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OECD BETTER POLICIES FOR BETTER LIVES
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The bimonthly PDM Network Newsletter is a short report including a selected list of recent and updated **papers, reports, job vacancies, courses, call for papers and other events** concerning public debt management. Such documents have been also published on the PDM Network website during the previous two months. The documents we have found most interesting are grey highlighted.
The PDM Network Newsletter is published every two months (September, November, January, March, May, and July).
Please feel free to suggest any **relevant documents, news and events** by contacting the PDM Network Secretariat. We will be happy to share selected resources with our Network.

Contents

Special Focus

Deteriorating conditions of global financial markets amid high debt

OECD

Financial and commodity markets have been impacted by high inflation and a deteriorating growth outlook. The necessary tightening of monetary policy has cascaded through markets, contributing to rising yields, significant asset price corrections, and rising debt costs for sovereigns, households and corporates. Existing high debt levels in these sectors raise concerns about the prospects of debt servicing. **Read more** **TAGS:** **Debt and fiscal/monetary policies**; **Economic Forecasts**; **Secondary Markets**; **Market Liquidity**; **Sovereign bonds yields**; **Debt sustainability**; **Financial stability**

Financial Resilience of Low-Income Countries: How can development lenders better protect borrowers: From unsustainable debt levels on the way to net zero?

OECD and TCX

The OECD and TCX organised a conference that explored the roles of donors, lenders, and borrowers in building debt sustainability through improved currency risk management. Trillions of dollars of investments to low-income countries are needed to meet the goals of the Paris Agreement. This funding will not materialize without markets and policy makers stepping up to mitigate currency risk in development finance and lend to low-income countries responsibly. **Read more** **TAGS:** **Debt Policy**; **OECD**; **Foreign Debt**; **Multilateral financing**; **Debt sustainability**

Documents

Debt Policy

Who Is Afraid of Eurobonds? **(2022)**

Francesco Bianchi, Leonardo Melosi, Anna Rogantini Picco - Johns Hopkins University, Federal Reserve Bank of Chicago, Sveriges Riksbank

The growing asymmetry in the size of fiscal imbalances poses a serious challenge to the macroeconomic stability of the Euro Area (EA). The authors show that following a contractionary shock, the current monetary and fiscal framework weakens economic growth even in low-debt countries because of the zero lower bound (ZLB) constraint. At the same time, the current framework also exposes the EA to the risk of fiscal stagflation if one country were to refuse to implement the necessary fiscal consolidations. The authors study a new framework that allows EA policymakers to separate the need for short-run macroeconomic stabilization from the issue of long-run fiscal sustainability. Following a contractionary shock, the central bank tolerates the increase in inflation needed to stabilize the amount of Eurobonds issued in response to a large EA recession. National governments remain responsible to back their country-level debt by fiscal adjustments. The policy acts as an automatic stabilizer that benefits both high-debt and low-debt countries, generating a moderate increase in inflation that mitigates the recession and allows the central bank to move away from the ZLB. At the same time, the proposed policy lowers the risk of fiscal stagflation because it endows EA countries with effective stabilization policies. **TAGS:** **Debt Policy**; **Eurobonds**

Central Bank Balance Sheet Expansion in a Dollarized Economy: The Case of Ecuador **(2022)**

Juan-Pablo Erraez, Julien Reynaud - International Monetary Fund

A textbook argument in favor of adopting another country's legal tender is that it imposes strong constraints on money creation and therefore fiscal dominance. In Ecuador, an officially dollarized economy since January

2000, a series of accounting practices and subsequent changes in legislations approved over the period 2009-2014 allowed an expansion of the Central Bank of Ecuador's (CBE) balance sheet to finance the central government. At its peak, central bank financing of the government represented 10 percent of GDP. This resulted in large liabilities to the CBE that translated into low reserve coverage, putting the public and private financial systems and ultimately the dollarization regime at risk. In this paper, the authors first present the legal and accounting processes behind the expansion of the CBE's balance sheet and some stylized facts. In the second section, the authors establish a stress test-like methodology to show how the expansion of the CBE's balance sheet induced strong pressures on CBE's liquidity. Ultimately, such liquidity stress at the CBE translated into high cash inflows needs, i.e. external debt, for the central government. **TAGS:** **Market Liquidity**; **Debt and fiscal/monetary policies**; **Foreign Debt**

Sovereign Debt Puzzles **(2022)**

Patrick Bolton, Ugo Panizza, Mitu Gulati - Columbia University, Virginia University, Geneva Graduate Institute

The authors review the state of the sovereign debt literature and point out that the canonical model of sovereign debt cannot be easily reconciled with several facts about sovereign debt pricing and servicing. The authors identify and classify twenty puzzles. Some are well known and documented, others are less so and are sometimes based on anecdotal evidence. The authors classify these puzzles into three categories: puzzles about how sovereigns issue debt; puzzles about the pricing of sovereign debt; and puzzles about sovereign default and the working out of defaults. The authors conclude by suggesting possible avenues for new research aimed at reconciling theory with what we observe in the real world. **TAGS:** **Debt Policy**; **Financial Analysis**; **Sovereign defaults**

An Empirical Test of Auction Methods in the Primary Market of Sovereign Debt **(2022)**

Matías Jiménez, Asunción Mochón - National Distance Education University

There has been a long debate as to which of the most extended systems, the uniform system or the discriminatory price system, is the most appropriate for central banks and debt management offices issuing sovereign bonds. The purpose of this paper is to shed light on this question. The main variables to explore the auction mechanisms are the price difference between the primary and secondary markets (price spread) and the coverage ratio. Subsequently, to determine patterns for clarifying which auction system is optimal, the authors propose a new model based on the price spread and the model for financial options proposed by Bachelier (1900). The authors conclude that the auction method and the number of primary dealers are relevant parameters in the auction outcome. Finally, the results of the new model are the cornerstone for identifying detailed patterns followed by top-performing countries. **TAGS:** **Financial Analysis**; **Debt Policy**; **Primary market**; **Public debt auctions**

Secondary Markets

The impact of sovereign tensions on bank lending: identifying the channels at work **(2022)**

Fabiana Sabatini - Bank of Italy

This paper assesses the impact of the two main direct channels through which tensions in sovereign bond markets are transmitted to banks' balance-sheets and to their ability to provide credit. In particular, it disentangles the effect stemming from the worsening in banks' capitalization (balance sheet channel) from that associated with a reduced ability to raise funds using government bond holdings as collateral (liquidity channel). The results indicate that, after the sudden rise in yields on Italian government bonds observed in May 2018, the banks with a higher ratio of those bonds to total assets reduced credit supply to firms more, in line with the literature. The work also shows that the more marked credit contraction mainly reflected the negative shock on bank capitalization, while the liquidity channel would not be activated. **TAGS:** **Secondary Markets**; **Sovereign debt market**; **Institutional Investors**

Subnational Debt

Local Government Financial Constraint and Spending Multiplier in China **(2022)**

Yang Su - University of Chicago Booth School of Business

The author estimates the present value of local GDP increases by about 11.4 RMB for 1 RMB increase of government spending during 2001-2019 at the prefecture city level in China, where the local governments play an active role in increasing economic growth. To achieve identification, the author constructs a novel instrument for local government spending: the fraction of unoccupied raw land in the downtown area in 2000. After 2000, as the local governments increasingly rely on land sales to finance expenditures, a higher fraction of unoccupied raw land is associated with less compensation expense to occupants removed from the land and hence higher net profits from land sales for local governments. Moreover, the fraction of raw land is orthogonal to a rich set of city fundamentals in 2000 and major confounding shocks after 2000. The high multiplier can be explained by the local government financial constraint because it is found to be significantly lower if the local governments have better access to debt financing or face less investment opportunities. The mechanism is consistent with models where government spending is investment. Higher government spending is found to increase employment and private investment, and the total output effect of the increased inputs can explain almost all the increase of local output. The paper highlights the macroeconomic importance of the financial constraint of governments that actively invest to promote economic growth. **TAGS:** **Subnational Debt**; **Debt Restructuring**

Financial Analysis

Debt-Stabilizing Properties of Gdp-Linked Securities: A Macro-Finance Perspective **(2022)**

Sarah Mouabbi, Jean-Paul Renne, Jean-Guillaume Sahuc - Banque de France, University of Lausanne

The authors study the debt-stabilizing properties of indexing debt to GDP using a consumption based macro-finance model. To this end, the authors derive quasi-analytical pricing formulas for any type of bond/equity by exploiting the discretization of the state-space, making large-scale simulations tractable. The authors find that GDP-linked security prices would embed time-varying risk premiums of about 40 basis points. For a fixed budget surplus, issuing GDP-linked securities does not imply more beneficial debt-to-GDP ratios in the long-run, while the debt-stabilizing budget surplus is more predictable at the expense of being higher. Our findings call into question the view that such securities tame debt. **TAGS:** **Financial Analysis**; **Primary market**; **Debt sustainability**

Optimal GDP-Indexed Bonds (2022)

Yasin Kürşat Önder - Ghent University

The author investigates the introduction of GDP-indexed bonds as an additional source of government borrowing in a quantitative default model. The idea of linking debt payments to developments in GDP resurfaced with the 1980s debt crisis and peaked with the COVID-19 outbreak. The author shows that the gains from this idea depend on the underlying indexation method and are highest if payments are symmetrically tied to developments in GDP. Optimized indexed debt can eradicate default risk, halve consumption volatility, and increase asset prices while raising the government's debt balances. These changes occur because an optimally chosen indexation method does a better job at completing the markets. **TAGS:** Financial Analysis; Primary market; Debt and growth

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Macrofinancial Determinants of Volatility Transmission in a Network of European Sovereign Debt Markets (2022)

Javier Sànchez García, Salvador Cruz Rambaud - University of Almeria

In this paper, the authors propose a two-step approach for conducting statistical inference in financial networks of volatility, applied to a network of European sovereign debt markets. The static results highlight that, contrarily to the intuition, southern European bonds exhibiting most volatility during the European debt crisis were not necessarily net transmitters to the network. The authors also find that the best monetary and macroprudential policy stances to achieve low volatility transmission are to target low inflation and low financial stress. The dynamics of the model show that the central bank should adjust which variable targets depending on the time period. **TAGS:** Financial Analysis; Debt crisis

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Unconventional Monetary Policy and Local Fiscal Policy (2022)

Huixin Bi, Nora Traum - Federal Reserve Bank of Kansas City

Following the onset of the pandemic, in a novel program the Federal Reserve directly intervened in municipal bond markets. The authors characterize the fiscal and macroeconomic implications of such central bank actions in a New Keynesian model of a monetary union. The authors assume that state and local governments are subject to a loan-in-advance constraint, to capture the observation that with lumpy cash flows, they often finance a fraction of expenditures by issuing short-term bonds. This municipal debt is held by financial intermediaries, who also supply credit to the private sector. Direct central bank purchases can transmit to the economy through two main channels: 1) by alleviating cash flow problems of the regional governments and 2) by accelerating lending in the economy if credit constraints ease more broadly. The authors quantify the importance of these channels and show that the transmission of the Federal Reserve's intervention is markedly different from direct federal government aid through intergovernmental transfers. Importantly, action by the central bank leads to more sizeable increases in private investment but has more muted effects on state and local government expenditures. **TAGS:** Subnational debt; Debt and fiscal/monetary policies

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The Sovereign-Bank Nexus in Emerging Markets in the Wake of the COVID-19 Pandemic (2022)

Andrea Deghi, Salih Fendoglu, Tara Iyer, Hamid R Tabarraei. Yizhi Xu, Mustafa Yenice - International Monetary Fund

The COVID-19 pandemic has brought the relationship between sovereigns and banks—

the so-called sovereign-bank nexus—in emerging market economies to the fore as bank holdings of domestic sovereign debt have surged. This paper examines the empirical relevance of this nexus to assess how it could amplify macro-financial stability risks. The findings show that an increase in sovereign credit risk can adversely affect banks' balance sheets and credit supply, especially in countries with less-well-capitalized banking systems. Sovereign distress can also impact banks indirectly through the nonfinancial corporate sector by constraining their funding and reducing their capital expenditure. Notably, the effects on banks and corporates are strongly nonlinear in the size of the sovereign distress. **TAGS:** Financial Analysis; Institutional Investors; COVID-19; Financial stability

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Nexus between government debt, economic policy uncertainty, government spending, and governmental effectiveness in BRIC nations: Evidence for linear and nonlinear assessments (2022)

Ru Ma, Md Qamruzzaman - Central University of Finance and Economics, United International University

Quality institutions augment economic sustainability by ensuring domestic resource optimization with equitable development principles. Therefore, ensuring this equitable development and quality institutions is required. This study assessed the effects of government debt, uncertainty of economic policies, and government spending on institutional quality, as measured by governmental effectiveness in BRIC (Brazil, Russia, India, and China) nations from1990–2020. This study applied several econometrical techniques for empirical nexus assessment, including Augmented ARDL, nonlinear Autoregressive Distributed Lagged (ARDL), and Fourier Toda-Yamamoto causality tests. This study documented long-run cointegration in both symmetry and asymmetric assessments. In the long run, both government debt and uncertain economic policies were significantly negatively associated with institutional quality, while government spending and institutional quality were positively associated. Furthermore, the results of asymmetric ARDL revealed both long- and short-run asymmetric relationships between institutional quality and government debt, EPU, and government spending. The directional causality test documented bidirectional causality between debt and institutional quality in all nations, whereas mixed causalities were detected for uncertain economic policy, institutional quality, and government spending. Regarding policy, the results of this study suggested that economic stability was indispensable for efficient institutional quality in BRIC nations. **TAGS:** Institutional and Organizational Framework; Financial Analysis; Debt and fiscal/monetary policies

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Greeniums in sovereign bond markets (2022)

Monika Grzegorczyk, Guntram B. Wolff – Bruegel

The total market value of green bonds exceeded half a trillion dollars in 2021 and will increase to $1 trillion by the end of 2022. The growing European green sovereign bond market has a value of close to €147 billion at issuance. The authors study whether investors price green sovereign bonds differently to normal sovereign bonds. The authors do not expect to find a so-called 'greenium': the promise attached to green sovereign bonds is rather loosely defined and green and normal sovereign bonds are both backed by the full faith and credit of their respective governments. However, when systematically matching green and normal sovereign bonds using a number of criteria, including date of issuance and maturity, a small greenium can be measured. More research is needed to understand why rational investors do not arbitrage away this greenium. **TAGS: Financial Analysis**; **Green bonds**; **Climate finance**

An Analysis of UK Swap Yields (2022)

Tanweer Akram, Khawaja Mamun - Citibank, Sacred Heart University

John Maynard Keynes argued that the central bank influences the long-term interest rate through the effect of its policy rate on the short-term interest rate. However, Keynes's claim was confined to the behavior of the long-term government bond yield. This paper investigates whether Keynes's claim holds for the yields of spread products and over-the-counter financial derivatives by econometrically modeling the dynamics of the pound sterling–denominated longterm interest rate swap yield. It uses the generalized autoregressive conditional heteroskedasticity (GARCH) modeling approach to examine the relationship between the month-over-month changes in the short-term swap yield and the month-over-month change in the long-term swap yield, while controlling for several key macroeconomic and financial variables. The month-over-month change in the short-term interest rate has a positive and statistically significant effect on the month-over-month change in the long-term swap yield. This finding reinforces Keynes's conjecture concerning the central bank's influence over the long-term interest rate. The investigation's empirical findings and their policy implications are discussed from a Keynesian perspective. **TAGS: Financial Analysis**; **Sovereign bonds yields**; **Debt and fiscal/monetary policies**

Debt Crisis

Repeated Bailouts and Austerity (2022)

Friedrich Lucke - Toulouse School of Economics

This paper studies the incidence of bailouts with the possibility that bailouts may be required repeatedly before the crisis is resolved. I build a model in which two countries engage in a strategic interaction over repeated bailouts and austerity. The strategic interaction ends when the country in crisis has either overcome the crisis or defaulted. Evaluating the properties of the Markov-equilibrium of the model, I show how the rescuing country trades off the costs of bailout with the spillover costs from default. I find that the fundamental conflict of interest over austerity arises over the speed of repayment of the failing country's debt. This finding suggests a new definition for austerity that distinguishes between a solvency and a liquidity dimension of a sovereign debt crisis. **TAGS: Debt crisis**; **Sovereign defaults**; **Debt and fiscal/monetary policies**

The unfolding Sovereign Debt Crisis (2022)

Layna Mosley, B. Peter Rosendorff - Princeton University, New York University

Following the 2008 global financial crisis, years of low interest rates provided a rare opportunity for many developing nations to borrow in international markets—whether issuing bonds in their own currencies, securing loans from private-sector banks and commodity traders, or borrowing from China, which emerged as a dominant official creditor. Developing countries' overall external debt rose to a record level during this period. As central banks raise interest rates sharply to counter a global rise in inflation, many of these countries are at risk of default. The mix of public and private creditors and the opacity of many loan terms make it difficult to coordinate restructuring. The key factor may be domestic politics. **TAGS:** **Debt crisis**; **Debt Restructuring**; **Sovereign debt litigation**; **Sovereign defaults**

Avoiding "too little too late" on International Debt Relief (2022)

Lars Jensen – UNDP

This paper takes stock of the unfolding debt crisis across developing low- and middle-income countries and discusses how to break with the inertia in debt restructurings under the Common Framework for Debt Treatments (CF). Using data on credit ratings, debt sustainability ratings, and sovereign bond spreads the paper identifies 54 developing economies with severe debt problems. They represent little more than 3 percent of the global economy, 18 percent of the population, but account for more than 50 percent of people living in extreme poverty – including 28 of the world's top-50 most climate vulnerable countries. The debt crisis is intensifying. Debt is trading in distressed territory for more than one third of developing economies issuing dollar debt in international markets, with 19 countries paying more than 1,000 basis points over US Treasury bonds. Similarly, of all developing economies with a sovereign credit rating, 26 – close to one third – are now rated either 'substantial risk, extremely speculative or default'. The largest geographical subgroup among the 54 is SubSaharan Africa with 25 countries followed by Latin America and the Caribbean with 10 countries. Given the global outlook of low growth and high interest rates, the international community must urgently step-up debt relief efforts to avert a deepening development crisis. The paper proposes a way forward for the CF focusing on issues of official creditor coordination, private creditor participation, and the use of state-contingent debt clauses that target future economic and fiscal resilience. Fundamentally, the paper argues that the focus must shift from debt rescheduling to comprehensive restructuring involving write-offs allowing countries a faster return to growth, financial markets, and development progress. A structurally different future of tighter funding conditions and higher frequency of climate disasters will require a re-think and ramp-up of official sector concessional lending to vulnerable developing economies. **TAGS:** **Debt relief**; **Debt Statistics**; **Debt crisis**; **Debt Policy**; **Sovereign Credit Ratings**; **Financial stability**; **Debt and fiscal/monetary policies**

Institutional and Organizational Framework

Debt Decision-Making and Oversight in Emergency Contexts (2022)

Geoff Dubrow - Nexus PFM Consulting Inc

Emergency contexts present substantial risks to countries in terms of the accumulation of public debt. When states accumulate high levels of public debt as a result of emergency response efforts, their long-term fiscal sustainability can be jeopardized, and policy options constrained. From natural disasters to the COVID-19 pandemic, different emergencies will require different responses, but by understanding the processes and procedures by which parliaments can consider public debt in emergency contexts, parliamentarians can be better prepared to defend the public interest when the going gets tough. This brief discusses the legislative and oversight roles of parliament in emergency contexts. While emergencies may see the delegation of legislative powers on a time-limited basis, parliament can take proactive steps to ensure a strong legislative framework guides government action in an emergency context. Escape clauses for fiscal rules, contingency funds and other sources of emergency assistance are important elements for parliamentarians to understand before a crisis hits. The brief also covers key parliamentary committees and other bodies that can supplement and complement the business of parliament in emergency contexts: Public Accounts Committees supported by Supreme Audit Institutions, special parliamentary committees and Parliamentary Budget Offices. Because emergency contexts and responses thereto can both produce different outcomes for men, women, boys and girls, this brief discusses the relationship between gender-based analysis and parliamentary oversight of public debt in emergency contexts. **TAGS:** **Debt Policy**; **Transparency**; **Debt sustainability**; **Institutional and Organizational Framework**; **Accounting, statistics, Reporting and Auditing**

Debt Management for Parliaments **(2022)**
Geoff Dubrow - Nexus PFM Consulting Inc
Public debt has been growing globally for decades, and the fallout from the recent COVID-19 pandemic has exacerbated what were already unprecedented levels of debt. This is as true for low- and middle-income countries as it is for high-income countries, however, the former are generally in a far less sustainable position to service and eventually pay down their debts. These debts are often taken on for good reasons, whether in response to exogenous shocks such as natural disasters, or as we have seen pandemics, as well as to invest in important infrastructure projects and in attaining the Sustainable Development Goals (SDGs). Sometimes, however, due to a lack of effective oversight, unsustainable debt loads are taken on and citizens are left on the hook for paying back funds that may have served no effective purposes. Public debt disproportionately impacts women, especially women with intersecting identities. Often, high levels of debt lead to cuts to social spending for which women are the most dependent. This can be particularly difficult for women in low-income countries where there are often fewer opportunities for women than men, as well as significant constraints to finding work or to succeed in the workplace. Effective public debt management is always integral to assuring long-term sustainability, and this starts with effective parliamentary oversight. While budgeting, borrowing and spending are generally under the purview of the executive branch of government, it is incumbent that the legislature serves as an effective counterbalance to ensure sound decisions are taking place that will benefit the country both short and long term. There are several important actors as well as entry points for these actors to influence the budget and oversee decisions related to public debt management. These institutional actors and entry points together form what can be referred to as the "debt management universe." **TAGS:** **Debt Policy**; **Transparency**; **Debt and fiscal/monetary policies**; **Debt sustainability**

Debt Restructuring

Public debt in low-income countries: current state, restructuring challenges and lessons from the past **(2022)**
Raffaele De Marchi - Bank of Italy
In the face of high and rising debt vulnerabilities in low-income countries (LICs), the G20 Common Framework for Debt Treatments provides an important tool to facilitate debt restructurings, but its implementation has so far been hampered by delays and difficulties. Drawing also from a comparison with past debt relief initiatives

(HIPC and MDRI), this paper analyses the main challenges for successful debt restructurings in the current environment characterized by a greater complexity of debt structures in terms of instruments and creditors. The presence of a dominant bilateral lender and the increased role of private creditors make it hard to replicate the solutions applied in the past to reduce LICs' debt. The current challenges also reflect a distributional conflict between advanced economies and China as to the allocation of the losses deriving from debt relief, which also involves a different approach regarding the role to be played by Multilateral Development Banks in support of the countries in need of debt restructurings. [...] **TAGS:** Debt Restructuring; Debt relief; Multilateral financing

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Sovereign Debt Restructuring and the Law. The Holdout Creditor Problem in Argentina and Greece (2022)

Sebastian Grund - International Monetary Fund

The book sheds light on the perhaps most important legal conundrum in the context of sovereign debt restructuring: the holdout creditor problem. Absent an international bankruptcy regime for sovereigns, holdout creditors may delay or even thwart the efficient resolution of sovereign debt crises by leveraging contractual provisions and, in an increasing number of cases, by seeking to enforce a debt claim against the sovereign in courts or international tribunals. Following an introduction to sovereign debt and its restructuring, the book provides the first comprehensive analysis of the holdout creditor problem in the context of the two largest sovereign debt restructuring operations in history: the Argentine restructurings of 2005 and 2010 and the 2012 Greek private sector involvement. [...] **TAGS:** Debt Restructuring; Debt crisis; Sovereign debt litigation; Contract standards; Sovereign defaults

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Accounting, Statistics, Reporting and Auditing

Improving Sovereign Financing Conditions Through Data Transparency (2022)

Jesus Gonzalez-Garcia - International Monetary Fund

Does it payoff to be transparent and, if so, can the benefits of transparency be measured? This paper provides an affirmative answer to both questions, supported by novel evidence on the link between transparency through dissemination of economic data and sovereign bond spreads. It explores changes in sovereign financing conditions when countries join the IMF Data Standards Initiatives—a multilateral framework that promotes data transparency as a global public good. The results from event studies and local projection models show a significant decrease in spreads following the adoption of the standards. In addition, countries with relatively weaker governance benefit the most from signaling their effort toward strengthening transparency. **TAGS:** Accounting, statistics, Reporting and Auditing; Transparency

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Macroeconomic Analysis

A Comprehensive Analysis of Recent Flood Disaster & Their Economic Impact on Pakistan Economy & Its Causes (2022)

Muhammad Ali - MEDIU Al Madinah International University Malaysia

In the current situation, Pakistan is not only suffering from a political crisis but also from a severe economic crisis. At present, Pakistan cannot bear the burden of any kind of minor crisis, whether it is social, political, economic any other type of crisis. At present, the external debt of Pakistan is $110b Billion & internal debt in Pakistan also touching the sky The public debt of Pakistan is around 54 Trillion PKR ($248.7Billion) which is 80.2 percent of the Gross Domestic Product. At present Pakistan is taking a package of $1 Billion from the IMF (International Monetary Fund), At the same time, floods start in the northern province of Pakistan KPK (Khyber Pakhtunkhwa) area in Pakistan & causing irreparable damage to this province as well also spreading destruction through south Punjab Province & its adjacent area & also spread destruction in Provinces Sindh & Balochistan. According to a conservative estimate, the flood caused an economic loss of $30 billion in Pakistan's quarter of the country's external debt. **TAGS:** **Debt sustainability**; **Foreign Debt**; **Multilateral financing**

The Risk of External Financial Crisis **(2022)**

Eduardo A. Cavallo, Eduardo Fernández-Arias, Juan Martín Rinaldi - Inter-American Development Bank, Independent Consultant, University of British Columbia

This paper explores the empirical determinants of external crises on a world panel dataset of 62 countries over the fifty-year period 1970-2019 and estimates their risk trade-offs with the aim of informing macrofinancial prudential policies. The determinants include countries external balance sheets, macroeconomic imbalances, and structural and global factors. It finds that information on the composition of gross positions in countries external financial portfolios is required to gauge the risk of external crisis: debt liabilities are the riskiest component, FDI liabilities are half as risky, and FDI assets are the most protective. Macroeconomic imbalances increase risk but are usually not the key drivers of crises. Adverse global shocks significantly leverage domestic risks. International reserves are powerful risk mitigants that provide high insurance value. The evidence shows that advanced economies are structurally more resilient to withstand exposure to weak external portfolios, macroeconomic imbalances, and global shocks. For the average country the risk of external crisis is on a declining trend mainly driven by improvements in the composition of external portfolio assets magnified by increasing financial integration as well as rising international reserves. **TAGS:** **Debt crisis**; **Foreign Debt**; **Debt sustainability**

Sovereign Debt and International Trade **(2022)**

Charles Serfaty - Banque de France

Evidence suggests that sovereign defaults disrupt international trade. As a consequence, countries that are more open have more to lose from a sovereign default and are less inclined to renege on their debt. In turn, lenders should trust more open countries and charge them with lower interest rate. In most cases, the country should also borrow more debt as it gets more open. This paper formalizes this idea in a sovereign debt model à la Eaton and Gersovitz (1981), proves these theoretical relations, and quantifies them in a calibrating model. The authors also provide evidence suggesting a causal relationship between trade and debt or CDS spreads, using gravitational instrumental variables from Frankel and Romer (1999) and Feyrer (2019) as a source for exogenous variation in trade openness. **TAGS:** **Debt crisis**; **Sovereign defaults**; **Debt and growth**

Currency Concentration in Sovereign Debt, Exchange Rate Cyclicality, and Volatility in Consumption (2022)

Eiji Fujii - Kwansei Gakuin University

For emerging economies, borrowing abroad is a double-edged sword: it can buffer against adverse economic shocks and smooth their domestic consumption; however, it can also amplify volatility in consumption, depending on the currency in which the debt is denominated and cyclicality in the borrower's exchange rate. The authors empirically investigate the nexus among external debt portfolios, exchange rate cyclicality, and volatility in consumption of low- and middle-income countries. Since 1980, many countries have concentrated their external debt portfolios' currency composition. By constructing debt-weighted effective exchange rates, the authors find that currency concentration magnifies exchange rate pro-cyclicality, making domestic consumption more volatile when national income fluctuates. Our results endorse diversifying the currency composition of external debt to mitigate the negative consequences of "original sin." **TAGS:** **Foreign Debt**; **Debt composition**; **Cost and Risk**

Economic Policies

What Triggered China's Urban Debt Risk? Snowball Effect Under the Growth Target Constraint (2022)

Wenfeng Mao, Jun Lu, Siyuan Cai, Haotian Yang - Peking University

The root causes and governance of subnational debt are intensely discussed in regional and policy research. This study contributes to literature by using the growth target constraints as a lens to investigate the boom of urban debt under political incentives. Using the urban construction investment bonds data of 270 prefecture-level cities from 2007 to 2015, the authors find that the competition for growth of subnational governments is the endogenous root of the boom of urban debt. The growth target constraint triggers subnational governments to carry out irrational debt financing through the leverage amplification effect of land leasing and mortgage, and to invest a large amount of financing in infrastructure construction. Unfortunately, these impulsive investments have low returns in terms of efficiency, which ultimately affects debt repayment. Accordingly, urban debt has shown considerable growth in this debt-stimulated model, which the authors attribute as the "snowball effect" of urban debt risk. **TAGS:** **Subnational debt**; **Debt sustainability**; **Debt and growth**

A Fiscal Theory of Central Bank's Solvency: Perils of the Quantitative and Qualitative Monetary Easing (2022)

Hidekazu Niwa - Osaka University

Under the Quantitative and Qualitative Monetary Easing (QQE), the Bank of Japan has purchased long-term Japanese government bonds. To study monetary policy after the Bank of Japan exits from the QQE, the authors develop a model in which the fiscal authority commits: (ⅰ) not to making fiscal adjustments needed to stabilize public debt, and (ⅱ) not to providing financial supports for the central bank that incurs losses on its balance sheet due to a decline in the price of long-term bonds. Within this framework, this study investigates how the interaction of these commitments reduces the ability of monetary policy to control inflation after liftoff from the zero lower bound. The authors consider a situation in which the central bank that holds long-term bonds raises the nominal interest rates and show two key results: (ⅰ) when the Taylor principle is not satisfied, under certain conditions, inflation right after liftoff cannot overshoot the central bank's target; (ii) when the central bank follows the Taylor principle, under certain conditions, it cannot prevent the economy from converging to the deflationary steady state. **TAGS:** **Debt and fiscal/monetary policies**; **Debt sustainability**; **Financial stability; Quantitative easing**

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**

U.S. and Euro Area Monetary and Fiscal Interactions During the Pandemic: A Structural Analysis **(2022)**

Andrew Hodge, Zoltan Jakab, Jesper Lindé , Vina Nguyen - International Monetary Fund

This paper employs a two-country New Keynesian DSGE model to assess the macroeconomic impact of the changes in monetary policy frameworks and the fiscal support in the U.S. and euro area during the pandemic. Moving from a previous target of "below, but close to 2 percent" to a formal symmetric inflation targeting regime in the euro area or from flexible to average inflation targeting in the U.S. is shown to boost output and inflation in both regions. Meanwhile, the fiscal packages approved in the U.S. and the euro area, and a slower withdrawal of fiscal support in the euro area, have a similar impact on output and inflation as changing the monetary policy frameworks. Simultaneously implementing these policies is mutually reinforcing, but insufficient to fully explain the unexpected increase in core inflation during 2021. **TAGS:** **COVID-19**; **Debt and fiscal/monetary policies**

Fiscal Crises: The Role of the Public Debt Investor Base and Domestic Financial Markets as Aggravating and Mitigating Factors **(2022)**

R. Bhattacharya, K. Johnson, M. Nkusu, M. Wang - International Monetary Fund, Stephens Inc.

The paper evaluates the key drivers of fiscal crises in a sample of countries from all three income groups—advanced, emerging, and low-income countries, using fiscal crisis data recently developed by the IMF's Fiscal Affairs Department. The empirical study focuses on three questions: (1) How does the composition of debtholders (domestic vs. foreign, resident vs. non-resident, or official vs. non-official) affect the probability of a fiscal crisis, after controlling for the level of public debt and other relevant variables?; (2) How does the development and size of the domestic financial sector affect the probability of a fiscal crisis?; and (3) How do changes in the debt level affect the probability of a fiscal crisis, for given compositions of the sovereign debt investor base and different levels of development and size of domestic financial markets? Our findings confirm the benefits of financial development, the danger of heavy reliance on a non-resident investor base, and also that emerging market economies have a lower debt carrying capacity compared to the full sample. **TAGS:** **Debt and fiscal/monetary policies**; **Secondary Markets**; **Debt composition**; **Debt crisis**

How Do Rising U.S. Interest Rates Affect Emerging and Developing Economies? It Depends (2022)

Carlos Arteta, Steven Kamin, Franz Ulrich Ruch - World Bank, American Enterprise Institute

This paper examines the implications of different types of interest rate shocks in the United States for emerging market and developing economies (EMDEs). It first classifies changes in U.S. interest rates into those caused by changes in inflation expectations ("inflation" shocks), changes in perceptions of the Federal Reserve's reaction function ("reaction" shocks), and changes in real activity ("real" shocks). The analysis attributes this year's sharp increases in U.S. interest rates almost exclusively to inflation and reaction shocks. These types of shocks are found to be associated with especially adverse effects: EMDE financial conditions tighten, consumption and investment fall, and governments cut spending to improve budget balances. By comparison, rising U.S. interest rates stemming from real shocks are not only associated with benign outcomes for EMDE financial conditions but also improvements in budget balances that reflect higher revenues as well as lower expenditures. Finally, this paper documents that rising U.S. interest rates driven by reaction shocks are especially likely to push EMDEs into financial crisis. **TAGS:** **Debt and fiscal/monetary policies**; **Sovereign bonds yields**

Fiscal Space and Government-Spending Cyclicality: Evidence from Quantile Regression (2022)

Yi-Chen Lin, Wen-Shuenn Deng - Tamkang University

This study applies quantile regression to a sample of 160 countries over the period 1990-2020 to explore the relationship between fiscal space and different conditional quantiles of government-spending cyclicality. Moreover, as fiscal space is a multidimensional concept, unlike the literature, which focuses on government debt sustainability, the authors consider additional dimensions of fiscal space that have received less attention – sovereign balance sheet vulnerability, contingent liabilities arising from the risks of external and private sector debt, and market perception of sovereign risk. Our analysis suggests that fiscal space is statistically significant only at the upper part of the conditional government-spending cyclicality distribution, i.e., fiscally procyclical countries. The authors also find that for fiscally procyclical countries, the share of foreign currency debt in total government debt, the share of government debt held by nonresidents in total government debt, the share of short-term external debt in total external debt, the ratio of government debt to tax revenue, natural resource dependence, inflation have a procyclical effect, whereas sovereign debt rating, financial depth, and the share of short-term debt in total external debt have a countercyclical effect. **TAGS:** **Debt and**

fiscal/monetary policies; **Debt sustainability**; **Sovereign Credit Ratings**; **Foreign Debt**

Evaluating Fiscal Policy Reforms Using the Fiscal Frontier **(2022)**

Xiaoshan Chen, Campbell Leith, Mattia Ricci - Durham University, University of Glasgow, European Commission

The authors develop a Fiscal Frontier which traces out the maximum government debt level that can be sustained at a given welfare cost. Through duality, the intertemporal policy mix underpinning the Frontier mirrors standard Ramsey policy and defines an upper limit on the welfare gains that can be achieved by any fiscal reform. The Frontier is then used to evaluate a variety of fiscal reforms: (1) one-off changes in tax instruments considered in Laffer curve calculations, (2) a gradual reduction in capital taxation proposed by Lucas (1990), and (3) fiscal consolidation strategies akin to CBO (2018). Conventional Laffer curve calculations significantly under-estimate the sustainable debt of the US. The desirable pace of capital tax abolition has slowed since the 1970s as debt levels have risen and tax rates fallen, but the reform remains close to the Frontier. Achieving debt reduction targets considered by the CBO is typically very costly, especially when that target must be achieved quickly, but a simultaneous capital tax reform can more than offset those costs. **TAGS:** **Debt and fiscal/monetary policies**; **Debt sustainability**

A Tale of Government Spending Efficiency and Trust in the State **(2022)**

António Afonso, João Tovar Jalles, Ana Venâncio - Lisbon University

This paper empirically links the efficiency and performance assessment of the general government, proxied by efficiency scores, to the trust in government. Government spending efficiency scores are first computed via data envelopment analysis (DEA). Then, relying on panel data and instrumental variable approaches, the authors estimate the effect of public sector efficiency on citizens trust on national governments. The sample covers 36 OECD countries between 2007 and 2019. The authors find that the more efficient countries in terms of government spending are Australia, Chile, Ireland, New Zealand, South Korea, Switzerland. Secondly, our main finding is that better public sector spending efficiency is positively associated with citizens' higher trust in governments. In general, political economy variables and the existence of fiscal rules do not seem to significantly affect our measure of trust. Results were held using alternative proxies for public sector efficiency, specifications with different control variables and instrumental variables approaches. **TAGS:**
Debt and fiscal/monetary policies; **Debt sustainability**

Government Spending Efficiency in Latin America **(2022)**

António Afonso, Gabriela Baquero Fraga - Lisbon University

The authors assess the public spending efficiency of 20 Latin American countries over the period of 2000-2019, computing Data Envelopment Analysis efficiency scores. For the Public Sector Performance composite indicator, the authors use the annual data of socio-economic indicators, and for the input measure they consider Total Public Spending as a percentage of GDP, by spending category. The results show that public spending during the period under study increased, but that overall governments were not efficient, as on average they could have used 27% less spending to achieve the same levels of performance. On the other hand, governments could have increased their performance by 18% whilst maintaining the same level of spending. The most-efficient countries were Chile, Guatemala, Panama, and Paraguay, with the least efficient being Bolivia, Venezuela, Nicaragua, Suriname, and Brazil. **TAGS:** **Debt and fiscal/monetary policies**; **Debt and growth**

Sustainable Finance and Sovereign Debt: The illusion to Govern by Contract (2022)

Federico Lupo-Pasini - Durham University

Sovereign debt markets are rapidly venturing into the world of sustainable finance. Sovereign and sub-sovereign borrowers increasingly use 'green', 'social', and 'sustainability' bonds and loans to finance their domestic sustainability agenda. The rationale behind those instruments is to leverage the power of financial markets to incentivize public borrowers to pursue sustainability reforms and projects that would otherwise be difficult to implement. At the same time, given its clear objective to influence domestic policies, some see sovereign sustainable finance as an invasion of national sovereignty and a new form of private conditionality. This article assesses these claims. It sets out a theory of sovereign sustainable bonds that highlights the incentives of the two contractual parties—institutional investors and sovereign borrowers—to use finance as a tool for domestic sustainability reforms. […] **TAGS:** **Debt Policy**; **Prima Markets**; **Contract standards**; **Debt sustainability**

Multilateral Financing

The Impact of the IMF's COVID-19 Support to Developing and Emerging Economies (2022)

Sumin Chun, Karmen Naidoo, Nelson Sobrinho - Duke University, International Monetary Fund

The authors construct a high-frequency dataset that combines information on all IMF lending and proxies of monthly economic activity during the first two years of the COVID-19 pandemic (2020–21). Using this novel dataset and standard econometric techniques the authors find a positive and significant marginal effect of IMF financing on economic activity in low-income countries (LICs) and emerging market economies. The authors also present tentative evidence that IMF financing may have helped economic outcomes by easing fiscal budget constraints, allowing for larger government spending in response to the pandemic. Overall, this evidence suggests that IMF financing helped lessen the negative impacts of the pandemic on economic activity, especially in LICs. **TAGS:** **Multilateral financing**; **Debt and fiscal/monetary policies**

Reports

It's the currency, stupid

Ruurd Brouwer - TCX The Currency Exchange Fund

Covid was not these countries' fault. The lack of global cooperation in tackling it was not their fault. The lack of adequate external official funding was not their fault. The global inflation was not their fault. The war is not their fault. But if the high-income countries do not offer the help they nae evidently need, it will unambiguously be their fault. **TAGS:** **Cost and Risk**; **Foreign Debt**; **Sovereign defaults**; **Debt relief**; **Multilateral financing**

Fiscal policy implications of euro area countries' 2023 draft budgetary plans

Johannes Simeon Bischl, Stephan Haroutunian, Sebastian Hauptmeier Steffen Osterloh – ECB

On 22 November 2022 the European Commission released its opinions on the draft budgetary plans (DBPs) of euro area countries for 2023. In its assessment of whether the budgetary plans for 2023 are in line with the Council's recommendations, the Commission focused on the compliance of countries with an indicator developed in the context of the coronavirus (COVID-19) crisis which adjusts the SGP expenditure benchmark. […] **TAGS:** **Debt Policy**; **Debt and fiscal/monetary policies**; **Structural policies**; **Financial stability**

World Bank supports crisis-hit Sri Lanka's efforts to reduce interest rate risk on its loans

World Bank

Interest rate risk can increase the cost of public debt, put pressure on country's budget, and make it harder to reach development objectives. During its unprecedented crisis, World Bank helped Sri Lanka to strengthen its capacity to understand and manage financial risks, protect part of its budget against interest rate volatility and potentially save $38 million on the cost of public debt. **TAGS:** **Multilateral financing**; **Cost and Risk**; **World Bank**

What is Sovereign Debt?

S.M. Ali Abbas, Alex Pienkowski - IMF - Finance and Development

When Edward III of England ran out of money to finance the Hundred Years' War with France, he turned to the banking families of Florence. The loans they gave him were extremely expensive, and when Edward failed to become king of France, he was unable to repay the debt in full. Over the centuries, the sovereign's debt became sovereign debt: the multitrillion, multinational, multicurrency network of debt obligations that we know today. […] **TAGS:** **Debt Policy**; **Cost and Risk**; **Primary market**; **Debt sustainability**; **Financial stability**; **Debt Restructuring**; **Debt and fiscal/monetary policies**

E-course on parliament's role in public debt

WFD

In this unique online learning programme, WFD supports parliamentarians, parliamentary staff and those engaged in public financial management in exploring the key concepts, mechanisms and risks which impact public debt management. **TAGS:** **Debt Policy**; **COVID-19**; **Accounting, statistics, Reporting and Auditing**

Policy briefs on parliamentary public debt management

Geoff Dubrow – WFD

These policy briefs, produced by WFD and the National Democratic Institute (NDI) provide information on the role of parliaments in debt transparency and debt sustainability explain parliamentary roles and good practices related to public debt. They are four policy briefs, structured around key themes: General debt management, which covers key concepts and definitions in public debt management and entry points for parliament to influence public debt management; […] **TAGS:** **Debt Policy**; **Accounting, statistics, Reporting and Auditing**

A Pandemic of Debt

José Antonio Ocampo - Minister of Finance and Public Credit of Colombia

Hammered by tightening financial conditions and steep currency depreciations, dozens of developing countries are either teetering on the edge of a debt crisis or have already defaulted. The international community must respond by providing immediate relief, creating new restructuring mechanisms, and introducing ambitious reforms. **TAGS:** **Debt crisis**; **Sovereign defaults**; **Debt relief**; **Debt Restructuring**

2023 Global Macro Outlook: Inflation peaks, growth slows

Morgan Stanley

Next year is likely to see weaker growth, less inflation and the end of rate hikes, with the U.S. narrowly missing a recession, Europe contracting and Asia offering green shoots for growth. With excessive post-COVID consumer demand, bloated retail inventories and the battle against inflation continuing to weigh on growth in 2023, Morgan Stanley believes global GDP growth will top out at just 2.2%, narrowly defying recession, but lower than the 3% growth expected for 2022. […] **TAGS:** **Economic Forecasts**

Do financial markets consider European common debt a safe asset?

Giovanni Bonfanti, Luis Garicano - Economics Department of Columbia University, Columbia Business School and the University of Chicago

The COVID-19 pandemic led to a dramatic change in common borrowing by the European Union. With the introduction of SURE (Support to mitigate Unemployment Risks in an Emergency) and NGEU (Next Generation EU) – programmes unprecedented in size and objectives – the EU shifted from being a small player in the sovereign market to a very significant one. EU debt (a slightly too broad concept, as discussed below) increased in two years from around €50 billion to over €300 billion. […] **TAGS:** **Sovereign debt market**; **Debt sustainability**; **Sovereign bonds yields**

If it doesn't trade, is it really marketable debt?

Rebecca Christie – Bruegel

When it comes to encouraging fiscal discipline, euro-area policymakers want the market to be part of the solution. This will not succeed until they make peace with the idea that, while it is their job to set conditions and incentives, it is not their job to dictate prices and spreads. Within the environment that policy creates, market discipline is something the market does to itself, not something a government imposes when it disapproves of national choices. Governments need to get used to market-set prices as a source of strength and information, not just a source of risk. […] **TAGS:** **International and Macroprudential Regulations**; **Secondary Markets**; **Market Liquidity**

Don't look only to Brussels to increase the supply of safe assets in the European Union

Francesco Papadia, Heliodoro Temprano Arroyo - Hellenic Financial Stability Fund, European Commission

A sufficient supply of safe assets denominated in euros is critical if the European Union is to achieve full banking and capital markets union while fostering the euro's international role. The European debate on developing the supply of safe assets has so far focused on the possible creation of a common safe asset. This has tended to underplay the potential contribution of sovereign asset. […] **TAGS:** Debt Policy; Bond market development; Financial stability

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Addressing the UK's public finances after the mini-budget crisis

Suryaansh Jain, Ethan Ilzetzki - London School of Economics and Political Science

The first budget of Rishi Sunak's government made efforts to address the 'black hole' in UK public finances that was estimated to be as large as £50 billion. The November 2022 Centre for Macroeconomics survey asked the members of its UK panel about the need for deficit cuts following the mini-budget crisis. A large majority of panellists thought that deficit cuts were desirable or necessary in late 2022, and a slightly smaller majority endorsed the pace of deficit reduction […] **TAGS:** Debt and fiscal/monetary policies; Debt sustainability

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2022 Report World Observatory on Subnational Government Finance and Investment – Highlights

OECD – UCLG

This 2022 edition expands the country coverage and now includes data for 135 countries, covering 93% of global population and 94% of GDP. The Observatory includes a fiscal database that covers dozens of indicators on subnational expenditure, investment, revenue and debt as of 2020, as well as on subnational government organisation and reforms as of 2021-2022. The website (www.sng-wofi.org) provides access to the database as well as a tool to compare countries across key dimensions. The platform also provides country and territory profiles presenting multi-level governance and subnational finance systems in 135 federal and unitary countries. […] **TAGS:** Debt and fiscal/monetary policies; Debt sustainability

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OECD Economic Outlook, Volume 2022 Issue 2

OECD

The global economy is facing mounting challenges amidst the largest energy market shock since the 1970s and the cost-of-living crisis for many households from rising inflation pressures. The OECD Economic Outlook, Volume 2022 Issue 2 highlights the unusually imbalanced and fragile outlook, the significant downside risks associated with energy market developments and rising financial vulnerabilities as interest rates are raised, and the associated policy challenges. Well-designed and timely policy actions are required to maintain economic stability, enhance energy security and strengthen the prospects for future growth. […] **TAGS:** Economic Forecasts; Debt Forecasts; Sovereign bonds yields; Debt and fiscal/monetary policies

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Do unto others: why today's debt crisis requires a different kind of thinking

David McNair, Daouda Sembene – CGDEV

One in five people on the planet live in countries at risk of debt distress. Yet the leaders and institutions that understand the challenge and could address it are instead virtue signaling and pointing the finger at others who share responsibly for a solution. We need a different approach—one that offers vulnerable countries the same luxuries afforded to rich countries. […] **TAGS:** Debt Policy; Debt sustainability; Debt crisis

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[Financing the 30x 30 agenda for the Oceans: Debt for Nature swaps should be rejected]
CADTM
At the UN Biodiversity Conference, or COP-15, the post-2020 framework will likely endorse the target of declaring 30% of the world's land and oceans as protected areas by 2030. We recognise that protected areas can be effective means to restore and conserve biodiversity and support coastal communities who rely on fisheries for their livelihoods and food security. The success of the post-2020 framework is dependent on participatory and transparent approaches to locating such areas and developing rules on what commercial activities are permitted in them. […] **TAGS: Debt sustainability; Debt crisis; Climate change**

Addressing the UK's public finances after the mini-budget crisis
Suryaansh Jain, Ethan Ilzetzki - London School of Economics and Political Science
The first budget of Rishi Sunak's government made efforts to address the 'black hole' in UK public finances that was estimated to be as large as £50 billion. The November 2022 Centre for Macroeconomics survey asked the members of its UK panel about the need for deficit cuts following the mini-budget crisis. A large majority of panellists thought that deficit cuts were desirable or necessary in late 2022, and a slightly smaller majority endorsed the pace of deficit reduction. […] **TAGS: Debt and fiscal/monetary policies; Debt sustainability**

The response to debt distress in Africa and the role of China
Alex Vines Obe, Creon Butler, Yu Jie - Chatam House
The economic consequences of the COVID-19 pandemic and Russia's invasion of Ukraine have undermined the ability of many African nations to service their sovereign debts. At present, 22 low-income African countries are either already in debt distress or at high risk of debt distress. Chinese lenders account for 12 per cent of Africa's private and public external debt, which increased more than fivefold to $696 billion from 2000 to 2020. […] **TAGS: Debt crisis; Debt sustainability; Debt and fiscal/monetary policies; COVID-19; Debt relief**

MiFIR 2021 Sovereign Bond Trade Data Analysis and Risk Offset Impact Quantification
AFME, FINBOURNE
Based on the positive feedback related to the "MiFIR 2021 Corporate Bond Trade Data Analysis and Risk Offset Impact Quantification" report (April 2022) , AFME and Finbourne subsequently decided to extend the analysis to sovereign bonds. Finbourne compiled actual post-trade data from major APAs, MTFs and OTFs from 1 March 2021-31 December 2021 on sovereigns and public bonds traded on EU platforms per MiFIR reporting requirements. This represents over €8.4tn of (gross) volume, almost 1.8m transaction records and over 8,200 distinct bonds/ISINs. […] **TAGS: Financial Analysis; Secondary Markets; Market Liquidity; Transparency**

For poor countries already facing debt distress, a food crisis looms
Marcello Estevão - World Bank
The war in Ukraine could soon deliver a tragic blow to many of the world's poorest countries: many of the countries at greatest risk of a debt crisis are now grappling with the threat of a food crisis as well. Food-import bills are surging fastest for poor countries that are already in debt distress or at high risk of it , the World Bank's latest data show. Over the next year, the tab for imports of wheat, rice, and maize in these countries is expected to rise by the equivalent of more than 1 percent of GDP. That is

more than twice the size of the 2021-2022 increase—and, given the relatively small size of these economies, it's also twice as large as the expected increase for middle-income economies. The danger of an overlapping food and debt crisis is greatest for seven countries in particular—those at high risk of debt distress or already in it: Afghanistan, Eritrea, Mauritania, Somalia, Sudan, Tajikistan, and Yemen. [...] **TAGS: Debt crisis**; **Debt relief**; **Multilateral financing**

BIS Quarterly Review, December 2022

BIS

Changes in the anticipated monetary stance and in the economic outlook continued to shape financial markets in the review period. The interplay of shifting inflation dynamics and deteriorating growth gave rise to two phases. In the first, from mid-September to mid-October, inflation readings came in stronger than anticipated, pushing up expectations of policy rates in the near future. In the second, through November, lower than expected inflation and weakening economic activity led markets to reassess downward the extent of policy tightening ultimately needed to contain inflation. [...] **TAGS: Financial stability**; **Debt and fiscal/monetary policies**; **Economic Forecasts**

Climate resilience and sustainable sovereign debt

Leora Klapper - World Bank

2022 is already a record-breaker in the number of climate change-related events, and developing countries must now pay for the repairs and remediation needed to combat the consequences. Although the international community pledged support at the UN Climate Conference (COP27), the costs of shoring up economies for the reality of a changing climate also fall on developing countries themselves and require supportive fiscal policies. [...] **TAGS: Climate change**; **Debt and fiscal/monetary policies**; **Debt sustainability**

International Debt Statistics 2022

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: Debt Statistics**; **Transparency**; **Debt composition**

International Debt Report 2022

World Bank

International Debt Report (IDR), formerly International Debt Statistics (IDS), is a longstanding annual publication of the World Bank featuring external debt statistics and analysis for the 121 low- and middle-income countries that report to the World Bank Debtor Reporting System (DRS). The content coverage of IDR 2022 includes: 1) analyses of external debt stock and flows from 2010 to 2021 for these countries, 2) an assessment of the evolution of the creditor composition of external debt over the past decade with particular emphasis on the emergence of non-traditional bilateral creditors and private creditors and how this has impacted the structure of borrowers' public debt portfolios and debt servicing costs which complicate the debt restructuring process, [...] **TAGS:** **Debt Statistics**; **Debt composition**

Colombia's Cat DDO: Strengthening Resilience to Disasters, Climate Change and Health Risks

The World Bank

The USD 300 million Third Disaster Risk Management Development Policy Loan (DPL) with a Catastrophe Deferred Drawdown Option (Cat DDO) will help Colombia reduce disaster, climate, and public health risks. Exogenous shocks from disasters, pandemics, and commodity price adjustments can harm a country's fiscal balance. An IBRD loan with a Cat DDO can help countries mitigate such risks by making a line of credit available to them. [...] **TAGS:** **Climate change**; **Multilateral financing**; **Debt and growth**; **Financial stability**; **World Bank**

A World Bank Facility makes funding affordable for countries hosting refugees

The World Bank

The Global Concessional Financing Facility (GCFF) funds projects for refugees in middleincome countries. The World Bank Treasury helped create the Facility's financial framework that provides a low-cost and streamlined financial and administrative solution for all stakeholders. When countries get a sudden influx of refugees, they struggle to expand their infrastructure and social services to accommodate the new population. [...] **TAGS:** **World Bank**; **Multilateral financing**

The Opportunity of Green, Social, and Sustainable (GSS) Bonds to Finance Development in Africa

The World Bank

On 26 May 2022, the Economic Commission of Africa (ECA) and the World Bank held a virtual workshop to explore Green, Social, and Sustainable (GSS) bond market development in West Africa. The workshop was the first in a series of workshops to build awareness across Africa about the GSS bond market and initiate a program to aid countries interested in the issuance of bonds. [...] **TAGS:** **GDRM Program**; **World Bank**; **Bond market development**; **Primary market**

Helping an Indonesian non-bank financial institution mobilize private capital for sustainable infrastructure

The World Bank

The World Bank provided technical assistance to PT Indonesia Infrastructure Finance to issue a USD 150 million, 5-year sustainability bond to fund infrastructure projects that are environmentally and socially sustainable. This is the first sustainability bond issued by a non-banking financial institution in Indonesia. With its tropical rainforests and long coastline, Indonesia is a key player in the fight against climate change. **TAGS:** **Multilateral financing**; **Primary market**; **World Bank**

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. As the interest rates started to increase globally in 2021, the Angolan government was concerned about financial risks associated with variable reference rates. [...] **TAGS:** **Debt sustainability**; **Multilateral financing**

[Colombia: Leading the Path to Sustainability in Latin America](#)

The World Bank

One of the top economic performers in Latin America, Colombia has committed to balancing growth with delivering environmental, climate and sustainability targets. As World Bank's long-standing development partner, the country took several important steps to transform its intentions into action, such as developing a local green bond market, and a green taxonomy, as well as integrating sustainability and Environmental, Social and Governance (ESG) factors into the guidelines for financial sector and infrastructure projects. **TAGS:** **Best Practices**; **Debt Policy**; **Debt and growth**; **World Bank**; **Debt and fiscal/monetary policies**; **Debt sustainability**

Roundtable Discussion: Climate Budget Tagging and engaging with Investors

The World Bank

On September 13, 2022, the World Bank Treasury Sustainable Finance Advisory organized a roundtable discussion to share investors' interest in climate-related information and showcase the value of climate budget tagging. The benefits of Climate Budget Tagging are multiple. The mechanism promotes transparency and accountability, enabling the prioritization of investments towards national objectives and international commitments. It also raises awareness of and showcases efforts to tackle climate challenges, fosters better cooperation between government ministries, and mobilizes domestic and international finance by enabling the tracking of the allocation of resources. […] **TAGS:** **Climate change**; **Multilateral financing**; **Financial stability**; **Institutional Investors**; **World Bank**

Kazakhstan saves on Interest Cost and improves its Debt-Service repayments

The World Bank

The World Bank Treasury customized an IBRD loan for Kazakhstan that saved the client on interest rate costs and bypassed the peak periods in its other debt obligations. The Government of Kazakhstan (i) saved approximately 18 percent on the interest rate cost of the IBRD Development Policy Financing (DPF) by selecting the below eightyear average repayment maturity (ARM) category; (ii) customized the loan's repayment schedule to accommodate the redemption of two Eurobonds maturing in the medium-term; and (iii) created short term fiscal space with a 2.5-year grace period to mitigate the adverse economic effects of the COVID-19 crisis. […]. **TAGS:** **Multilateral financing**; **Debt sustainability**; **Financial stability**; **Debt composition**; **Debt and growth**

Egypt-The first Sovereign Green Bond in the Middle East and North Africa

Farah Hussain - The World Bank

We issued the first sovereign green bond offering in the Middle East and North Africa, with a value of US$750 million for 5 years at a yield of 5.25 percent, putting the Arab Republic of Egypt on the map of sustainable financing. As of September 2020, Egypt had a portfolio of eligible projects worth US$1.9 billion, of which 16 percent was in renewable energy, 19 percent in clean transportation, 26 percent in sustainable water and sanitation management, and 39 percent in pollution reduction and control. […] **TAGS:** **Primary market**; **Bond market development**; **Debt and growth**; **Financial stability**; **Climate change; Green bonds**

Colombia-World Bank: A partnership in successful financial risk management
Geoff Dubrow - Nexus PFM Consulting Inc.
Given the importance of public debt to the overall economic health of a country, it is imperative that parliaments exercise their oversight roles over public debt and public debt management. This policy brief covers parliament's role in oversight of public debt, including: Debt transparency; What oversight looks like through the stages of the budget cycle; Identifying key players in supporting parliamentary oversight; and an overview of the roles played by the executive branch to provide context for the work of parliament. […] **TAGS:** Transparency; Debt Policy

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News

What's New area of the PDM Network website proposes ***daily a selection of news on public debt management*** from online newspapers and info providers, as well as ***the most recent documents and reports***. In addition to the bimonthly Newsletter, subscribers receive the weekly newsletter ***Emerging Sovereign Debt Markets News*** which covers sovereign debt markets of emerging and developing countries. The news has been selected by the PDM Network Secretariat from the ©Thomson Reuters Eikon 2023 and ©Refinitiv 2023 information services.

Events and Courses

Please note that the following list contains only events yet to be held at the date of this Newsletter, in chronological order. The calls for papers are highlighted in red.
We invite you to visit the "**Events**" section on the PDMNetwork website, which is regularly updated with new events and call for papers well in advance of their dates and deadlines.

2023

JANUARY

Until 31 January 2023: BIS, BoE, ECB and IMF, London
Call for papers Policy Challenges and International Spillovers in Times of High Inflation

Until 31 January 2023: CEPR, Evanston, Illinois, United States
Call for papers 2nd CEPR WEFIDEV Workshop in Finance and Development

Until 31 January 2023: Cesifo, San Servolo, Venice, Italy
Call for papers Venice Summer Institute 2023: The '70s are Back: Determinants and Implications of High Inflation

FEBRUARY

1-2 February 2023: Asian Development Bank, Asian Development Bank Headquarters, Manila, Philippines
36th ASEAN+3 Bond Market Forum (ABMF)Meeting

2 February 2023: OMFIF, Virtual Roundtable
Governor Nandalal Weerasinghe on Sri Lanka's debt standstill and recovery

7 February 2023: ICMA, Allen & Overy LLP, London, UK
[European Primary Bond Markets Regulation Conference]

7 February 2023: OMFIF, Virtual Roundtable
[The ECB's monetary policy decisions and the latest euro area outlook]

8 February 2023: GFC Media Group, Fairmont Hotel, Riyadh
[Capital Markets & Esg Finance Saudi Arabia 2023]

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

Until 10 February 2023: Luiss Guido Carli University in collaboration with CEPR, University Campus of Luiss in Rome
[Call for papers LUISS Finance Workshop]

Until 15 February 2023: Portuguese Financial Network, Funchal, Madeira Island, Portugal
[Call for papers 12th Meeting of the Portuguese Finance Network (PFN)]

Until 15 February 2023: Norges Bank, the IMF, and IMF Economic Review, Oslo, Norway
[Call for papers The Future of Macroeconomic Policy]

16 February 2023: ICMA, Singapore
[ICMA APAC Primary Market Forum]

20 – 24 February 2023: IMF – JVI, JVI Vienna and/or virtually
[Nowcasting]

22 February 2023: Institute of International Finance, Online
[IIF Global Debt Monitor Release]

23 February 2023: Interdependence, Philadelphia, PA
[Sixth Annual Sovereign Debt Restructuring Conference]

23 – 24 February 2023: Vienna University of Economics and Business (WU Vienna), Wien, Austria
[15th FIW-Research Conference 'International Economics']

24 – 26 February 2023: British Columbia's Sauder School of Business, Fairmont Chateau Whistler Resort in Whistler, British Columbia, Canada
[UBC Winter Finance Conference 2023]

27 February – 3 March 2023: IMF – JVI, JVI Wien and/or virtually
[Debt Sustainability Framework for Low-Income Countries]

27 February – 3 March 2023: IMF – JVI, JVI in Wien and/or virtually
[Understanding, Assessing and Managing Fiscal Risks]

28 February 2023: OMFIF, London, UK
[Asset and risk management seminar: Public sector investment in a volatile environment]

MARCH

Until 1 March 2023: ETH Zürich and the University of Oxford, Oxford, UK
[Call for papers Oxford Said - Risk Center at ETH Zurich Macro-Finance Conference 2023]

6 – 17 March 2023: IMF – JVI, JVI Wien and/or virtually
[Structural Reforms]

9 March 2023: ICMA, Online
[ICMA Secondary Market Forum]

14 – 15 March 2023: GFC Media Group, Cape Town International Convention Centre
[Bonds, Loans & Esg Capital Markets Africa 2023]

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]

20 – 31 March 2023: IMF- JVI, JVC Vienna and/or virtually
[External Debt Statistics]

22 – 23 March 2023: OMFIF, Hybrid event, London, UK and virtual
[SPI symposium 2023]

22 March 2023: ION Analytics, London, UK
[Debtwire Restructuring Forum Europe 2023]

Until 1 March 2023: World Finance Conference, Kristiansand, Norway
[Call for papers World Finance Conference]

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"]

30 March – 1 April 2023: CESifo, Munich, Germany
[CESifo Area Conference on Public Economics 2023]

Until 31 March 2023: ECO-ENA: Economics & ECO-Engineering Associate, Inc., Canada, Chestnut Conference Centre: The Armoury Room, Toronto University, Canada
[Call for papers The Fifth Annual Conference of Islamic Economics & Islamic Finance]

APRIL

3 – 14 April 2023: IMF – JVI, JVC Vienna and/or online
[Macroeconometric Forecasting and Analysis]

12 – 13 April 2023: CEPR, Evanston, Illinois, United States
[2nd CEPR WEFIDEV Workshop in Finance and Development]

18 April 2023: AFME, Wellington Hotel and Spa, Madrid, Spain
[AFME's 14th Annual Spanish Capital Markets Conference]

19 April 2023: ION Analytics, Frankfurt, Germany
[Debtwire Restructuring Forum Germany 2023]

24 – 28 April 2023: IMF – JVI, JVC Vienna and/or online
[Assessing and Managing Debt-related Fiscal Risks: A Focus on Government Guarantees]

24 April – 5 May 2023: IMF JVI, JVC Vienna
[Fiscal Frameworks]

27 – 28 April 2023: BIS, BoE, ECB and IMF, London
[Policy Challenges and International Spillovers in Times of High Inflation]

27 – 29 April 2023: Georgetown Law IIEL and the Sovereign Debt Forum, Princeton University's School of Public and International Affairs (SPIA)
[Sovereign Debt Forum]

27 – 28 April 2023: GRETA, Carroll School of Management, Boston College
[9th International Conference on Sovereign Bond Markets]

27 – 29 April 2023: The Geneva Graduate Institute, The School of Public and International Affairs (SPIA), Princeton University

The 6th Interdisciplinary Sovereign Debt Research and Management Conference (DebtCon6)

Until 28 April 2023: The Risk Banking and Finance Society, Florence (Italy)
Call for papers 16th edition of the International Risk Management Conference

MAY

3 May 2023: ECO-ENA: Economics & ECO-Engineering Associate, Inc., Canada, Chestnut Conference Centre, The Armoury Room, Toronto University, Canada
The Fifth Annual Conference of Islamic Economics & Islamic Finance

3 – 4 May 2023: AFME, Amsterdam Netherlands
2nd Annual European Sustainable Finance Conference

4 – 5 May 2023: ZEW – Leibniz Centre for European Economic Research, Mannheim, Germany
2023 ZEW Public Finance Conference: Fiscal Policy-Making in times of Crises

5 – 6 May 2023: CESIFO, Munich, Germany
CESifo Area Conference on Global Economy 2023

11 – 12 May 2023: Luiss Guido Carli University in collaboration with CEPR, University Campus of Luiss in Rome
LUISS Finance Workshop

21 – 22 May 2023: The Rothschild Caesarea Foundation, Reichman University (IDC Herzliya) Israel
The 18th Annual Conference in Financial Economics Research

22 – 26 May 2023: IMF – JVI, JVC Vienna and/or online
Public Governance and Structural Reforms

23 May 2023: Swedish House of Finance, Stockholm
Harnessing Finance for Climate

23 May 2023: AFME and OMFIF, Deutsche Bank Taunusanlage 12 Frankfurt Hesse Germany
AFME/OMFIF's 3rd Annual European Financial Integration Conference

26 May 2023: ICMA, Paris, France
ICMA Annual General Meeting and Conference 2023

JUNE

5 – 7 June 2023: French Finance Association (AFFI), Kedge Business School, Bordeaux campus, France
39th Conference of the French Finance Association (AFFI)

14 June 2023: IFMR Graduate School of Business (GSB), Krea University, Online
Research Symposium on Finance and Economics (RSFE) 2023 (Virtual)

15 – 16 June 2023: Norges Bank, the IMF, and IMF Economic ReviewOslo, Norway
The Future of Macroeconomic Policy
19 – 24 June 2023: Cesifo, The island of San Servolo, Venice
CESifo Venice Summer Institute

20 – 21 June 2023: Euromoney, London , UK
The Global Borrowers and Bond Investors Forum

28 June 2023: ICMA, Singapore
The 9th Annual Conference of the Principles

28 June – 1 July 2023: The European Financial Management Association, Cardiff Business School, Cardiff University, UK
[European Financial Management 2023 Annual Meeting]

28 June 2023: ICMA, Singapore
[The 9th Annual Conference of the Principles]

30 June – 1 July 2023: The Risk Center at ETH Zürich and Saïd Business School at the University of Oxford, Saïd Business School, University of Oxford, Park End Street, Oxford OX1 1HP
[Oxford Said - Risk Center at ETH Zurich Macro-Finance Conference 2023]

JULY

1 July 2023: The Risk Banking and Finance Society, Florence (Italy)
[16th edition of the International Risk Management Conference]

5 – 7 July 2023: Portuguese Finance Network, Funchal, Madeira Island, Portugal
[12th Meeting of the Portuguese Finance Network (PFN)]

AUGUST

2 – 4 August 2023: World Finance Conference, Kristiansand, Norway
[World Finance Conference]

SEPTEMBER

Until 15 September 2023: Financial Accountability & Management, online
[Call for papers Public financial management for Sustainable Development Goals: Challenges, experiences and perspectives]

OCTOBER

16 – 20 October 2023: UNCTAD, Abu Dhabi, United Arab Emirates
[8th World Investment Forum]

PDM Network in Figures

As of 28th November 2022, total documents and reports available on the PDM Network website were 8,696. Events and News uploaded on the website since July 2022 were respectively 272 and 7,762. This newsletter is sent to about 971 Subscribers from emerging and advanced countries.

Special Thanks

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