacity limits again after recovering from the COVID-19 recession. The shock of the war is driving energy prices higher, causing uncertainty and depressing the growth of world trade. Economic growth this year will still amount to 2.8%, mainly due to carry-over from 2021. From the end of 2022 GDP growth will pick up, with fiscal policy playing a supporting role. Projected GDP growth is set to exceed the potential (trend) growth rate in both 2023 (1.5%) and 2024 (1.7%). […] **TAGS:** **Economic Forecasts**; **Debt Forecasts**; **Debt and fiscal/monetary policies**

Mexico’s Economic Outlook

Secretaria de Hacienda Y Credito Publico

Mexico is the 16th largest economy and 2nd one in Latin America. By 2030, it will be the 9th. Large economically active population, 25% between 15 and 29 years old. By 2030, Mexico will be the 9th most populous country in the globe. Strategic geographical position next to the largest consumption market in the world: 49 customs offices, 58 ports in the Pacific Ocean and 59 in the Gulf of Mexico and 15 highway corridors. Mexico has 13 Free Trade Agreements (FTAs) with more than 50 countries, reducing barriers to trade, including tariffs and import quotas. […] **TAGS:** **Economic Forecasts**; **Debt Statistics**; **Debt Forecasts**

Spain's Macroeconomic & Financial Outlook

Caixa Bank Research

Monthly analysis of Spain's economic and financial outlook and its long-term prospects. The European energy crisis has worsened. Gas prices increased significantly during August and in early September Russia has cut gas supplies to Europe indefinitely. Gas prices in future markets average c.200€/MWh for 2023 (compared to 150€ at the end of July). GDP in Spain surprised on the upside in Q2 2022 and grew 1.1% qoq (6.3% yoy) with a solid breakdown. The main engines of growth were private consumption and investment. GDP remains 2.5% below the pre-pandemic level (Q4 2019). The macroeconomic scenario is under revision to account for higher gas prices and, as a result, higher inflation and a more aggressive ECB going forward. […] **TAGS:** **Financial stability**; **Economic Forecasts**; **Debt and fiscal/monetary policies**

From stagflation to debt crises: What history tells us

Jongrim Ha, M. Ayhan Kose, Franziska Ohnsorge - World Bank

The global economy is in the midst of a steep growth slowdown accompanied by multi-decade high inflation. Global inflation forecasts for 2022-23 have been sharply upgraded, while global growth forecasts have been downgraded over the past year. This combination of high inflation and weak growth has raised concerns about a potentially prolonged period of stagflation that resembles the 1970s […]. **TAGS:** **Financial stability**; **Economic Forecasts**; **Debt crisis**

BIS international banking statistics and global liquidity indicators at end-March 2022

BIS

Banks' cross-border claims rose by $1.4 trillion over the first quarter of 2022, the third largest quarterly expansion on record. Even on a seasonally adjusted basis, the expansion was unusual (+$700 billion), booked mostly vis-à-vis advanced economies (AEs). Banks' cross-border claims on EMDEs changed little overall over Q1 2022, as a drop in claims on China offset an increase vis-à-vis other emerging market and developing economies (EMDEs). Banks' exposures to counterparties in Russia and Ukraine declined significantly.[…] **TAGS:** **Market Liquidity**; **Debt Statistics**; **Secondary Markets**

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***. 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. The calls for papers are evidenced in red characters.

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.

2022

SEPTEMBER

29 – 30 September 2022; The Center for Inflation Research at the Federal Reserve Bank of Cleveland and the European Central Bank Cleveland, Ohio
Inflation: Drivers and Dynamics 2022

29 September 2022; Omfif, Amsterdam, NL
Moving beyond climate: integrating biodiversity into financial markets

30 September 2022; FBF-CESIFIN, Palazzo Incontri, Florence, Italy
The multiple role of central banks: New frontiers of the monetary policy

Until 30 September 2022; International Society for the Advancement of Financial Economics (ISAFE), and Others; Beijing, China
Call for Papers 2022 International Society for the Advancement of Financial Economics

Until 30 September 2022; The School of Banking and Finance (SBF) at the University of International Business and Economics (UIBE), and Others; Beijing, China
Call for Papers: The 4th China International Forum on Finance and Policy

Until 30 September 2022; The Centre for Advanced Financial Research and Learning (CAFRAL) Mumbai, India
Call for Papers CAFRAL Annual Conference Financial System and Macroeconomy in Emerging Economies

OCTOBER

Until 3 October 2022; Department of Management of the University of Rome "La Sapienza" Rome, Italy
Call for Papers Social Impact Investments International Conference

Until 3 October 2022; CESifo, the Center of Public and International Economics (CEPIE) at TU Dresden and the ifo Institute, Dresden Branch Dresden
Call for papers:16th Workshop on Political Economy

5 – 7 October 2022; OECD, Virtual Conference
OECD Forum on Green Finance and Investment

5 October 2022; Omfif, Paris, France
Future of the euro area: navigating uncertainty

6 - 7 October 2022; CEPR, the European Economic Review, European Commission, Brussels
The COVID-shock and the new macroeconomic landscape: taking stock and looking ahead

6 – 7 October 2022; Federal Reserve Bank of Atlanta and the Georgia State University, Atlanta, GA, U.S.
Financial innovation: A threat to financial stability?

Until 7 October 2022; New York University Shanghai, NYU Shanghai
Call for papers The Eighth Annual Volatility Institute Conference at NYU Shanghai "Sovereign Risk in a Turbulent Age"

11 – 12 October 2022; OECD, OECD Conference Centre, Paris
2022 OECD Global Forum on Infrastructure

Until 16 October 2022; The National Institute of Securities Markets (NISM) along with the Systemic Risk Centre (SRC) at the London School of Economics (LSE), Mumbai
Call for Papers the Third Annual International Capital Markets Conference 2022

17 October 2022; The Bank of England, the Banque de France, the IMF, the Banca d'Italia and the OECD, IMF Headquarter, Washington DC

3rd International Capital Flows and Financial Policies Workshop

Until 17 October 2022; The Bank of Albania, Tirana, Albania
Call for papers 16th South-Eastern European Economic Research Workshop

Until 17 October 2022; The Department of Banking and Finance at the University of Zurich and the Department of Finance, Accounting and Statistics at WU Vienna, Zurs, Austria
Call for Papers European Winter Finance Summit

18 – 20 October 2022; Finance in Common, ADB, EIB, AFD Groupe, Hybrid conference. Physical venue in Abidjan, Côte d'Ivoire
Finance in Common Summit 2022. Green and Just Transition for a Sustainable Recovery

19 – 21 October 2022; GFOA, Online
4th Annual MiniMuni Conference

20 -21 October 2022; Banco de Portugal and the Bank of England, Lisbon, Portugal
6th Annual Workshop of the ESCB Research Cluster 3 on "Financial Stability, Macroprudential Regulation and Microprudential Supervision"

20 – 21 October 2022; Wharton University of Pennsylvania, Virtual
5th Conference on Law & Macroeconomics

24 October 2022; SIFMA, New York, USA
SIFMA Annual Meeting 2022

27 – 28 October 2022; Public Investors, Ottawa, Canada
The Eighth Public Investors Conference

Until 31 October 2022; Economia Politica - Journal of Analytical and Institutional Economics, online
Call for Papers - Special Section on Public Debt in the New Normal

31 October – 8 November 2022; ICMA, Virtual
ERCC Professional Repo Market and Collateral Management course 2022

NOVEMBER

2 – 22 November 2022; EUI Florence School of Banking and Finance, Online
Macroprudential Policy Academy

8 November 2022; ICMA, London UK
ICMA Primary Market Forum

9 – 10 November 2022; Federal Reserve Bank of Minneapolis and the Journal of International Economics, Federal Reserve Bank of Minneapolis
Sovereign Debt

10 – 11 November 2022; Corvinus University of Budapest, Partially Online (some attendance required)
13th Annual Financial Market Liquidity Conference

10 – 11 November 2022; De Nederlandsche Bank, Amsterdam, the Netherlands
25th Annual Research Conference

12 November 2022; Centre for Economic Policy Research, Amsterdam, Netherlands
2nd CEPR Conference Political Economy of Central Banks

16 November 2022; Euromoney Conferences and Global Capital, Beijing, China
THE 8TH Annual China Debt Capital Markets Summit

16 November 2022; Afme, Brussels Belgium
17th Annual European Government Bond Conference

17 – 18 November 2022; The Federal Reserve Bank of Cleveland, Hybrid

2022 Financial Stability Conference

17 November 2022; Banque de France, 31 Rue Croix des Petits Champs, 75001 Paris, France
Digitalisation of debt capital markets: CBDC & blockchain

18 November 2022; ICMA, Tokyo Japan (hybrid format)
ICMA & JSDA Annual Sustainable Bond Conference 2022

18 November 2022; New York University Shanghai, NYU Shanghai
The Eighth Annual Volatility Institute Conference at NYU Shanghai "Sovereign Risk in a Turbulent Age"

25 – 26 November 2022; The University of Birmingham College of Business, Florida Atlantic University and European Financial Management, Dubai, United Arab Emirates
Sustainability, Climate Change and Financial Innovation

25 – 26 November 2022; CESifo, the Center of Public and International Economics (CEPIE) at TU Dresden and the ifo Institute, Dresden Branch, Dresden
16th Workshop on Political Economy

28 – 29 November 2022; CEPR Centre for Economic Policy Research and South African Reserve Bank, Pretoria, South Africa
Emerging Markets Back in the Spotlight: Risks and Policy Options

DECEMBER

1 – 2 December 2022; Department of Management of the University of Rome "La Sapienza", Rome, Italy
Social Impact Investments International Conference

5 – 7 December 2022; UNCTAD, Palais des Nations, Geneva, Switzerland
International Debt Management Conference, thirteenth session

5 – 16 December 2022; IMF, Singapore
Fiscal Policy Analysis (FPA)

5 – 6 December 2022; International Society for the Advancement of Financial Economics (ISAFE), the Association of Vietnamese Scientists and Experts (AVSE Global), and Ho Chi Minh University of Banking, Ho Chi Minh City (Vietnam)
2022 International Society for the Advancement of Financial Economics

5 – 6 December 2022; The Bank of Albania, Tirana, Albania
16th South-Eastern European Economic Research Workshop

8 – 9 December 2022; The Auckland Centre for Financial Research at the Faculty of Business, Economics and Law, Auckland University of Technology, Auckland, New Zealand
2022 New Zealand Finance Meeting

12 – 13 December 2022; The Korean Institute for International Economic Policy (KIEP) and the Center for Economic Policy Research (CEPR), Online
The Return Of Inflation

12 – 13 December 2022; The Centre for Advanced Financial Research and Learning (CAFRAL), Mumbai, India
CAFRAL Annual Conference Financial System and Macroeconomy in Emerging Economies

13 – 14 December 2022; NBER, Australia-Japan Research Centre, Center for Advanced Research in Finance, and the Center on Japanese Economy and Business, Tokyo
NBER Japan Project Meeting 2022

14 – 16 December 2022; Institute of Global Finance and the School of Banking and Finance, UNSW Business School, Sydney Australia
Australasian Finance & Banking Conference

15 – 16 December 2022; East Asia Research; Singapore
2022 Asia-Pacific Conference on Economics and Finance

15 – 16 December 2022; The National Institute of Securities Markets (NISM) along with the Systemic Risk Centre (SRC) at the London School of Economics (LSE), Mumbai
The Third Annual International Capital Markets Conference 2022

16 – 18 December 2022; The School of Banking and Finance (SBF) at the University of International Business and Economics (UIBE), the Economic Research Journal (ERJ), the Journal of Empirical Finance (JEF), and the China Institute of Finance and Banking (CIFB) at the University of International Business and Economics
The 4th China International Forum on Finance and Policy

2023

FEBRUARY

8 – 10 February 2023; FIA-SIFMA, Dana Point, Canada
Asset Management Derivatives Forum 2023

MARCH

19 – 22 March 2023; The Department of Banking and Finance at the University of Zurich and the Department of Finance, Accounting and Statistics at WU Vienna, Zurs, Austria
European Winter Finance Summit

29 March – 1 April 2023; The International Association for Research in Income and Wealth (IARIW), in partnership with the Bank of Italy
IARIW-Bank of Italy Conference on "Central Banks, Financial Markets and Inequality"

PDM Network in Figures

As of 28th September 2022, total documents and reports available on the PDM Network website were 8,634. Events and News uploaded on the website since January 2022 were respectively 214 and 14,204. This newsletter is sent to about 958 Subscribers from emerging and advanced countries.

Special Thanks

The PDM Secretariat is grateful to Fatos Koc (OECD) for information on events of interest for the PDM Network website.

NEW - Job vacancies - PDM Experts

Explore the New job vacancies page dedicated to selected job openings from renowned organizations searching for PDM Experts. If your organization is searching for a PDM Expert, please let us know and we will be glad to update our page with a reference to your job advertisement.

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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.