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This bimonthly newsletter lists all papers, reports, courses and other events concerning public debt management recently uploaded by the PDM Network Secretariat in the site www.publicdebtnet.org. The documents which the PDM Network Secretariat have found most interesting are highlighted with a grey background.
The PDM Network Newsletter is published on January, March, May, July, September and November.
The PDM Network Secretariat welcomes cooperation on information published on the website. Please feel free to **suggest any documents, news and events** that you think are relevant to the management of public debt at the following email address: publicdebtnet.dt@tesoro.it.

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Special Focus

Conference Announcement and Call for Papers - PDM Network: Public Debt Management Conference - Paris September 4-5, 2019
PDM Network
The Public Debt Management Network is pleased to announce the call for papers for the Public Debt Management Conference to be held on September 4-5, 2019 at the Headquarters of the OECD in Paris, France. Proposals across topics relevant to public debt management are welcome and may be submitted in the form of an abstract with preliminary findings and a supporting outline, or a working paper by April 5, 2019. Read more **TAGS:** Cost and Risk; Sovereign debt market; Contingent Liabilities; OECD; World Bank; PDM network

Webinar on Blockchain Bond
World Bank
On Thursday, November 29, 2018, 9:00 a.m. - 10:30 a.m. Washington, D.C. time a webinar on Blockchain Bond was organized by the World Bank Treasury, Financial Advisory and Banking. The

financial markets argue that blockchain technology may replace current methods of trade record keeping. Using blockchain for bond issuance has the potential to streamline processes among numerous debt capital market intermediaries and agents. Therefore, for debt managers the technique could create opportunities since it has the potential to simplify raising capital and trading securities, improve operational efficiencies, enhance regulatory oversight and would significantly speed up these processes and make them more secure. **Read more** **TAGS:** **Trading platforms**; **Primary market**; **Transparency**; **Accounting, statistics, Reporting and Auditing**; **World Bank;** **Bond market development**

Documents

Debt Policy

Debt mutualisation, inflation and populism in the Eurozone **(2018)**

Alfredo Arahuetes, García Gonzalo, Gómez Bengoechea - Elcano Royal Institute, Universidad Pontificia Comillas

This paper summarises the main options that literature and policy makers have explored to implement common debt issuance in the Eurozone. It describes the role that monetary policy is playing as a fiscal tool and why it is not sustainable due to the limitations that inflation and populism impose on political stability and debt sustainability. The current economic and institutional environment requires some form of debt mutualisation to avoid the reappearance of sovereign crises. The balance between monetary normalisation and debt mutualisation should allow a soft transition from ECB's sovereign interventions to some form of fiscal solution 'from the centre'. **TAGS:** **Primary market**; **Debt and fiscal/monetary policies**; **Debt sustainability**; **Debt crisis**

Cost and Risk

Managing South Africa's Exposure to Eskom - How to Evaluate the Credit Risk from the Sovereign Guarantees? **(2019)**

Fritz Florian Bachmair, Cigdem Aslan, Mkhulu Maseko – World Bank

The South African government offers various support mechanisms to support Eskom, the state-owned electric utility, and the independent power producers in providing low-cost electricity, including credit and payment guarantees. Guarantees constitute contingent liabilities to the government and pose risks to government finances. This note illustrates the methodologies explored by South Africa to assess the credit risk from guarantees extended to Eskom. To manage and closely monitor this risk, a dedicated Credit Risk directorate in the Asset and Liability Management division at the National Treasury of South Africa has implemented a risk assessment and management framework, supported by the World Bank Treasury. The team developed a sector- specific internal credit rating methodology to assess Eskom's creditworthiness. Additionally, the team developed a scenario analysis methodology to assess Eskom's ability to service debt from cash flows and cash reserves. The scenario analysis tool is currently used on an ad hoc basis to feed into the various scenarios that are considered for the budget process. Risk assessments are reported to the Fiscal Liabilities Committee on a quarterly basis for risk monitoring and to support recommendations for taking on new contingent liabilities, such as government guarantees. The Fiscal Liabilities Committee advises the minister of finance and is responsible for the determination of the processes and policies for approving guarantees and guarantee-like transactions. The Fiscal Liabilities Committee is generally mandated to promote the optimum management of the government's contingent liabilities, including guarantees. The implementation of further risk mitigation and monitoring tools, such as risk-based guarantee fees, budget allocations, and a contingency reserve account, is under discussion. **TAGS:** **Cost and Risk**; **Contingent Liabilities**; **World Bank**

Public Debt and Low Interest Rates **(2018)**

Olivier Blanchard - Peterson Institute for International Economics and MIT

The lecture focuses on the costs of public debt when safe interest rates are low. The author develops four main arguments. First, he shows that the current situation in which, in the United States, safe interest rates are expected to remain below growth rates for a long time, is more the historical norm than the exception. If the future is like the past, this implies that debt rollovers, that is the issuance of debt without a later increase in taxes may well be feasible. Put bluntly, public debt may have no fiscal cost. Second, even in the absence of fiscal costs, public debt however reduces capital accumulation, and may have welfare costs. The author shows that welfare costs may be smaller than typically assumed. The reason is that, in effect, the safe rate is the risk-adjusted rate of return on capital. If it is lower than the growth rate, it indicates that the risk-adjusted rate of return to capital is in fact low. The average risky rate however also plays a role. He shows how both the average risky rate and the average safe rate determine welfare outcomes. Third, the author looks at the evidence on the average risky rate, i.e. the average marginal product of capital. While the measured profit rate has been and is still quite high, the evidence from asset markets suggests that the marginal product of capital may be lower, with the difference reflecting either mismeasurement of capital or rents. This matters for debt: The lower the marginal product, the lower the welfare cost of debt. Fourth, he discusses a number of arguments against high public debt, and in particular the existence of multiple equilibria where investors believe debt to be risky, and by requiring a risk premium, increase the fiscal burden and make debt effectively more risky. This is a very relevant argument, but it does not have straightforward implications for the appropriate level of debt. His purpose in the lecture is not to argue for more public debt, especially in the current political environment. It is to have a richer discussion of the costs of debt and of fiscal policy than is currently the case. **TAGS:** **Cost and Risk**; **Debt Policy**; **Debt sustainability**

Assessing the extent of contagion of sovereign credit risk among BRICS countries **(2018)**

Lumengo Bonga-Bonga, Mathias Mandla Manguzvane - University of Johannesburg

This paper contributes to the literature of sovereign credit risk contagion by conducting a counterfactual analysis on credit risk spillovers among BRICS countries. The conditional value at-risk (CoVaR) methodology is used to this end. Moreover, the paper makes use of the generalised forecast error decomposition to assess the contribution of state variables in the CoVaR of each of the BRICS countries conditioned by China, the biggest economies of the BRICS. The findings of this paper show that credit risk distress in China affects the most all countries sovereign credit risk in the BRICS grouping. Moreover, the channel through which credit risk distress in China affect other BRICS country is not homogenous. **TAGS:** **Sovereign risk premia**; **Sovereign bond yields**; **Debt crisis**; **Financial stability**

Italian risk spreads: fiscal versus redenomination risk (2018)

Daniel Gros - Centre for European Policy Studies (CEPS)

Over the last few months, the risk premia on Italian government bonds have increased considerably. This column uses data on sovereign credit default swaps and governments bonds denominated in different currencies to disentangle fiscal risk from redenomination risk (i.e. the risk of Italy leaving the euro). Redenomination risk appears to be responsible for about half of the overall increase in the spread, suggesting that playing with the idea of exiting the euro can be costly even if public finances remain under control. **TAGS:** Sovereign risk premia; Cost and Risk; Debt sustainability; Financial stability

How does Sovereign Bond Market integration relate to fundamentals and CDS spreads? (2017)

Ines Chaieb, Vihang Errunza, Rajna Gibson Brandon - University of Geneva & SFI, Université McGill

The authors document significant heterogeneity in the degree and dynamics of sovereign bond market integration across 21 developed and 16 emerging countries at the market level and for five maturity segments. While political risk, credit quality, and inflation risk play an important role for integrating bond markets, the effect of illiquidity becomes large in crisis periods. This relationship is not subsumed by currency risk. Integration is negatively related to sovereign funding cost with a one percent increase in integration corresponding to an average decrease in the cost of funding of about 3% of 5-year CDS spreads across all developed bond markets. **TAGS:** Sovereign risk premia; Sovereign bond yields; Debt crisis; Financial stability; Sovereign CDS

Primary Markets

Public debt management policy of the Russian federation for 2017-2019

The Ministry of Finance of the Russian Federation

In 2013–2016, the Ministry of Finance of the Russian Federation faced new challenges in implementing the public debt management policy. Both internal and external conditions of government borrowing changed fundamentally. Economic slowdown brought about a significant decline in the federal budget's revenues and required the use of all available sources to cover its deficit. Foreign countries restricted trade and investment, blocking access to the international capital markets for many Russian corporate borrowers. These conditions and rising geopolitical tensions led to a significant rouble depreciation, inflation acceleration, lower prices for Russian assets, and loss of an investment grade credit rating by the country and local corporate issuers. However, mostly because of the pre-crisis conservative budget policy, including the so-called budget rule and “borrow and save” strategy, the Government succeeded in cutting federal budget expenditure, accumulating considerable reserves and keeping Russia’s public debt at a safe level. The strategy helped to restore confidence of business entities and adapt the national economy to the new reality. Budget system stability was secured and a low level of public debt retained, which is one of the key competitive advantages of Russia’s economy. **TAGS:** Debt policy; Debt Forecasts; Cost and Risk; Debt sustainability

Secondary Markets

Saudi's Growth and Financial Spillovers to Other GCC Countries: An Empirical Analysis (2018)

Olumuyiwa S Adedeji, Sohaib Shahid, Ling Zhu - International Monetary Fund

This paper examines real and financial linkages between Saudi Arabia and other GCC countries. Growth spillovers from Saudi Arabia to Bahrain are found to be sizeable and statistically significant, but those to other GCC countries are not found to be significant. Equity market movements in Saudi Arabia are found to have significant implications for other GCC countries, while there is no evidence of co-movements in bonds markets. These findings suggest some degree of interdependence among GCC countries. **TAGS: Sovereign debt market**

China's Bond Market and Global Financial Markets (2018)

Eugenio Cerutti, Maurice Obstfeld - International Monetary Fund

A cross-country comparative analysis shows that there is substantial room for further integration of China into global financial markets, especially in the case of the international bond market. A further successful liberalization of the Chinese bond market would encompass not only loosening bond market regulations, but also further developing of other markets, notably the foreign exchange market. Even though the increased integration of China into international capital markets would increase its exposure to the global financial cycle, the costs in terms of monetary autonomy would not be large given China's size and especially under a well-articulated macroeconomic framework. **TAGS: Bond market development; Market Liquidity**

Stigma? What stigma? A contribution to the debate on financial market effects of IMF lending (2018)

Beatrice Scheubel, Andrea Tafuro, Benjamin Vonessen - European Central Bank, Ca'Foscari University Venice

In the policy debate on the effectiveness of the Global Financial Safety Net, concerns have been raised that expectations of adverse effects of IMF programmes may deter countries from asking for an IMF programme when they need one, a form of `IMF stigma'. The authors explore the existence of IMF financial market stigma using monthly data by estimating how and to which extent adverse market reactions to a programme materialise and how past experience with adverse market reactions affects subsequent IMF programme participation. Their results, derived with event history techniques and propensity score matching, indicate no role for `IMF stigma' stemming from the fear of adverse market movements. Instead, the authors find evidence of `IMF recidivism' driven by adverse selection and IMF conditionality. **TAGS: Multilateral financing; Debt crisis; Financial stability**

Trading ahead of Treasury auctions (2018)

Jean-David Sigaux - European Central Bank

This paper develops and tests a model explaining the gradual price decrease observed in the days leading up to anticipated asset sales such as Treasury auctions. In the model, risk-averse investors expect an uncertain increase in the net supply of a risky asset. They face a trade-off between hedging the supply uncertainty with long positions, and speculating with short positions. As a result of hedging, the equilibrium price is above the expected price. As the supply shock approaches, uncertainty decreases due to the arrival of information, investors hedge less and speculate more, and the price decreases. In line with these predictions, meetings between the Treasury and primary dealers, as well as auction announcements, explain a 2.4 bps yield increase in Italian Treasuries. **TAGS:** **Public debt auctions**; **Sovereign debt market**

Tapping into China's domestic bond market - An international perspective **(2017)**

Chief China Economist's Office - Hong Kong Exchanges and Clearing Limited

A well-developed RMB bond market with a high level of foreign participation is an essential attribute that underpins RMB as an international reserve currency. The growth potential of foreign holdings of RMB bonds would be considerably large, given the size of China's economy and the RMB bond market. However, due to the restrictions under the current market opening programmes for foreign investors, the degree of foreign participation in China's bond market is significantly lower than those in the countries with international currencies and even some emerging markets. This reveals the needs to enhance market infrastructure, trading rules and financial products with innovative measures in order to further advance RMB internationalisation. At present, China runs three main programs that allow foreign investors to access the domestic bond market.[…] **TAGS:** **Sovereign debt market**

Subnational Debt

Designing Sound Fiscal Relations Across Government Levels in Decentralized Countries **(2018)**

Robin Boadway, Luc Eyraud - Queen's University Canada, International Monetary Fund

This paper discusses how decentralized countries can achieve sound fiscal relations between the central government and lower government levels. The concepts of "vertical gap" and "vertical balance" provide an analytical framework for identifying and addressing key challenges. These concepts can help policymakers ensure that the financing of subnational governments (composed of transfers received from the center, own revenues, and borrowing) is both efficient and adequate given the allocation of spending responsibilities. More generally, the paper offers some perspectives about the optimal design of decentralization systems by examining the sequencing and economic principles underlying revenue and expenditure assignments, the use of transfers, and borrowing. **TAGS:** **Debt and fiscal/monetary policies**; **Best Practices;** **Subnational debt**

Financial Analysis

Management of Fiscal and Financial Risks Generated by PPPs: Conceptual Issues and Country Experiences **(2018)**

Edgardo C. Demaestri, Cynthia Moskovits, Jimena Chiara - IDB, FIEL

This paper discusses the main issues concerning sovereign fiscal and financial risks from public–private partnerships (PPPs) with a focus on contingent liabilities (CLs). It is based on the presentations and discussions that took place during the XI Annual Meeting of the Group of Latin American and the Caribbean Debt Management Specialists (LAC Debt Group), held in Barbados in August 2015. The main issues discussed include PPP risks assessment, institutional framework for PPP risk management, and accounting and reporting of CLs generated by PPPs. Six country cases (Chile, Colombia, Costa Rica, Honduras, Suriname, and Turkey) are presented to illustrate experiences with different degrees of development regarding the management of risks and CLs related to PPPs. The document concludes that PPP risk management should encompass the whole lifecycle of a PPP project, risks need to be identified and CLs must be estimated and monitored, and the institutional capacity of governments to evaluate and manage PPP risks plays a central role in the successful development of PPP contracts. Although institutional capacities in this regard have improved in recent years, estimations of CLs involved in PPPs are not regularly performed, and there is still room for improvement on the assessment, measurement, registration, budgeting, and reporting of risks and CLs related to PPPs. **TAGS:** **Financial Analysis**; **Cost and Risk**; **Contingent Liabilities**

Limits to government debt sustainability in middle-income countries **(2018)**

Jean-Marc Fournier, Manuel Bétin – OECD

This paper investigates the effect of structural characteristics on debt limits of middle income countries. Two equations relate the probability of default to the interest rate. First, the probability of default is estimated with a logit model. Second, the assumption of non-arbitrage opportunity on the sovereign bond market relates the interest rate, the probability of default and the recovery rate. This model leads to three situations: a single and stable solution at low debt, multiple equilibria with stable and unstable solutions at intermediate debt, and a single solution with dissuasively high risk-premium beyond a debt threshold: this defines the debt limit. It reflects the empirical evidence on default determinants: it increases with perceived government effectiveness, the export to GDP ratio and the expected recovery rate and decreases with the commodity export to GDP ratio, the size of growth shocks, the share of defaults in neighbouring countries, the risk-free rate and investors' risk aversion. Debt limits are highly sensitive to the expected recovery rate, reflecting the importance of credibility. The multiple equilibria case illustrates the risk of self-fulfilling crises: interest rate shocks can trigger the default below the debt limit. **TAGS:** **Financial Analysis**; **Debt sustainability**; **Financial stability**

Sovereign CDS Calibration under a Hybrid Sovereign Risk Model **(2018)**

Gian Luca De Marchi, Marco Di Francesco, Sidy Diop, Andrea Pascucci - UnipolSai Assicurazioni SpA, University of Bologna

The European sovereign debt crisis, started in the second half of 2011, has posed the problem for asset managers, trades and risk managers to assess sovereign default risk. In the reduced form framework, it is necessary to understand the interrelationship between creditworthiness of a sovereign, its intensity to default and the correlation with the exchange rate between the bond's currency and the currency in which the CDS spread are quoted. To do this, the authors propose a hybrid sovereign risk model in which the intensity of default is based on the jump to default extended CEV model. They analyze the differences between the default intensity under the domestic and foreign measure and they compute the default-survival probabilities in the bond's currency measure. The authors also give an approximation formula to CDS spread obtained by perturbation theory and provide an efficient method to calibrate the model to CDS spread quoted by the market. Finally, they test the model on real market data by several calibration experiments to confirm the robustness of their method. **TAGS:** **Financial Analysis**; **Sovereign CDS**; **Sovereign default; Sovereign risk premia**

Government debt and banking fragility: the spreading of strategic uncertainty **(2018)**

Russell Cooper, Kalin Nikolov - European University Institute, European Central Bank

This paper studies the interaction of government debt and financial markets. This interaction, termed a 'diabolic loop', is driven by government choice to bail out banks and the resulting incentives for banks to hold government debt rather than self-insure through equity buffers. The authors highlight the role of bank equity issuance in determining whether the 'diabolic loop' is a Nash Equilibrium of the interaction between banks and the government. When equity is issued, no diabolic loop exists. In equilibrium, banks' rational expectations of a bailout ensure that no equity is issued and the sovereign-bank loop is operative. **TAGS:** Financial Analysis; Sovereign defaults; Sovereign debt exposure

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The robustness of the sovereign-bank interconnection: evidence from contingent claims analysis (2018)

Gómez-Puig, M. Singh, M. Sosvilla-Rivero S. - IREA Institut de Rercerca en Economia Aplicada, Universidad Complutense de Madrid

The authors analyze the interconnection between the sovereign and banking sector risk in the peripheral euro area countries over the 2004Q4-2013Q2 period. Applying the contingent claims methodology, the authors build indicators of sovereign and banking sector risk (incorporating both market and balance sheet based information) and assess their interconnection in comparison with existing market-based indicators of banking and sovereign distress. The authors use three different statistical measures of interconnection based on principal components analysis, Granger causality network and Diebold-Yilmaz's connectedness index, and apply them to quarterly credit risk data. The empirical results shows strong connectedness and comovement between country-level banking and sovereign risk indicators. **TAGS:** Financial Analysis; Cost and Risk; Contingent Liabilities; Sovereign debt exposure

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Government of Canada Fixed-Income market ecology (2018)

Léanne Berger-Soucy, Corey Garriott André Usche - Bank of Canada

This discussion paper is the third in the Financial Markets Department's series on the structure of Canadian financial markets. These papers are called "ecologies" because they study the interactions among market participants, infrastructures, regulations and the terms of the traded contract itself. In this ecology, the authors discuss the Government of Canada's domestic fixed-income market. The authors begin with an overview of Government of Canada securities and their characteristics. The authors then outline common market practices and the typical participants in the market. The authors provide high-level statistics on activity in the market and describe the market infrastructures that support trading. Finally, they discuss risks in these securities markets. **TAGS:** Primary market; Transparency; Cost and Risk; Financial Analysis; Financial stability

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Banks, government Bonds, and Default: what do the data say? (2018)

Nicola Gennaioli, Alberto Martin, Stefano Rossi – Università Bocconi, CREI

This paper analyzes sovereign bondholdings by 20,000 banks in 191 countries and 20 sovereign default episodes over 1998–2012, establishing two robust facts. First, banks hold many government bonds (on average 9% of assets) in normal times, particularly banks making fewer loans and operating in less financially-developed countries. Second, during default years, banks with the average exposure to government bonds exhibit a lower growth rate of loans than banks without bonds (7-percentage points lower). These results indicate that the "dangerous embrace" between banks and their government plays a key role during sovereign defaults and its strength depends on local conditions. **TAGS:** Financial

Analysis; Debt crisis; Debt sustainability; Financial stability; Sovereign debt exposure

The PBO model of analysis and forecast expenditure for interest (2018)

Italy's Parliamentary Budget Office

As part of its activities, focused on analyzing and checking the Government's macroeconomic and public finance forecasts, the Parliamentary Budget Office (PBO) has launched a programme to develop tools for monitoring and forecasting public finances and for assessing the effects of the most important legislative measures. Part of this activity is the development of a model for analyzing and forecasting the expenditure for interest on domestic government securities1, which enables the impact of changes in interest rates on interest expenditure to be assessed in the short and medium term and the debt management policy to be analysed (historical analysis). **TAGS:** Financial Analysis; Debt and fiscal/monetary policies; Debt Forecasts

Debt Crisis

What Drives Sovereign Debt Portfolios of Banks in a Crisis Context? (2018)

Matías Lamas, Javier Mencía - Banco De España

In this paper the authors study determinants of sovereign portfolios of Spanish banks over a long time-span, starting in 2008. Their findings challenge the view that banks engaged in moral hazard strategies to exploit the regulatory treatment of sovereign exposures. In particular, the authors show that being a weakly capitalized bank is not related to higher holdings of domestic sovereign debt. While a strong link is present between central bank liquidity support and sovereign holdings, opportunistic strategies or reach-for-yield behavior appear to be limited to the non-domestic sovereign portfolio of well-capitalized banks, which might have taken advantage of their higher risk-bearing capacity to gain exposure (via central bank liquidity) to the set of riskier sovereign bonds. Furthermore, the authors document that financial fragmentation in EMU markets has played a key role in reshaping sovereign portfolios of banks. Overall, their results have important implications for the ongoing discussion on the optimal design of the risk-weighted capital framework of banks. **TAGS:** Debt crisis; Sovereign debt exposure; Institutional Investors; International and Macroprudential Regulations

Resolving Sovereign Debt Crises: The Role of Political Risk (2018)

Christoph Trebesch - Kiel Institute for the World Economy

Sovereign defaults are bad news for investors and debtor countries, in particular if a default becomes messy and protracted. Why are some debt crises resolved quickly, in a matter of months, while others take many years to settle? This paper studies the duration of sovereign debt crises based on a new dataset and case study archive on debt renegotiations between governments and foreign banks and bondholders. Using Cox proportional hazard models, I find that domestic political instability ('political risk') is a significant predictor of negotiation delays, after controlling for macroeconomic conditions. Government crises, resignations, and street protests are particularly disruptive for a quick settlement process. Overall, the evidence suggests that debtor countries often lack the political ability to resolve a debt crisis. Governments in turmoil are unlikely to exit a default quickly. **TAGS:** Debt crisis; Sovereign defaults; Sovereign debt litigation; Debt restructuring

Institutional and Organisational Framework

Is a Fiscal Policy Council needed in Poland? (2018)

Balazs Romhanyi, Lukasz Janikowski - Independent, CASE - Center for Social and Economic Research

Unsustainability and procyclicality of fiscal policy are problems that many developed countries face. The public debt crisis revealed that fiscal rules are a useful but insufficient instrument for mitigating them. A large and growing group of economists are calling for the creation of 'fiscal policy councils' – independent collegial bodies made up of experts whose role is to act as independent reviewers of government policy and advise the government and parliament on fiscal policy. Such councils currently exist in at least 40 countries. Poland is the only EU country that does not have a fiscal policy council. The aim of this paper is to address the issue of whether a fiscal policy council is needed in Poland and what kind of additional contribution such a council might make to the public debate on fiscal policy. **TAGS:** **Debt and fiscal/monetary policies**; **Debt sustainability**

Commission rejection of Italian budget may be justified, but what comes next? (2018)

Stefano Micossi - LUISS University

The European Commission has returned Italy's Draft Budgetary Plan (DBP) to Rome with the request to provide a redraft more in line with European rules. By rejecting the DBP for "severe divergences" from ECOFIN's July 13, 2018 recommendations, the Commission is taking an unprecedented step under the European Semester procedure. In its Opinion of October 23, the Commission objects to Italy's DBP on four main grounds: 1-That the DBP has openly abandoned its convergence path towards a public sector structural budgetary balance (the medium-term objective, or MTO), planning in effect an increase of 1.4 per cent points of GDP relative to previously agreed commitments. This deviation would furthermore also be maintained in 2020 and 2021; 2-That the independent parliamentary budget office (PBO) has refused to validate the underlying nominal growth projections (above 3 per cent per annum), which exceed the maximum confidence interval of the PBO panel of forecasters by close to one percentage point; 3-That, consequently, the stated objective in the DBP of reduction of the public debt-to-GDP ratio is not credible; 4-That the decision by the Italian government to raise the public sector deficit raises the question of sustainability of Italy's public debt that could produce negative spillovers on the rest of the eurozone and the Union.[…] **TAGS:** **Debt and fiscal/monetary policies**

Debt Restructuring

Debt for Climate Swaps: Caribbean Outlook (2018)

Frances Fuller, Luis Zamarioli, Bianka Kretschmer, Adelle Thomas and Laetitia De Marez - Climate Analytics

Caribbean SIDS are among the most heavily indebted per capita developing countries in the world and are also highly vulnerable to the impacts of climate change. Public debt significantly restricts capacity and fiscal space to build resilience to climate change and thus undermines debt sustainability and economic growth. Caribbean SIDS are tasked with addressing low and stagnated growth, high public debt and vulnerabilities to climate change impacts. Debt for climate swaps may provide an avenue for SIDS to address debt challenges while also increasing resilience to climate change. **TAGS:** **Buybacks & Exchanges**; **Primary** market; Debt restructuring; Debt crisis; Financial stability; Debt sustainability

Accounting, Statistics, Reporting and Auditing

Standardized Public Debt Database (2018)
Edgardo C. Demaestri – IDB
The availability of valid, comparable, and standardized public debt data is essential for the implementation of sound policies in Latin America and the Caribbean (LAC). This is why at the core of the LAC Debt Group initiative is the development of a standardized sovereign debt database to help debt managers, policy makers, and other actors of financial markets analyze the evolution and composition of public debt in LAC and conduct cross-country comparisons. The information of the database is provided by the public debt offices of LAC countries in response to a questionnaire specifically designed to allow comparability of data. The questionnaire, whose response is non-compulsory, is intended to compile up-to-date standardized statistics for objective and homogeneous definitions of public debt. **TAGS:** Accounting, statistics, Reporting and Auditing; Debt Statistics

Deficit-debt adjustment (DDA) analysis: an analytical tool to assess the consistency of government finance statistics (2018)
Linda Kezbere, Henri Maurer - European Central Bank
This statistical paper describes and explains a specific tool enabling statisticians to gain additional insights and assess the consistency of government finance statistics (GFS): analysis of the deficit-debt adjustment (DDA), or stock-flow adjustment (SFA). The DDA reconciles two key government indicators – the government deficit/surplus and government debt. DDA analysis helps to establish whether these statistics are plausible and reliable by exploring the consistency between governments' non-financial accounts (measuring the government deficit/surplus) and financial accounts (measuring government debt at market value). It also takes into account valuation differences between the financial accounts and government debt measured at face value (Maastricht debt). Recent years' GFS for the euro area aggregate and the individual euro area countries (and, where useful, other EU Member States' data) are used to illustrate DDA analysis. The dataset bridging the government deficit and the change in government debt reveals many aspects of a government's economic policies. For instance, the components of the DDA shed light on its equity investments or privatisations, its use of investment in financial reserves, some aspects of its debtmanagement and the accumulation of fiscal or social arrears. **TAGS:** Accounting, statistics, Reporting and Auditing; Debt and fiscal/monetary policies; Transparency; Debt Statistics

Investor Relations and Rating Agencies

How do sovereign credit ratings help to financially develop low-developed countries? (2018)
Prabesh Luitel, Rosanne Vanpée - Research Centre for Finance KU Leuven Brussels Campus
The paper investigates the importance of having a sovereign credit rating for a country's financial development. After controlling for endogeneity and selection bias, the authors compare different aspects of the financial sector and the capital markets of recently rated countries with otherwise similar, but unrated countries. The findings indicate that obtaining a sovereign credit rating changes the composition of the assets of domestic banks

and leads to a growth in bank assets. With a sovereign rating, the government is less dependent on bank financing and it can tap international bond markets. Banks subsequently provide more credit to the private sector, which translates into riskier debt holdings, resulting in an increase in the banks' risk-weighted assets. In addition, an initial sovereign credit rating attracts foreign investors, both FDI and portfolio investments. Hence, the authors conclude that a sovereign credit provision plays a crucial role in enabling the financial development in a country. **TAGS:** **Sovereign Credit Ratings**; **Bond market development**

Sovereign Credit Risk Assessment with Multiple Criteria using an outranking method (2018)

Diogo F. de Lima Silva, Julio Cezar Soares Silva, Lucimário G. O. Silva, Luciano Ferreira, Adiel T. de Almeida-Filho - Universidade Federal de Pernambuco Universidade Federal do Rio Grande do Sul

In view of the records of failures in rating agencies' assessments for sorting countries' quality of credit in degrees of default risk, this paper proposes a multicriteria sorting model using reference alternatives so as to allocate sovereign credit securities into three categories of risk. From a numerical application, what was observed from the results was a strong adherence of the model in relation to those of the agencies: Standard & Poor's and Moody's. Since the procedure used by the agencies is extremely subjective and often questioned, the contribution of this paper is to put forward the use of an objective and transparent methodology to sort these securities. Given the agencies' conditions for undertaking the assessment, a complete similarity between the results obtained and the assignments of the agencies was not expected. Therefore, this difference arises from subjective factors that the agencies consider but the proposed model does not. Such subjective and questionable aspects have been partly responsible for the credibility of these credit agencies being diminished, especially after the 2007-2008 crisis. **TAGS:** **Sovereign Credit Ratings**; **Sovereign defaults**

Macroeconomic Analysis

Identifying Global and National Output and Fiscal Policy Shocks Using a GVAR (2018)

Alexander Chudik, M. Hashem Pesaran, Kamiar Mohaddes - Federal Reserve Bank of Dallas, University of Southern California, University of Cambridge

The paper contributes to the growing Global VAR (GVAR) literature by showing how global and national shocks can be identified within a GVAR framework. The usefulness of the proposed approach is illustrated in an application to the analysis of the interactions between public debt and real output growth in a multi-country setting, and the results are compared to those obtained from standard single-country VAR analysis. The authors find that on average (across countries) global shocks explain about one-third of the long-horizon forecast error variance of output growth, and about one fifth of the long-run variance of the rate of change of debt-to-GDP. Evidence on the degree of cross-sectional dependence in these variables and their innovations is exploited to identify the global shocks, and priors are used to identify the national shocks within a Bayesian framework. It is found that posterior median debt elasticity with respect to output is much larger when the rise in output is due to a fiscal policy shock, as compared to when the rise in output is due to a positive technology shock. The cross-country average of the median debt elasticity is 1.58 when the rise in output is due to a fiscal expansion as compared to 0.75 when the rise in output follows from a favorable output shock. **TAGS: Debt and growth**; **Debt and fiscal/monetary policies**

Assessing Expectations as a Monetary/Fiscal State-Dependent Phenomenon (2018)

Martin Geiger, Marios Zachariadis - University of Innsbruck, University of Cyprus

The authors assess the impact of monetary and fiscal policy shocks on US survey-based macroeconomic expectations elicited from consumers and financial experts, within and outside low-debt states of the world. While the authors fail to detect a clear response to shocks in a linear model, their analysis reveals a number of state-dependent patterns. The response of consumers' expectations to the monetary and fiscal shocks the authors jointly consider is typically strong and distinctly different outside states of low debt as compared to within states of low debt where the authors observe little action. Outside low-debt states, an increase in government spending has adverse effects on expectations consistent with the anticipation of negative effects from a future fiscal consolidation. Moreover, contractionary monetary policy shocks induce pessimistic macroeconomic expectations outside the low-debt state but not within it, suggesting that the fiscal burden matters in how monetary policy affects expectations. Their findings are in line with rationally inattentive consumers not paying attention to shocks occurring when the fiscal burden is low. Finally, consumer expectations' responses more closely resemble those of experts outside the low-debt state, in line with consumers becoming more attentive to fiscal and monetary developments when the stakes are high. **TAGS: Debt and fiscal/monetary policies**

Public Debt and the Slope of the Term Structure (2018)

Thien Tung Nguyen - Ohio State University (OSU)

This paper documents that the public debt-to-GDP ratio predicts negatively one- to five-year cumulative nominal consumption growth. Moreover, a higher debt-to-GDP ratio is associated with higher yield spreads, controlling for output gap and inflation. I examine these facts in a New Keynesian DSGE model in which growth and inflation are endogenous. In this model, high government debt forecasts low growth and deflation, making bonds attractive assets in high debt states. Furthermore, due to mean-reversions of fundamental processes that drive the economy, longer-term bonds are better hedges than shorter-term ones, resulting in increases in the slope of the term structure at times of high public debt and hence the empirical regularities seen in the data. This paper thus furthers our understanding of what determine bond yields and the impact of quantitative easing. **TAGS: Debt and fiscal/monetary policies**; **Sovereign bonds yields**

Debt trap? Chinese loans and Africa's development options (2018)

Anzetse Were - Business Daily Africa

Africa's growing public debt has sparked a renewed global debate about debt sustainability on the continent. This is largely owing to the emergence of China as a major financier of African infrastructure, resulting in a narrative that China is using debt to gain geopolitical leverage by trapping poor countries in unsustainable loans. This policy insight uses data on African debt to interrogate this notion. It explains why African debt is rising and why Chinese loans are particularly attractive from the viewpoint of African governments. It concludes that the debt trap narrative underestimates the decision-making power of African governments. However, there are important caveats for African governments. These include the impact of China's Belt and Road Initiative (BRI) on African development agendas, the possible impact of spiralling debt on African sovereignty, and the complex impact of corruption. **TAGS:** **Debt crisis**; **Foreign Debt**; **Cost and Risk**

Public debt service and economic growth: a survey of International literature **(2018)**

Saungweme Talknice, Odhiambo Nicholas M - University of South Africa

This paper provides a comprehensive survey of the analytical arguments and empirical evidence on the impact of public debt service on economic growth, in both developing and developed countries. Although most of the literature reviewed supports the classical view that public debt service negatively affects economic growth, a few other empirical findings revealed that the link between these two macroeconomic variables is non-existent. On the whole, the paper concludes that the impact of public debt service on economic growth is dependent on the size, structure and composition of both domestic and foreign public debt. Therefore, in a wider macroeconomic setting for public policy, governments are encouraged to ensure that both the level and rate of public debt growth is primarily sustainable, and can be serviced in a manner which lessens economic, political and social costs. **TAGS:** **Sovereign bonds yields**; **Debt and growth**

Fiscal Commitment and Sovereign Default Risk **(2018)**

Siming Liu, Hewei Shen - Indiana University, Bloomington University of Oklahoma

This paper studies the effects of fiscal policy commitment in countries that suffer sovereign default risk. Since a government does not incorporate the effect of their taxation decisions on past bond prices, a time-inconsistency problem arises, resulting in too many defaults and too few fiscal adjustments. The authors show that a fiscal commitment device can mitigate the government's default incentives and improve their borrowing opportunities. Moreover, instead of committing to a single tax rate, introducing a commitment device that depends on economic conditions can further reduce default risk while preserving the contingency of a pro-cyclical fiscal policy. **TAGS:** **Debt and fiscal/monetary policies**; **Sovereign defaults**

How sustainable are government debts in the formerly stressed Southern European countries? **(2017)**

Jürgen Matthes - Institut der deutschen Wirtshaft Koln

Will the sovereign debt of Italy, Spain and Portugal remain viable even if interest rates rise again and a moderate recession occurs? This debt sustainability analysis which comprises three relatively realistic scenarios and extends to 2022 comes to a differentiated conclusion. On the one hand, public debt ratios remain high not only in the moderately pessimistic scenario that includes a brief recession in 2019. This is also true in the baseline scenario (with rather conservative assumptions), mainly in Italy and to a lesser extent in Portugal and Spain. Only in the moderately optimistic scenario is the reduction in the public debt ratio somewhat faster in Italy, and all the more so in Portugal and Spain. However, even in this scenario it will take considerably longer than 2022 until the public debt ratios in Italy and Portugal will fall below 100 per cent of GDP. On the other hand, the public debt does not spiral out of control under the chosen assumptions, even in the rather pessimistic scenario. An important prerequisite is that fiscal policy, particularly in Italy (and somewhat less in Portugal and Spain), reacts with moderate consolidation. The primary surplus needed for stabilization is considerably below 3 per cent of GDP and thus within a reachable range. Therefore, there is no reason for the financial market to regard the debt situation unsustainable under normal conditions. However, this might be different if a deeper crisis or self-fulfilling prophecies on the financial market occurred or if populist parties dismissed the course of moderate fiscal consolidation. […] **TAGS:** **Debt Policy**; **Debt and fiscal/monetary policies**; **Debt Forecasts**; **Financial stability**; **Debt sustainability**

Economic Policies

The Hidden Cost of Weak Budget Projections: Forecast Deviation and Debt Buildup in Barbados (2018)

Juan Pedro Schmid, Kimberly Waithe, Kishmar Lord – IDB

The Barbados economy has been challenged over the last decade by elevated fiscal deficits and a rapid build-up in debt. While the country has made efforts to address this challenge through revenue and expenditure measures, budget targets have often been missed. This study indicates that budget under performance has contributed to the debt accumulation in Barbados. When comparing actual to budgeted targets set out in the budget, the study indicates that there has been an underestimation of expenditure and lower-than-expected revenue in several years. Particularly, systematic underestimation of transfers without adequate compensation in revenues has increased debt, underscoring the need for institutional and fiscal reforms. At the same time, the under-execution of capital expenditure highlights the need for better allocation to this growth-promoting spending, which has suffered from limited fiscal space. **TAGS:** **Debt and fiscal/monetary policies**; **Debt sustainability; Debt Forecasts**

Central banks and debt: emerging risks to the effectiveness of monetary policy in Africa? (2018)

Benedicte Vibe Christensen, Jochen Schanz - Independent Public Policy Analyst, BIS

In a period of rising trade protectionism and higher interest rates abroad, there is renewed urgency to ensure that debt, already on an upward path, does not impede the effectiveness of monetary policy in African countries. While central banks can affect the level and composition of debt held or owed by the financial sector if they have supervisory powers, they can only influence government debt indirectly, notably through communications. Advising the government and state-owned companies on debt management and macroeconomic developments might help slow a build-up in debt. Should debt nevertheless rise, certain institutional arrangements, such as rules against direct funding of the government budget, setting an inflation target for monetary policy, and operational independence, could help protect the effectiveness of monetary policy. Pursuing reforms that implement such arrangements could be one way forward for some African central banks. **TAGS:** **Debt and fiscal/monetary policies**

The first twenty years of the European Central Bank: monetary policy (2018)

Philipp Hartmann, Frank Smets - European Central Bank

On 1 June 2018 the ECB celebrated its 20th anniversary. This paper provides a comprehensive view of the ECB's monetary policy over these two decades. The first section provides a chronological account of the macroeconomic and monetary policy developments in the euro area since the adoption of the euro in 1999, going through four cyclical phases "conditioning" ECB monetary policy. The authors describe the monetary policy decisions from the ECB's perspective and against the background of its evolving monetary policy strategy and framework. The authors also highlight a number of the key critical issues that were the subject of debate. The second section contains a partial assessment. The authors first analyze the achievement of the price stability mandate and developments in the ECB's credibility. Next, they investigate the ECB's interest rate decisions through the lens of a simple empirical interest rate reaction function. This is appropriate until the ECB hits the zero-lower bound in 2013. Finally, they present the ECB's framework for thinking about non-standard monetary policy measures and review the evidence on their effectiveness. One of the main themes of the paper is how ECB monetary policy responded to the challenges posed by the European twin crises and the subsequent slow economic recovery, making use of its relatively wide range of instruments, defining new ones where necessary and developing the strategic underpinnings of its policy framework. **TAGS:** **Debt and fiscal/monetary policies**; **Debt crisis**; **Financial stability**

American Democracy and the Problem of Fiscal Deficits **(2018)**

Richard E. Wagner - George Mason University

Most theorists of public finance treat budgeting as a technical problem concerned centrally with projecting revenues and expenses. To the contrary, I treat budgeting as a political problem, with technical matters serving to obscure more than illuminate the political economy of budgeting. This essay starts by explaining why persistent budget deficits have little to do with traditional technical matters because they mostly reflect the conflictual character of contemporary political economy. The rest of the essay probes this conflictual character by providing a conceptual framework grounded in the inherently complex character of fiscal systems, and with this complex character contrasting sharply with the image of simplicity advanced by most theorists of public finance. The key point I advance is that democratic budgeting in large national governments will unavoidably operate as a source of turbulence and not as a source of systemic stability. **TAGS:** **Debt and fiscal/monetary policies**; **Financial stability**

The Three-Year Budget: A Maneuver in Favor of Productive Expenditures **(2018)**

Sergei Belev, Tatiana Tischenko, Anna Komarnitskaya - Russian Presidential Academy of National Economy and Public Administration (RANEPA)

The draft law "On the Federal Budget in 2019 and the 2020-2021 Planned Period" suggests a budget maneuver in favor of productive expenditures. The federal budget is to become the main source of growth of the Russian economy in the next three years. There are problems related to the budget stability that limit funding of new expenditure obligations without borrowing of funds on the debt market. **TAGS:** **Debt and fiscal/monetary policies**

The Scarcity Effect of Quantitative Easing on Repo Rates: Evidence from the Euro Area **(2018)**

William Arrata, Benoit Nguyen, Imene Rahmouni-Rousseau, Miklos Vari - Bank of France, International Monetary Fund

Most short-term interest rates in the Euro area are below the European Central Bank deposit facility rate, the rate at which the central bank remunerates banks' excess reserves. This unexpected development coincided with the start of the Public Sector

Purchase Program (PSPP). In this paper, the authors explore empirically the interactions between the PSPP and repo rates. The authors document different channels through which asset purchases may affect them. Using proprietary data from PSPP purchases and repo transactions for specific ("special") securities, the authors assess the scarcity channel of PSPP and its impact on repo rates. The authors estimate that purchasing 1 percent of a bond outstanding is associated with a decline of its repo rate of 0.78 bps. Using an instrumental variable, the authors find that the full effect may be up to six times higher. **TAGS:** **Debt and fiscal/monetary policies**; **Repo market**

Multilateral Financing

Debt Sustainability Assessments: The state of the art (2018)

Cinzia Alcidi , Daniel Gros - CEPS

The approach to debt sustainability analysis (DSA) followed by the IMF and European Commission (EC) are broadly similar. The commonality derives from the fact that debt levels, deficits and interest rates costs are linked by universal accounting relationships. DSA is a standard instrument of fiscal surveillance but it is also a tool for taking decisions about the provision of financial support. In the latter context, differences between the IMF and EC exist. One technical difference comes from the sensitivity parameters, which govern the feedback loop linkages between interest rates and debt. Such parameters are unobservable and small but powerful in driving results. The most important difference however is that the IMF has a fix and shorter horizon for the analysis and for the support, than the ESM. The Greek experience showed that that ESM support can be so large and long term that it can have a decisive impact on the DSA itself. This is not the case for IMF. This dissimilarity reflects specific perspectives of the two institutions associated with the different constituencies they represent. Overall, given the uncertainty surrounding future paths of debt and the large costs of sovereign defaults, IMF and EC DSAs should be regarded as complementary rather than alternative. **TAGS:** **Multilateral financing; Debt sustainability**

Coordination Between the International Monetary Fund and Multilateral Development Banks on Policy-Based Lending: Update on the Implementation of the G20 Principles (2018)

International Monetary Fund, the World Bank, and the Inter- American Development Bank, in coordination with the staffs of the African Development Bank and the Asian Development Bank

In March 2017, the Group of Twenty (G20) devised "Principles for effective coordination between the International Monetary Fund (IMF) and Multilateral Development Banks (MDBs) in case of countries requesting financing while facing macroeconomic vulnerabilities." The Principles drew on the stock-taking exercise presented to the G20 International Financial Architecture Working Group in February 2017 (IMF and MDBs, 2017), on the practices of coordination between MDBs and the IMF in provision of financial assistance to countries facing significant balance of payment (BoP) pressures. The Principles highlight the importance of the coordination between the institutions in the decision-making process for such financial assistance to be most effective, while clarifying that each institution should remain responsible for its lending decisions and be independent in reaching them. They also lay out recommended tasks for MDBs and the IMF to enhance coordination (Annex I). […] **TAGS:** **Multilateral financing**; **Debt sustainability**; **Financial stability**

World Economic Outlook

IMF

The steady expansion under way since mid-2016 continues, with global growth for 2018–19 projected to remain at its 2017 level. At the same time, however, the expansion has become less balanced and may have peaked in some major economies. Downside risks to global growth have risen in the past six months and the potential for upside surprises has receded. **TAGS: Economic Forecasts**

Annual Borrowing Plan 2018 and the Annual Debt Report 2017

Brazilian MoF

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

New Data on Global Debt

Samba Mbaye and Marialuz Moreno Badia – IMF

Until recently, we had a partial view of global debt. Authors' new update to the IMF's Global Debt Database, first made public in May 2018, now fills even more of the gaps. They have compiled data on public and private debt for 190 countries, dating back to 1950, which now includes the latest numbers for 2017. The authors make these data free and publicly available for all to use because they believe transparency can help create better public policy.[….] **TAGS: Transparency**; **Debt Statistics**; **Debt sustainability**

Three Steps to Avert a Debt Crisis

Martin Mühleisen and Mark Flanagan – IMF

There has been much public discussion of the debt sustainability of a handful of high-risk countries. However, the burden of public debt is a growing problem across the globe. In advanced countries, public debt is at levels not seen since the Second World War, despite some declines recently. Emerging market public debt has accumulated to levels last seen during the 1980s debt crisis. And forty percent of low-income countries—that is, 24 of 60 countries—are in or at high risk of debt distress—the inability to service public debt, which could produce significant disruption of economic activity and employment.[…] **TAGS: Debt sustainability**; **Accounting, statistics, Reporting and Auditing**

Action Plan on Climate Change Adaptation and Resilience

World Bank

The World Bank Group's new Action Plan on Adaptation and Resilience is important and timely. It lays out a strategy to boost bank's efforts on adaptation and resilience, with three areas of focus: First, through the bank's two funds for low-income and middle-income countries (IDA and IBRD), they will boost direct adaptation financing to $50 billion over FY21-25, more than double what was achieved during FY15-18. This puts adaptation finance on par with our investments in climate change mitigation.[…] **TAGS:** Multilateral financing; Debt and growth; Bond market development; Financial stability; World Bank

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Global Economic Prospects - Darkening Skies

World Bank

Global growth is expected to slow to 2.9 percent in 2019. International trade and investment are moderating, trade tensions remain elevated, and financing conditions are tightening. Amid recent episodes of financial stress, growth in emerging market and developing economies has lost momentum and is projected to stall at 4.2 percent this year, with a weaker-than-expected rebound in commodity exporters accompanied by deceleration in commodity importers. Downside risks have become more acute. Financial market pressures and trade tensions could escalate, denting global activity. **TAGS:** Economic Forecasts; Debt and growth; World Bank

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Bailing out the people: The public cost of excess private debt

Samba Mbaye, Marialuz Moreno Badia, Kyungla Chae - IMF Fiscal Affairs Department, Harvard Kennedy School

Since the financial crisis researchers have extensively explored the dangers of excessive public debt, but excessive private debt has received less attention. This column documents a common form of indirect private sector bailout that goes largely unnoticed. Whenever households and firms are caught in a debt overhang and need to deleverage, governments come to the rescue through a countercyclical rise in public debt. This indirect substitution takes place even in the absence of a crisis. **TAGS:** Financial Analysis; Financial stability

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Across Africa, disaster risk finance is putting a resilient future within reach

World Bank

Sub-Saharan Africa knows more than its fair share of disasters induced by natural hazards. The past few months alone have seen drought in the Horn of Africa, floods in Mali and Rwanda, and landslides in Ethiopia and Uganda. Between 2005 and 2015, the region experienced an average of 157 disasters per year, claiming the lives of roughly 10,000 people annually. Disasters can have a debilitating impact on countries' growth and development prospects. The Africa Disaster Risk Financing Initiative works with 19 African countries to develop and implement tailored financial protection policies and instruments which can help them respond quickly and resiliently to disasters . […] **TAGS:** Multilateral financing; Primary market; Bond market development

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World Economic Situation And Prospects: September 2018 Briefing, No. 118

UN

Summary: High commodity dependence and structural barriers hindering long-term growth prospects of many developing countries; Intensifying trade tensions between the major economies poses a significant risk to the global growth outlook; Recent financial market turbulence exposes vulnerabilities in several developing economies. **TAGS:** Economic Forecasts; Debt sustainability; Financial stability; Debt and growth

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Government borrowing, debt and debt interest: historical statistics and forecasts

Matthew Keep - The House of Commons Library research service

After 2007/08 two measures of debt interest are shown: gross debt interest and net debt interest. The net figure includes the impact that the Bank of England's quantitative easing has had on debt interest payments made by the government. The Asset Purchase Facility (APF) was set up for the Bank of England (BoE) to carry out quantitative easing, which aimed to stimulate the economy. […] **TAGS:** Debt Forecasts; Debt Statistics

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10 years since the crash: causes, consequences and the way forward

Progressive Economy Forum

The 2008 Global Financial Crisis was a cataclysmic event, the worst to befall the global economy since the Great Depression of 1929. This pamphlet marks 10 years since a key turning point in the proceedings: the collapse of Lehman Bros on 15th September 2008, the biggest bankruptcy in history. The crash came as the conclusion to decades of financial deregulation, beginning in the 1970s and intensifying in the 1980s. […] **TAGS:** Financial Analysis; Financial stability; Debt crisis; Debt Policy; Derivatives

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A brief analysis of the Central America and the Caribbean Economy

Jean-Philippe Pourcelot - Focus Economics

A sometimes overlooked region, the Central America and Caribbean economy is very important to the global economy. There is quite a bit going on in the region at the moment, including public unrest, corruption scandals and yet robust economic growth in many of the region's economies. To get a better idea of what is happening in the Central America economy currently and how it looks for the foreseeable future, authors asked some of our economists responsible for the region to give us an update. Here are their responses. **TAGS:** Debt sustainability; Foreign Debt; Debt crisis; Debt Forecasts; Financial stability

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Economic Outlook for Southeast Asia, China and India 2018 Fostering growth through digitalisation

OECD

The Economic Outlook for Southeast Asia, China and India is a biannual publication on Asia's regional economic growth, development and regional integration processes. It focuses on the economic conditions of the Association of Southeast Asian Nations (ASEAN) member countries (Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam) and two large economies in the region, China and India. This publication evolved from the Southeast Asian Economic Outlook. Beginning with the first release of the Update to the Outlook in June 2016, the Outlook has become a biannual publication, with the main report released in the fall and its update released the following spring. **TAGS:** Financial stability; Economic Forecasts; Debt sustainability; Debt and growth; Structural policies; OECD

Global Financial Stability Report 2018

IMF

Ten years since the failure of Lehman Brothers the global economy continues to grow and progress toward a safer global financial system is undeniable. New supervisory and regulatory standards, tools, and practices have been developed and implemented across the globe. Banks are now stronger because the quality and quantity of capital has increased steadily, and minimum liquidity standards have been phased in around the world. […] **TAGS:** Financial stability; Debt sustainability; Structural policies; International and Macroprudential Regulations

[Financial Crisis 10 years on - How the response to the last crisis laid the foundations for the next](#)

Bodo Ellmers – EuroDad

Ten years ago, on 15 September 2008, the US investment bank Lehman Brothers collapsed. This collapse is largely seen as a key event of the North Atlantic financial crisis, which also had spillover effects on the rest of the world. Around the globe, this decade-long crisis has caused massive unemployment, as well as rising poverty and inequality. It has been used and abused to slash people's rights – in particular the rights of workers – while the financial sector that caused the crisis has benefited from huge publicly funded bailouts. […] **TAGS: Debt crisis**; **Debt Policy**; **Cost and Risk**; **Debt sustainability**; **Financial stability**

Crowding out risk: Sovereign debt, banks, and firms' investment in Italy

Pierluigi Balduzzi, Emanuele Brancati, Fabio Schiantarelli - Boston College LUISS Guido Carli

The Italian government has decided to pursue an expansionary fiscal policy, with increased welfare spending as its focus. This column uses evidence from the 2010-2012 sovereign debt crisis to explore the potential negative effects of this policy on private investment. It finds that an increase in a bank's credit default swap spreads leads to lower investment and employment for younger and smaller firms and in the aggregate. These findings suggest the planned fiscal expansion could substantially crowd out private investment. **TAGS: Debt sustainability**; **Debt and growth**; **Financial stability**; **Debt and fiscal/monetary policies**; **Cost and Risk**

ESMA Risk Dashboard no.3 2018

ESMA

Equity markets in the EU began the quarter with a price recovery from the previous drop but then fell again in May. Sovereign and corporate bond market volatility was also high, as signs of liquidity drying up appeared in May. Market risk is very high, resulting from high asset valuations in equities coupled with market uncertainty as the period of ultra-low interest rates draws to a close. Our outlook for liquidity, contagion and credit risk remains unchanged. […] **TAGS: Financial Analysis**; **Cost and Risk**; **Sovereign debt market**

Government Bonds: snapback risk alert

Joseph Mariathasan - IPE.com

The Bank for International Settlements has warned bond yields could suddenly rise. A snapback could rapidly spread between bond markets. […]**TAGS: Sovereign risk premia**; **Market Liquidity**

Africa's pulse. An analysis of issues shaping Africa's economic future

World Bank Group

Economic growth in Sub-Saharan Africa is estimated to have picked up to 2.6 percent in 2017 from 1.5 percent in 2016. This upswing reflected, on the supply side, rising oil and metals production, encouraged by recovering commodity prices, and improving agricultural conditions following droughts. On the demand side, growth was supported by a rebound in consumer spending as inflation moderated, and a recovery in fixed investment as economic activity picked up among oil and metals exporters.[…] **TAGS: Debt and growth**; **Debt sustainability**; **Financial stability**; **Debt Policy**; **Economic Forecasts**; **Multilateral financing**; **World Bank**

Institutional Investors Presentation

Uruguay's Debt Management Unit

The presentation to Institutional Investors made by the Uruguayan Debt Management Unit collects main data on country's main institutional, macroeconomic and fiscal developments, economic policies, foreign investors' regulation, financial developments and government debt. **TAGS: Institutional Investors**; **Bond market development**; **Debt and fiscal/monetary policies**; **Debt sustainability**

JGB Issuance Plan for FY2019

Japan's MoF

Total JGB issuance amount for FY2019 will be 148.7 trillion yen with a reduction of 1.2 trillion yen compared with FY2018(initial). Taking into account an increase of sales for households, market issuance by normal auctions will also be decreased by 4.8 trillion yen from that of FY2018(initial) to 129.4 trillion yen.Issuance amounts by maturity types will be reduced in each zone of super-long-term(40-, 30-, 20-Year), long-term(10-Year) and short- to medium-term(5-, 2-, 1-Year) in a well-balanced manner, based on the market needs.[…] **TAGS: Debt Policy**; **Primary market**

FSB reviews financial vulnerabilities and deliverables for G20 Summit

FSB

On 22nd October, the FSB Plenary discussed market developments and vulnerabilities in the global financial system. Members considered that, while global growth remained solid, it has become more uneven across economies, and some downside risks have begun to materialise. Increases in policy interest rates and benchmark yields have to date been gradual. […] **TAGS: Financial stability**; **Debt sustainability**; **International and Macroprudential**

EU Derivatives Markets - ESMA Annual Statistical Report

ESMA

The European Securities and Markets Authority presents its first statistical report on EU derivatives markets, to be published in future on an annual basis. Collecting data on derivatives market activities and making operational use of them has been one of the important policy initiatives in response to the global financial crisis. In 2008, G20 leaders identified derivatives markets as a potential source of financial stability risks and subsequently agreed to require mandatory reporting of derivatives contracts. In the EU, this commitment was translated into reporting requirements under the European Markets and Infrastructure Regulation (EMIR), such that since February 2014 the details of any derivative contract and its modification need to be reported to a Trade Repository (TR).[…] **TAGS: Derivatives**; **Debt crisis**; **Financial stability**

Public debt management: Review of operations for the 3rd Quarter of 2018

Cypriot MoF

New issues: On the 18th of September the Republic of Cyprus issued a 10-year EMTN bond of €1,5 bn with a coupon of 2,375% and a yield of 2,40%. Geographically, the Republic of Cyprus achieved a broad distribution of investors largely from the UK (28%), Germany and Austria (14%) and the rest of Europe (53%). The largest investor class were Fund Managers (42%) closely followed by banks and private banks (40%).[…] **TAGS: Debt Statistics**; **Primary market**; **Debt Policy**

Year in Review: 2018 in 14 Charts

World Bank

As 2018 comes to an end, extreme poverty is at the lowest level in recorded history but is expected to become increasingly concentrated in one region. A record number of people have been forcibly displaced from their homes, and an influential new report confirms we're running out of time to limit global warming. Yet, innovation and disruptive technologies are helping to bring clean energy to millions and connecting hundreds of millions of people to the financial system. **TAGS: Foreign Debt**; **Debt sustainability**; **Debt Statistics; World Bank**

International Debt Statistics 2019: External debt stocks at end-2017 stood at over $7 trillion

World Bank

International Debt Statistics 2019 presents statistics and analysis on the external debt and financial flows (debt and equity) for the world's economies for 2017. This publication provides more than 200 time series indicators from 1970 to 2017 for most reporting countries. Borrowing from external official and private creditors surged to $607 billion in 2017 from $181 billion the previous year, the highest level in three years. External debt stocks also saw a rise of 10 percent in 2017 to $7.1 trillion, according to International Debt Statistics 2019. **TAGS: Debt Statistics**; **Foreign Debt; World Bank**

2019 Outlook: Trends in the Capital Markets

SIFMA

Efficient capital markets are essential to a vibrant economy. By driving capital and credit to the best ideas and enterprises, they propel them and our country forward. The global financial system has adopted an unprecedented volume of new regulations since the crisis, affecting everything from market structure to capital standards. As we look to 2019 and beyond, now is the time to ask, what reforms are working? Which would benefit from harmonization? What new risks have arisen? How do we make sure institutions can provide capital and credit to the economy? […]**TAGS: Financial Analysis**; **Market Liquidity**; **Sovereign bonds yields**

Seychelles Achieves World First with Sovereign Blue Bond

World Bank

World Bank helped structure and launch the blue bond, working with three U.S. impact investors. The bond proceeds will support sustainable marine and oceanic resources. Much like green bonds a decade ago, the blue bond can catalyse other forms of innovative blue financing for public and private investors. **TAGS: Primary market**; **Bond market development**

OECD Economic Outlook, Volume 2018 Issue 2

OECD

The OECD Economic Outlook is the OECD's twice-yearly analysis of the major economic trends and prospects for the next two years. The Outlook puts forward a consistent set of projections for output, employment, prices, fiscal and current account balances. Coverage is provided for all OECD member countries as well as for selected non-member countries. This issue includes a general assessment, a special chapter on the implications for public policy of the decoupling of wages from productivity and a chapter summarising developments and providing projections for each individual country. The Statistical Annex is available on-line only at https://dx.doi.org/10.1787/eco_outlook-v22018-2-en. **TAGS: OECD**; **Economic Forecasts**; **Debt and fiscal/monetary policies**

2017 Public Debt Report

Italy's Ministry of Economy and Finance

The document illustrates: - The objectives assigned to the public debt management activity for 2017; - The performance of the Italian government bond market in the international context; - The results of the issuance and management of public debt in 2017. […]**TAGS:** **Debt Policy**; **Primary market**; **Market Liquidity**; **Debt Statistics**; **Sovereign bonds yields**

Between debt and the devil: beyond the normalization delusion

Lord Adair Turner - Institute for New Economic Thinking, New York USA

Since 2008, we have found it incredibly difficult to achieve adequate nominal demand growth. The author thinks a fundamental reason we found it so difficult focuses on debt overhangs, if we first allow private leverage to grow too high, we end up in a situation where the debt doesn't go away, it just moves around the global economy. Total global debt to global GDP is now higher than it ever was before. […] **TAGS:** **Debt Policy**; **Debt and fiscal/monetary policies**; **Financial stability**

EMTA Bulletin 4th Quarter 2018

EMTA

Speakers at EMTA's Special Seminar on Argentina, held in London on October 23, 2018, discussed the country's most recent fall from grace and offered views on the road ahead. The event attracted 100 market participants, and was sponsored by the TPCG Group. Moderator Diego Portela (TPCG Group) reminded the audience that it hadn't been long since former Finance Secretary Caputo had declared that Argentina would lead the Emerging Markets for the next twenty years. Portela questioned speakers what had gone wrong, and why investors had lost confidence in Argentina. [..] **TAGS:** **Bond market development**; **Derivatives**

Argentina's economic crisis

Rebecca M. Nelson - Congressional Research Service

Environmental Finance has expanded its annual Green Bonds Europe conference, now in its 9th year, to include a stream dedicated to integrating environmental, social and governance (ESG) concerns into the broader fixed income market. Our green bond conferences have been an important forum for debate within the green bond market. The seeds for the Green Bond Principles were sown at our conference in 2013 and we have enjoyed our role in reporting and helping to shape the conversations to drive the market forward.[…] **TAGS:** **Debt crisis**; **Debt sustainability**; **Foreign Debt**; **Debt and fiscal/monetary policies**

Bank of Greece Monetary Policy Report 2017-2018

The Bank of Greece

The present Report on Monetary Policy is submitted by the Bank of Greece just after the successful completion of the fourth and final review of Greece's economic adjustment programme. 20 August 2018 will mark the formal conclusion of the programme. […] **TAGS:** **Debt sustainability**; **Financial stability**; **Debt and fiscal/monetary policies**

Global Regulatory Outlook 2018

Julian Korek - Duff & Phelps

The regulatory burden increases inexorably, but promises of regulatory harmonisation never seem to deliver. Perhaps that's a good thing. On Brexit, negotiations continue with financial services regulation and access remaining among the many sticking points. In the United States, we are beginning to get a sense of the priorities of new Securities and Exchange Commission.[…] **TAGS:** **International and Macroprudential Regulations**

China Outlook 2019 - Stimulus offsets trade risks

Arien van Dijkhuizen - ABN AMRO
China Outlook 2019 – Stimulus offsets trade risks
2018 marks the resumption of China's gradual slowdown driven by financial deleveraging and initial drags from trade conflict US. Trump and Xi Jinping agree on 90 day truce in Buenos Aires. Should downside pressures intensify, Beijing has more room for stimulus. Yuan weakness also cushions impact tariffs, but we expect some recovery. All in all, we expect China's slowdown to remain gradual in 2019 and 2020. […]**TAGS:** **Economic Forecasts**

News

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

Events and Courses

As you can read, **the list below contains past and future events in chronological order**.
The reason for listing new and expired events is to show our readers an at-a-glance collection of new entries published on our website after the release of the previous Bimonthly Newsletter.
To stay updated in advance about new future events you could, besides reading this list, much better going directly to the "**Events**" section of our website, since the Secretariat adds regularly new events in advance to their dates and deadlines.

10 January 2019; S&P Global Rating, S&P Global Office 55 Water Street Floor 36 New York, NY 10041
U.S. Public Finance State & Local Government Credit Forum

15 – 16 January; Euromoney Conferences, Wien, Austria
The Central and Eastern European Forum

16 January; Debtwire, Hong Kong
The greater China Restructuring Forum 2019
22 January 2019; Moody's, London
Moody's Investors Service EMEA RMBS ABS Conference 2019

23 - 24 January 2019; California Debt and Investment Advisory Commission, Riverside, CA
Fundamentals of Public Funds Investing

6 – 8 February 2019; Moody's New York
Advanced Bank Risk Analysis Learning Solution

7 February 2019; Frankfurt, Germany
Moodys European Credit Trends Conference Frankfurt

7 February 2019; London
ICMA Intensive One-Day Workshop: Repo & the European Repo Market

12 - 14 February 2019; California Debt and Investment Advisory Commission, Riverside, CA
Municipal Debt Essentials

12 – 14 February 2019; London
Finovate Europe 2019

13 – 15 February 2019; NACUBO National Association of College and University Business

Officers, New York Marriott Marquis - New York USA
2019 Endowment and Debt Management Forum

13 – 15 February 2019; Sifma The Montage in Laguna Beach.
5th Annual Asset Management Derivatives Forum

14 February 2019; Lisbon, Portugal
European Credit Trends Conference Lisbon

18 – 20 February 2019; Florence school of Banking and Finance, European University Institute EUI Premises, Florence Italy
Securitisation: regulation and practice

19 February 2019; Rabat, Morocco
The Euromoney Morocco Conference 2019

21 February 2019; Moody's New York
High Yield Bond Covenants: A Practical Approach Learning Solution

21 February 2019; Istanbul
The Bonds & Loans Awards

25 – 27 February 2019; CEF, Ljubljana, Slovenia
Systemic Risk and Stress Testing

25 – 26 February 2019; Geneva, Switzerland
Multi-year Expert Meeting on Enhancing the Enabling Economic Environment at All Levels in Support of Inclusive and Sustainable Development, and the promotion of Economic Integration and Cooperation, third session

26 – 27 February 2919; Manama, Bahrain
The GCC Financial Forum 2019

28 February – 3 March 2019; Institute for New Economic Thinking, New York - USA
YSI @ the 45th Eastern Economics Association Conference

11 – 12 March 2019; WBR Worldwide Business Research, The Ritz-Carlton Westchester, White Plains, NY
Fixed Income leaders' summit: Emerging Markets 2019

11 – 13 March 2019; CEF, Ljubljana, Slovenia
Financial Statements: Increasing Transparency and Accountability

12 – 13 March 2019; Center for Financial Professionals, London, Tower Guoman Hotel
5th Annual New Generation Operational Risk: Europe 2019

13 - 14 March 2019; Bonds & Loans the voice of Emerging Market Credit, Cape Town International Convention Centre, South Africa
Bonds, Loans & Sukuk Africa

13 March 2019; Risk.net, The Waldorf Hilton Hotel, London - UK
Buy-Side Risk Europe

13 – 14 March 2019; Central Banking National Asset-Liability Management Europe, London Marriot Hotel Grosvenor London UK
National Asset-Liability Management Europe Conference

18 – 19 March 2019; Bond UK, London
Bond Annual Conference

19 March 2019; Euromoney Conferences, Frankfurt Germany
The Euromoney International Shuldschein Forum 2019

21 March 2019; National Bank of Poland, Warsaw
Understanding the monetary transmission mechanism

26 - 27 March 2019; Bonds & Loans the voice of Emerging Market Credit, Intercontinental Festival City, Dubai
Bonds, Loans & Sukuk Middle East

26 March 2019; LatinFinance, Beijing, China
The 9th Latin America China Investors Forum

28 – 29 March 2019; Banque de France, Banque de France Conference Center 31 rue Croix-des-Petits-Champs, 75001 Paris
The Euro Area: staying the course through ucertainties

28 – 29 March 2019; European Central Bank, Frankfurt Germany

Financial Intermediation, Regulation and Economic Policy: The 50th Anniversary of the Journal of Money, Credit and Banking

31 March - 3 April 2019; Bank for International Settlements, Hotel Schweizerhof, Lenzerheide, Switzerland
12th Swiss winter conference on financial intermediation

1 - 3 April 2019; Bank of Italy, Rome
Audit activities in a central bank

1 – 3 April 2019; SAFE House of Finance, SAFE – Goethe University, Frankfurt, Germany
6th International Conference on Sovereign Bond Markets. Quantitative Easing and Financial (In)Stability

11 – 12 April 2019; Georgetown's Institute of International Economic Law Washington, D.C.
Third Interdisciplinary Sovereign Debt Research and Management Conference (DebtCon3)

12 – 14 April 2019; IMF, Washington, D.C.
2019 Spring meetings of the World Bank Group and the International Monetary Fund

23 – 24 April 2019; Florence school of Banking and Finance, European University Institute Premises, Florence Italy
Sovereign Debt Risks

23 - 24 April 2019; OECD, OECD Headquarters, Paris
26th OECD Global Forum on Public Debt Management

24 – 26 April 2019; National Association of Bond Lawyers, The Westin Chicago USA
2019 Fundamentals of Municipal Bond Law Seminar

7 – 10 May 2019; Tarragona, Spain
27th CEPR European Summer Symposium in International Macroeconomics (ESSIM)

8 May 2019; Euromoney Conferences, Berlin, Germany
The Euro Capital Markets Forum 2019

14 – 15 May 2019; Center for Financial Professionals, New York
8th Annual Risk Americas 2019

15 – 19 May 2019; ICMA, Stockholm, Sweden
ICMA Annual General Meeeting and Conference 2019

20 – 21 May 2019; IMN, New York, USA
Green Investing

1 June 2019; Center for Financial Professionals, London
8th Annual Liquidity Risk Management Europe

11 - 12 June 2019; Center for Financial Professionals, London
8th Annual Risk EMEA 2019

12 – 14 June 2019; Moody's New York
Advanced Bank Risk Analysis Learning Solution

13 June 2019; ICMA, Palmengarten Gesellschaftshaus, Frankfurt
2019 Green and Social Bond principles annual General Meeting and conference

17 June 2019; Environmental Finance, London – UK
Fixed Income & ESG featuring Green Bonds Europe 2019

18 – 19 June 2019; Euromoney conferences, London UK
The Global Borrower & Bond Investors Forum

20 – 21 June 2019; University of Cambridge, Cambridge Judge Business School University of Cambridge Trumpington Street Cambridge - UK
10th Risk Summit University of Cambridge

20 – 21 June 2019; Zurich CH
CEPR Annual Public Economics Symposium 2019 "Public finance: Macro Insights"

4 – 5 September 2019; PDM Network, Headquarters of the OECD in Paris, France
PDM Network Public Debt Management Conference

9 – 11 September 2019; Bank of Italy, Rome
Central banks' communication

7 – 9 October 2019; Worldwide Business Research, CCIB Barcelona, Spain
Fixed Income Leaders' Summit

23 – 24 October 2019; Istanbul
Bonds, Loans & Sukuk

PDM Network in Figures

At 24th January 2019, total documents and reports available on the PDM Network website were 7,191. Events and News uploaded on the website since January 2018 were respectively 237 and 4,953. This newsletter is sent to 756 Subscribers from emerging and advanced countries.

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