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PDM NETWORK

Bimonthly Newsletter

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

Contents

PDM Webinar Series

JOIN US! **PDM Webinar Series #4 - The Role of Parliament in the Oversight of Public Debt Management - Monday June 10, 2024, 9-10 a.m. EDT | 3-4 p.m. CEST**
PDM Network
The fourth webinar of the PDM Webinar Series entitled The Role of Parliament in the Oversight of Public Debt Management will be held on Monday June 10th, 9-10 a.m. EDT | 3-4 p.m. CEST, featuring as speakers **Lars Jessen**, Lead Debt Specialist, Macroeconomics, Trade & Investment, World Bank and **Mitchell O'Brien**, Fiscal Governance Lawyer. *Parliaments' constitutional role in establishing sound public debt management legal frameworks, approving budgets, and promoting check and balances within governments mean they are central actors in efforts to prevent opaque debt management practices and enable robust debt accountability. In recent years there has been strong focus on transparency and good practices regarding the role of governments in debt management, but comparatively little guidance on the role of parliaments.* […]

Highlights

3rd PDM Conference October 3-4, 2024, Washington, DC

PDM Network

The **3rd Public Debt Management Conference** of the **Public Debt Management Network**, an initiative jointly fostered by the OECD, the Italian Treasury, and the World Bank, will be held in **Washington DC, United States, on October 3-4, 2024**. See previous editions (2019 in Paris and 2022 in Rome). The main themes of the Conference are **sustainability, disaster, and climate-related issues in public debt management**. Other key topics relevant to public debt management, including managing sovereign debt in an inflationary environment, will also be discussed. The event promotes dialogue among policymakers (debt managers, central bankers, regulators), academia and practitioners (investors, dealers, market infrastructure managers), to encourage knowledge-sharing and collaboration across organizations and disciplinary boundaries, and to foster the development and dissemination of best practices in public debt management and related policy issues. The program includes paper presentations along with contributions by prominent keynote speakers. A preliminary agenda and the registration form to attend the event - in-person or virtual - will be available soon.

Special Focus

Sovereign Environmental, Social, and Governance (ESG) Investing: Chasing Elusive Sustainability

Ekaterina Gratcheva, Bryan Gurhy - IMF

This paper evaluates the progression of the sovereign ESG landscape since the initial comprehensive assessment of the sector in 2021 in “Demystifying Sovereign ESG” by conducting a comparative analysis of the current sovereign ESG methodologies of commercial ESG providers. The 2021 study articulated the distinct nature of the sovereign ESG segment from corporate ESG and documented fundamental shortcomings in sovereign ESG methodologies, such as the “ingrained income bias”, lack of consensus on environmental performance, and conflation of risk and sustainability objectives. While sovereign ESG methodologies have evolved since 2021, the significant correlation across providers of aggregate, S, and G scores persist. In response to market demand there has been a notable shift towards greater focus on the E pillar against growing heterogeneity on climate and environmental considerations across ESG providers. [...] **TAGS:** Climate finance Climate change Debt sustainability Sovereign debt market ESG Transparency Green bonds ESG Rating

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Global State of the Market Report 2023

Climate Bonds Initiative

Climate Bonds’ flagship Global State of the Market Report details the size and substance of green and other labelled bond markets. This, the 13th iteration, includes analysis of the green, social and sustainability (GSS) markets, plus sustainability-linked bonds (SLBs). The publication represents the most extensive analysis available in the labelled finance space spotlights on the sovereign debt market, resilience bonds, the blue label, and policy recommendations to support decarbonisation. **TAGS:** Sustainability-linked bonds Climate finance Green bonds GSS bonds

[Defaulting on Development and Climate - Debt Sustainability and the Race for the 2030 Agenda and Paris Agreement]

Marina Zucker-Marques, Kevin P. Gallagher, Ulrich Volz - Boston University, SOAS University

Time is running out to achieve the goals set out in the United Nations 2030 Agenda for Sustainable Development and the Paris Agreement. Not meeting these goals will have tragic impacts on the lives of present and future generations; yet, emerging market and developing economies (EMDEs) are facing conditions that inhibit their ability to mobilize investment, including historic levels of external debt, higher interest rates and low growth prospects to 2030. The Independent Expert Group to the Group of 20 (G20) estimates that EMDEs excluding China will need to mobilize $3 trillion annually, $1 trillion from external sources and $2 trillion domestically, by 2030 to achieve the 2030 Agenda and the Paris Agreement. […] **TAGS:** Debt Sustainability Debt relief Debt distress Multilateral financing Debt Sustainability Analysis **2030 Agenda for Sustainable Development** **Climate change** Foreign Debt Debt Restructuring

[Towards Liquid and Resilient Government Debt Markets in EMEs]

Bernardus Doornik et al. - BIS

Over the last 20 years, government debt markets in emerging market economies (EMEs) have grown and matured. Not only has it become easier for foreign investors to participate in these markets, but also the local investor base has deepened. Authors' findings show that the investor base and size of hedging markets affect the liquidity and resilience of EME government debt markets. In times of stress, a greater presence of domestic banks helps stabilise liquidity conditions, while domestic and foreign non-banks could propagate external shocks. Countries with more developed hedging markets exhibit more resilient liquidity conditions after major shocks. **TAGS:** Market Liquidity Sovereign debt market Derivatives Repo market

[Tips for Reading Government Debt-to-GDP Ratios]

Isabelle Ynesta, Catherine Girodet, Dorian Balvir - OECD

The government debt-to-GDP ratio is one of the headline indicators used to assess the health of government finances. It compares the stock of government debt (financial liabilities) outstanding at the end of the year or quarter with Gross Domestic Product (GDP) in that same year or quarter. This indicator was in the spotlight during the great financial crisis of 2008-09 and the Covid-19 pandemic when there were growing concerns about increases in government borrowing. But there can be some confusion surrounding the interpretation of the government debt-to-GDP ratio. The figures reported for a particular country may differ between two different websites or even on the same website. For instance, on the OECD Data Explorer, the United Kingdom's general government debt-to-GDP ratio for the third quarter of 2023 ranged from 94% of GDP to 155% of GDP, depending on the measure of debt used. […]
TAGS: Blog Financial Analysis Debt-to-GDP ratio

[Hidden Debt Hurts Economies. Better Disclosure Laws Can Help Ease the Pain]

Alissa Ashcroft, Karla Vasquez, Rhoda Weeks-Brown - IMF

If efforts to address record global public debt are to leave no stone unturned, then weak disclosure laws warrant deep scrutiny. Hidden debt is borrowing for which a government is liable, but which is not disclosed to its citizens or to other creditors. And while this debt—by its nature—is often kept off the official government balance-sheet, it is very real, reaching $1 trillion globally by some estimates.

While these undisclosed obligations are not large when compared to global public debt topping $91 trillion, they pose a growing threat to low-income countries, already highly in debt with annual refinancing needs that have tripled in recent years. The problem is even more pressing amid higher interest rates and weaker economic growth. Accountability, too, is imperiled without accurate information about the extent of borrowing, which heightens the risk of corruption. [...] **TAGS:** Blog Accounting, Statistics, Reporting and Auditing Transparency

Documents

Debt Policy

Does Public Debt Matter for Human Capital Development? Evidence from Nigeria

Ebele S. Nwokoye et al. - Nnamdi Azikiwe University Awka

An inquiry into the impact of external and domestic borrowings is considered timely for Nigeria, given the growing public debt profile amid deteriorating human capital development. Using data from 1990 to 2021, the study estimates the effects of domestic and external debts on Nigeria's human capital development. The study employed the fully modified ordinary least squares (FMOLS) and canonical cointegration regression (CCR) as the main estimation technique and the robustness check respectively. The study discovered that domestic and external debt, economic growth, and debt servicing exert positive and significant influence on human capital development in Nigeria while environmental pollution has an inverse and significant impact on human capital development in Nigeria. Premised on the outcomes, policy suggestions aimed at enhancing human capital development in Nigeria have been put forward. **TAGS:** Debt Crisis Domestic debt External debt

The End of Magical Debt Thinking

Kenneth Rogoff - Harvard University

For over a decade, numerous economists – primarily but not exclusively on the left – have argued that the potential benefits of using debt to finance government spending far outweigh any associated costs. The notion that advanced economies could suffer from debt overhang was widely dismissed, and dissenting voices were often ridiculed. Even the International Monetary Fund, traditionally a stalwart advocate of fiscal prudence, began to support high levels of debt-financed stimulus. [...] **TAGS:** Debt policy Sovereign debt market Debt-to-GDP ratio

A European Climate Bond

Irene Monasterolo et al. - Utrecht University

The European Union faces a large climate investment gap. To fill it, the authors propose the joint issuance of EU climate bonds. These bonds would be funded by the sale of emission allowances, traded on the EU Emissions Trading System and extended to cover all sectors. Access to the resulting funds would be conditional on countries' performance on the implementation of climate investments. EU climate bonds would meet global demand for a safe and liquid asset, while increasing the speed and efficiency of EU climate investing, its resilience to sovereign crises, and the greening of investors' portfolios and monetary policy. **TAGS:** Debt policy Green Bond Climate finance

Breaking the Debt Supercycle

Atif Mian - Princeton University

Dependence on credit to boost demand imperils the world economy—we must correct the underlying imbalances. Nature requires balance—between predator and prey in the jungle, between the push and pull of planets in orbit, and so on. The economic system is no different; it requires long-term balance between what people earn and what they spend. [...] **TAGS:** Debt Policy Interest Rates

[Fiscal and Monetary Policy: Debating Optimal Interactions]

Jacopo Cimadomo, Demosthenes Ioannou - ECB

Governments and central banks can shield the economy from shocks with their decisions. The ECB Blog looks at a recent high-level conference that analysed the interaction of fiscal and monetary policy and questioned some long-held beliefs. **TAGS:** Blog Debt and fiscal/monetary policies Debt sustainability

Cost and Risk

Developing Country DMOs Driving Blind

Ruurd Brouwer, Barry Eichengreen - TCX Fund

The relation between banker and borrower is tricky. They need each other but have opposing interests and different levels of expertise. Because banks are financially more sophisticated than households, governments adopt consumer-protection laws to safeguard their interests. [...] **TAGS:** Cost and Risk Sovereign debt risk Currency risk

Sovereign Risk Dynamics in the EU: the Time Varying Relevance of Fiscal and External (Im)balances

António Afonso, José Alves, Sofia Monteiro - ISEG

Acknowledging the potential detrimental impact that twin-deficits may have on sovereign risk, this study uses a two-step approach to assess the impact of fiscal and external sustainability on sovereign risk dynamics for a panel of 27 European Economies between 2001Q4 and 2022Q3. To do so, the authors first estimate a country-specific time-varying measure of fiscal sustainability, through the cointegration between government revenues and expenditures, and of external sustainability, derived from the exports-imports cointegration. The authors then resort to those time-varying coefficients to assess their impact on sovereign risk, proxied by 10-year CDS and CDS spreads (against the US) making use of Weighted Least Squares (WLS) analysis. Noticeably, the authors show that an improvement of both fiscal and external sustainability lead to a reduction in sovereign risk. This phenomenon becomes notably pronounced, particularly when examining countries experiencing an upward trajectory in their public debt levels. **TAGS:** Cost and Risk Sovereign debt risk Fiscal Sustainability Credit Default Swaps

Government Size and Risk Premium

Abhishek Kumar, Sushanta Mallick - University of Southampton, Queen Mary University of London

Given the rise in the government debt level in recent times, this paper aims to examine the effect of an increase in government size on risk premium and its transmission in the economy. The authors jointly identify the term spread shock (originating at the short end and the long end) and the government size shock, using max share identification. Term spread shock originating at the long end is driven by higher risk premium, unlike the shock originating at the short end, and increases inflation and reduces growth. [...]**TAGS:** Cost and Risk Sovereign debt market Debt and fiscal/monetary policies Sovereign risk premia

The Fiscal and Financial Risks of a High-Debt, Slow-Growth World

Tobias Adrian, Vitor Gaspar, Pierre-Olivier Gourinchas - IMF

Higher long-term real interest rates, lower growth, and higher debt will put pressure on medium-term fiscal trends and financial stability. Inflation-adjusted interest rates are well above post global financial crisis lows, while medium-term growth remains weak. Persistently higher interest rates raise the cost of servicing debt, adding to fiscal pressures and posing risks to financial stability. Decisive and credible fiscal action that gradually brings global debt levels to more sustainable levels can help mitigate these dynamics. [...] **TAGS:** Blog Debt and fiscal/monetary policies Cost and Risks Fiscal risks Debt sustainability

Financial stability Sovereign debt market Interest Rates Debt and growth

Accounting, Statistics, Reporting and Auditing

Tackling the World's Hidden Debt Problem

Pablo Saavedra, Manuela Francisco, Diego Rivetti - World Bank

From the COVID-19 pandemic to advanced-economy interest-rate hikes, developments over the last few years have left many developing economies struggling to repay their debts. But the problem might be even bigger than the world realizes, as many sovereign debts are hidden, undisclosed, or opaque. This prevents policy makers and investors from making informed decisions. Some low-income countries have made progress on disclosing their debts: the latest Debt Reporting Heat Map shows a rise in disclosure from 60 percent in 2021 to 80 percent today. But other countries have regressed, and significant gaps and weaknesses remain. For example, information might not be released swiftly enough or in adequate detail, and countries might disclose only central-government debts, leaving out other public and publicly guaranteed liabilities. **TAGS:** Blog Accounting Debt Statistics Reporting and Auditing Debt Transparency Debt Restructuring

Primary Markets

Is the Government Always Greener?

Caterina Di Tommaso, Salvatore Perdichizzi, Samuel A. Vigne, Andrea Zaghini - University of Bari, University of Bologna, Luiss Guido Carli University, Bank of Italy

This research focuses on the cost of financing green projects on the primary bond market and tests for a potential price differential between green bonds issued by government entities and those issued by supranational and private sector issuers. Authors' findings indicate that government entities benefit from more favorable pricing conditions worldwide. This advantage is growing over time and particularly pronounced for sovereigns and municipal authorities. The analysis also reveals that country-specific factors, such as strong political commitment to address climate change, low income level and high degree of indebtedness are significant predictors of the pricing spread across bonds. **TAGS:** Primary market **Green bonds** Sovereign debt **Yield spread** **Greenium**

Financial Analysis

Public Debt Dynamics and the Impact of Fiscal Policy

Nikhil Patel, Adrian Peralta Alva - IMF

Public debt-to-GDP ratios have undergone substantial fluctuations over both the short and long term. Most recently, global debt-to-GDP ratios peaked at 100% on average in 2020 due to COVID-19, retracting substantially by 2022. To understand what drives these movements, the authors propose a structural approach to debt decompositions based on a SVAR identified with narrative sign restrictions. The authors find that GDP growth shocks and the corresponding comovements of macroeconomic variables are the key drivers of debt to GDP, accounting for 40% of the observed yearly variation in 17 advanced economies since the 1980s. […]**TAGS:** Financial Analysis Debt-to-GDP Debt and fiscal/monetary policies Interest Rates

IMF Programs and Borrowing Costs: Does Size Matter?

Salim Chahine, Ugo Panizza, Guilherme Suedekum - Central Bank of Lebanon, Geneva Graduate Institute (IHEID) and CEPR

This paper studies whether IMF programs and their size affect borrowing costs by comparing the coupon of bonds issued around an IMF arrangement. By comparing bonds issued immediately before the inset of the program with bonds issued immediately after the program, the authors show that, on average, the approval of the program leads to a 72-basis points reduction in borrowing costs and program size matters. Authors' point estimates indicate that when program size increases by one percent of GDP, borrowing costs decrease by 23 basis points. The authors also show that program size only matters for ex-post programs (i.e., those implemented during crises). For precautionary ex-ante programs, borrowing costs increase with program size. However, the effect of program size is small and, therefore, ex-ante programs never lead to a statistically significant increase in borrowing costs and in most cases lead to a significant reduction in borrowing costs. **TAGS:** Financial Analysis Sovereign debt market Bond yields Interest rates

The Anatomy of Government Bond Yields Synchronization in the Eurozone

Claudio Barbieri, Mattia Guerini, Mauro Napoletano - ECB, University of Brescia, Sciences Po

The authors investigate the synchronization of the Eurozone's government bond yields at different maturities. For this purpose, the authors combine principal component analysis with random matrix theory. The authors find that synchronization depends on yield maturity. Short-term yields are not synchronized. Medium- and long-term yields, instead, were highly synchronized early after the introduction of the Euro. Synchronization then decreased significantly during the Great Recession and the European Debt Crisis, to partially recover after 2015. The authors interpret their empirical results using portfolio theory, and they point to divergence trades as a source of the self-sustained yield asynchronous dynamics. Their results envisage synchronization as a requirement for the smooth transmission of conventional monetary policy in the Eurozone. **TAGS** :Debt and fiscal/monetary policies Sovereign bond yields

Exchange Rates and Sovereign Risk: A Nonlinear Approach Based on Local Gaussian Correlations

Reinhold Heinlein, Gabriella D. Legrenzi, Scott M. R. Mahadeo - University of the West of England, University of Keele, University of Portsmouth

The authors empirically assess the interlinkages between sovereign risk, measured in terms of CDS spreads, and exchange rates for a sample of emerging markets. The period of analysis includes periods of severe stress, such as the Global Financial Crisis, the COVID-19 pandemic and the Ukrainian War. Using the most recent developments in local Gaussian partial correlation analysis and the associated nonlinear Granger causality tests, we are able to uncover linkages between assets across different segments of their joint distributions. Disentangling the effect of global factors, the authors show that the information on sovereign risk of other emerging economies is more relevant for the sovereign risk-exchange rate relationship than the state of developed markets risk for all countries in their sample and for all segments of the assets distribution. The same considerations apply for the movements of the US dollar relative to other currencies, where knowledge on movements of emerging currencies is of particular interest. Nonlinear Granger causality tests show bi-directional causality for most countries, confirming the importance of multiple transmission channels. Taken together, their results are of interest for international investors and policymakers, showing all interlinkages between sovereign risk and exchange rates across their entire distribution. **TAGS:** Sovereign debt risk Sovereign spread Exchange rates Credit Default Swaps

The Bright Side of the Doom Loop: Banks' Sovereign Exposure and Default Incentives

Luis E. Rojas, Dominik Thaler - Universitat Autònoma de Barcelona, ECB

The feedback loop between sovereign and financial sector insolvency has been identified as a key driver of the European debt crisis and has motivated an array of policy proposals. The authors revisit this "doom loop" focusing on governments' incentives to default. To this end, the authors present a simple 3-period model with strategic sovereign default, where debt is held by domestic banks and foreign investors. The government maximizes domestic welfare, and thus the temptation to default increases with externally-held debt. Importantly, the costs of default arise endogenously from the damage that default causes to domestic banks' balance sheets. Domestically-held debt thus serves as a commitment device for the government. The authors show that two prominent policy prescriptions – lower exposure of banks to domestic sovereign debt or a commitment not to bailout banks – can backfire, since default incentives depend not only on the quantity of debt, but also on who holds it. Conversely, allowing banks to buy additional sovereign debt in times of sovereign distress can avert the doom loop. In an extension the authors show that in the context of a monetary union (such as the euro area) similar unintended negative consequences may arise from the pooling of debt (such as European safe bonds (ESBies)). A central bank backstop (such as the ECB's Transmission Protection Instrument) can successfully disable the loop if precisely calibrated. **TAGS:** Financial Analysis Sovereign default

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Can Central Banks do the Unpleasant Job that Governments Should do?

Vasiliki Dimakopoulou, George Economides, Apostolis Philippopoulos, Vanghelis Vassilatos - Athens University of Economics and Business

The authors investigate what happens when the fiscal authorities do not react to rising public debt so that the unpleasant task of fiscal sustainability falls upon the Central Bank (CB). In particular, the authors explore whether the CB's bond purchases in the secondary market can restore stability and determinacy in an otherwise unstable economy. This is investigated in a dynamic general equilibrium model calibrated to the Euro Area (EA) and where monetary policy is conducted subject to the numerical rules of the Eurosystem (ES). The authors show that given the recent situation in the ES, and to the extent that a relatively big shock hits the economy, there is no room left for further quasi-fiscal actions by the ECB; there will be room only if the ES' rules are violated. The authors then search for policy mixes that can respect the ES's rules and show that debt-contingent fiscal and quantitative monetary policies can reinforce each other; this confirms the importance of policy complementarities. **TAGS:** Financial Analysis Fiscal Sustainability Secondary Markets

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The Rising Costs of Variable Interest Rate Debt for Sovereigns

Martin Kessler, Alessandro Ferrante - Finance for Development Lab

In advanced economies, there are concerns about a positive interest rate-growth differential (r-g) which makes it difficult to reduce debt. Among others, Olivier Blanchard has expressed concern about this issue. The situation also poses a significant threat to emerging markets and developing countries, as refinancing has become increasingly harder. In fact, a large number of countries are now excluded from bond markets. Moreover, many developing countries have variable interest debt, which means that the cost of higher interest rates is immediately transferred to the debtor. This was noted last year by Marcello Estevao, who highlighted that around 30% of the external debt of "poor" countries that are eligible for IDA financing is variable. This indicates a growing use of such mechanisms. [...] **TAGS:** Financial Analysis Interest Rates Debt Statistics Concessional finance

Central Banks Must Remain Vigilant Along the Last Mile of Disinflation

Tobias Adrian - IMF

A sense of optimism has pervaded financial markets in recent months, amid investor confidence that the fight against inflation is entering its "last mile" and that central banks will ease monetary policy in the coming months. Stock markets around the world have risen substantially this year. Corporate and sovereign borrowing spreads have narrowed. And major emerging markets' currencies and capital flows have remained resilient, while several frontier markets have regained access to international funding markets. […] **TAGS:** Blog Sovereign bond yields Interest Rates Debt and fiscal/monetary policies

Quantitative Easing, Bond Risk Premia and the Exchange Rate in a Small Open Economy

Jens H. E. Christensen, Xin Zhang - Federal Reserve Bank of San Francisco, Sveriges Riksbank

The authors assess the impact of large-scale asset purchases, commonly known as quantitative easing (QE), conducted by Sveriges Riksbank and the European Central Bank (ECB) on bond risk premia in the Swedish government bond market. Using a novel arbitrage-free dynamic term structure model of nominal and real bond prices that accounts for bond specific safety premia, the authors find that Sveriges Riksbank's bond purchases raised inflation and short-rate expectations, lowered nominal and real term premia and inflation risk premia, and increased nominal bond safety premia, suggestive of signaling, portfolio rebalance, and safe asset scarcity effects. Furthermore, the authors document spillover effects of ECB's QE programs on Swedish bond markets that are similar to the Swedish QE effects only after controlling for exchange rate fluctuations, highlighting the importance of exchange rate dynamics in the transmission of QE spillover effects.] **TAGS:** Debt and fiscal/monetary policies Sovereign risk premia Quantitative Easing

Central Bank Asset Purchases and Auction Cycles Revisited: New Evidence from the Euro Area

Federico Maria Ferrara - ECB

This study provides new evidence on the relationship between unconventional monetary policy and auction cycles in the euro area. Using proprietary data on purchases of public sector securities implemented by the Eurosystem, the paper examines the flow effects of asset purchase programmes on 10-year government bond yields in secondary markets around dates of public debt auctions. The findings indicate that Eurosystem's asset purchase flows mitigate yield cycles during auction periods and counteract the amplification impact of market volatility. The dampening effect of central bank asset purchases on auction cycles is more sizeable and precisely estimated for purchases of securities with medium-term maturities and in jurisdictions with relatively lower credit ratings. The analysis has broader implications for monetary policy and market functioning in the euro area. **TAGS:** Financial Analysis Sovereign bond yields Debt and fiscal/monetary policies

Characterizing Public Debt Cycles: Don't Ignore the Impact of Financial Cycles

Tianbao Zhou, Zhixin Liu, Yingying Xu - Beihang University

Based on the quarterly data from 26 advanced economies (AEs) and 18 emerging market economies (EMs) over the past two decades, this paper estimates the short- and medium-term impacts of financial cycles on the duration and amplitude of public debt cycles. The results indicate that public debt expansions are larger than their contractions in duration and amplitude, aligning with the "deficit bias hypothesis" and being more pronounced in EMs than in AEs. […] **TAGS:** Financial Analysis Debt and growth

[The Macroprudential Role of Central Bank Balance Sheets]

Egemen Eren, Timothy Jackson, Giovanni Lombardo - BIS, University of Liverpool

Is there a role for central bank balance sheet policies away from the effective lower bound on interest rates? The authors extend the canonical DSGE model with financial frictions to include a fully specified central bank balance sheet. The authors find that the balance sheet size and composition can play a macroprudential role in improving the efficacy of monetary policy. The optimal balance-sheet policy aims at affecting duration risk held by banks in order to increase their resilience to shocks. Optimal short-run balance sheet policies bring no additional advantage to using the policy rate alone provided the optimal long-run balance sheet is already in place. The results also highlight a key role for government debt maturity and bank regulation in determining optimal central bank balance sheets. **TAGS:** Financial Analysis Debt and fiscal/monetary policies Sovereign debt market

Fiscal Sustainability and the Role of Inflation

António Afonso et al. - Lisbon School of Economics and Management

In this policy brief the authors examine the relationship between inflation and fiscal sustainability. They explain that higher rates of inflation have a positive and significant impact on the measure of fiscal sustainability. The magnitude of the improvement in fiscal sustainability in response to inflation depends on the type of inflation considered. The largest positive effect is found for core inflation, which is mostly demand-driven, while energy inflation tends to have a smaller and insignificant effect. **TAGS:** Financial Analysis Debt and fiscal/monetary policies

Who Buys Bonds Now? How Markets Deal with a Smaller Eurosystem Balance Sheet

Federico Maria Ferrara et al. - ECB

The Eurosystem is shrinking its balance sheet, which makes more government bonds available for purchase. The ECB Blog looks at how markets are adjusting to this new situation with regard to bond price volatility, liquidity and the impact on repo markets. **TAGS:** Blog Financial Analysis Sovereign debt market Market Liquidity Repo market

Institutional and Organizational Framework

Ukrainian Reparation Loan: How it Would Work

Hugo Dixon, Lee C. Buchheit - Thomson Reuters, Center for Contract and Economic Organization

Ukraine has an indubitable claim under international law for the damages caused by Russia's unprovoked of Ukraine. For its part, Russia has legal title to approximately $300 billion of assets (held in the name of the Russian Central Bank and the Russian Federation) that have been frozen by the G7 countries since 2022. The problem is that the country (Ukraine) to which reparations are owed does not have custody of the frozen assets and the countries (the G7) that do have custody of the frozen assets do not have a claim for reparations against Russia. Were Ukraine itself to be holding the Russian assets it would have every moral and legal right to set off a portion of its claim for reparations against those Russian assets. This paper proposes a transaction structure by which a portion of Ukraine's claim against Russia for war damages can be lodged with the G7 countries that are in a position, legally and practically, to settle that debt from the proceeds of the frozen Russian assets. Such a "syndicated reparation loan" could provide Ukraine with sufficient cash to fund and defend itself against Russia for several years. **TAGS:** Syndicated loan Institutional and Organizational framework

[Changing the US Government's Budget Process to Support Management Improvement]

Steve Redburn - George Washington University

Like many other countries, the U.S. is newly concerned about the level of public debt. New projections of its Congressional Budget Office are that current policies will cause debt to rise for the foreseeable future. Higher interest rates to service that debt will squeeze other federal government spending. Last year new legislative caps were enacted on discretionary (annually appropriated) federal spending. This part of the federal budget funds administrative expenses as well as most programs. […]**TAGS:** Blog Institutional and Organizational Framework

Debt Restructuring

Sovereign Debt Restructuring: Active New York Assembly Bill Providing for a New Comprehensive Sovereign Debt Restructuring Mechanism and a Limit on Recoveries on Sovereign Debt

Clifford Chance

In their client briefing of May 2023 the authors referred to three active bills in the New York Assembly which, if enacted, would have had a material impact on the process of sovereign debt restructuring and the market for sovereign emerging market debt generally. Those three bills lapsed in the last session of the New York Assembly. […]**TAGS:** Debt Restructuring Institutional and Organizational Framework

Lessons from the Ecuador 2020 Debt Restructuring Case

Hamouda Chekir, Simon Cueva, José Antonio González - Finance for Development Lab, Ministry of Economy and Finance of Ecuador, Ministry of Finance and Public Credit of Mexico

Ecuador, like several other frontier economies with high levels of external debt, currently faces severe liquidity constraints. In recent years, Ecuador has made significant efforts to overcome these challenges. This includes successfully completing an ambitious program with the International Monetary Fund, restructuring its external commercial debt in 2020 (which amounted to over US$17 billion), and addressing its debt to Chinese lending institutions in 2022 (approximately US$4 billion). […] **TAGS:** Debt Restructuring Foreign Debt Debt sustainability Collective Action Clauses Concessional finance

Zambia: Third Time's a Charm?

Théo Maret - Global Sovereign Advisory (GSA)

Zambia reached an agreement with a steering committee of investors to restructure its three outstanding eurobonds, more than three years after defaulting. Two initial agreements were rejected in November, once by the IMF and twice by the Official Creditor Committee (OCC), causing fears of a complete deadlock and a meltdown of the Common Framework — we discussed this comparability conundrum back then with Brad Setser at the FT's Alphaville. […]**TAGS:** Debt Restructuring Sovereign debt market Debt relief

A Modified Common Framework for Restructuring Sovereign Debt

David Grigorian - Mossavar-Rahmani Center for Business and Government, Harvard Kennedy School

One of the most serious challenges facing the global economy today is the impending sovereign debt crisis in many middle- and low-income countries. The fiscal outlook in some of these countries appeared dire even before interest rates started climbing and spending related to COVID-19 caused debts to soar. Several economies face growing debt service payments at a time when capital is flowing out from the developing world. These pressures are bearing down on more countries and involve a larger amount of sovereign debt than at any other time in recent history. […] **TAGS:** Debt Restructuring Sovereign debt market Debt relief

Macroeconomic Analysis

[An Empirical Analysis of Swedish Government Bond Yields]

Tanweer Akram, Mahima Yadav - City Bank

This paper econometrically models the dynamics of Swedish government bond (SGB) yields. It examines whether the short-term interest rate has a decisive influence on long-term SGB yields, after controlling for other macroeconomic and financial variables, such as consumer price inflation, the growth of industrial production, the stock price index, the exchange rate of the Swedish krona, and the balance sheet of Sweden's central bank, Sveriges Riksbank. It applies an autoregressive distributive lag (ARDL) approach using monthly data to model SGB yields across the Treasury yield curve. The results of the estimated models show that the short-term interest rate has a marked influence on the long-term SGB yield. Such findings reaffirm John Maynard Keynes's view that the central bank's monetary policy affects long-term government bond yields through the current short-term interest rate. It also shows that the interest rate behavior observed in Sweden is in concordance with empirical patterns discerned in previous studies related to government bond yields in both advanced countries and emerging markets.

TAGS: Macroeconomic Analysis Debt and fiscal/monetary policies Keynes Interest Rates Swap Sovereign bond yield

Central Bank Credibility and Fiscal Responsibility

Jesse Schreger, Pierre Yared, Emilio Emilio Zaratiegui - Columbia Business School

The authors consider a New Keynesian model with strategic monetary and fiscal interactions. The fiscal authority maximizes social welfare. Monetary policy is delegated to a central bank with an anti-inflation bias that suffers from a lack of commitment. The impact of central bank hawkishness on debt issuance is non-monotonic because increased hawkishness reduces the benefit from fiscal stimulus while simultaneously increasing real debt capacity. Starting from high levels of hawkishness (dovishness), a marginal increase in the central bank's anti-inflation bias decreases (increases) debt issuance. **TAGS:** Macroeconomic Analysis Debt and fiscal/monetary policies Keynes

Addressing Sovereign Debt Challenges in the European Union

Didier Cahen - Eurofi

Excessive debt is a source of crisis. Examples abound, such as the European sovereign debt crisis (2011-2012) that would not have occurred if public debt in several EU countries had not been so high. Even before the Covid and the energy crises, global debt was at an all-peacetime record. Indeed, the continuation of very low interest rates during the past two decades has pushed many advanced countries to implement active fiscal policies and economics agents to borrow more. [...] **TAGS:** Debt and fiscal/monetary policies Debt and growth Debt-to-GDP ratio Debt crisis Debt sustainability

Economic Policies

Fiscal Policy, Quality and Quantity

Clare Lombardelli, Max Glanville - OECD

After three major crises where fiscal support was used to support economies, public debt ratios stand at historically high levels in most advanced economies. In 2007, before the Global Financial Crisis, COVID-19 pandemic, and energy crises, debt levels were substantially lower than today, shown by the white diamonds in Figure 1. The average public debt to GDP ratio across G7 countries was 84%. Fast forward to 2025, and we're looking at a spectrum ranging from Germany, with public debt relative to GDP at around 70%, to Japan, where it stands at around 240%. Authors have also observed a shift in expectations around fiscal policy's role in responding to economic shocks. [...] **TAGS:** Debt-to-GDP Debt sustainability Debt and fiscal/monetary policies

Climate Change and Sovereign Risk: A Regional Analysis for the Caribbean

Matthew Agarwala et al. - University of Cambridge

Climate change is an existential threat to the world economy, with complex, evolving, and nonlinear dynamics that remain a source of great uncertainty. There is a bourgeoning literature on the economic impact of climate change, but research on how climate change affects sovereign risks is limited. This paper provides forward looking regional analysis of the effects of climate change on sovereign creditworthiness, probability of default and the cost of borrowing for the Caribbean economies. The results indicate that there is substantial variation in the sensitivity of ratings to climate change across the region which is due to the non-linear nature of ratings. Authors' findings improve the identification and management of sovereign climate risk and provides a forward-looking assessment of how climate change could affect the cost of accessing international finance. As such, it leads to a suite of policy options for countries in the region. **TAGS:** Debt and fiscal/monetary policies Sovereign Credit Rating **Climate Change** Sovereign debt risk

The Sovereign Spread Compressing Effect of Fiscal Rules during Global Crises

Ergys Islamaj, Agustin Samano Penaloza, Scott Sommers - World Bank, University of Minnesota

Do fiscal rules help suppress sovereign spreads during periods of global financial stress? Yes! This paper examines whether fiscal rules contribute to mitigating sovereign spreads in emerging markets and developing economies during periods of heightened financial and economic volatility worldwide. It finds that the presence of fiscal rules is statistically significantly associated with lower sovereign spreads during the COVID-19 crisis — about 350 basis points lower on average. Interestingly, this correlation persists even when nations deviate from these rules, indicating an expectation of post-crisis compliance. The study shows that deviations from fiscal rules are typically short-lived, with fiscal balance rules reinstated within 3.5 years. Robustness checks, including controls for institutional quality, fiscal rule strength, and global and regional factors confirm these results. Overall, the findings suggest that fiscal rules can help emerging markets and developing economies signal fiscal responsibility during episodes of global financial stress, reducing borrowing costs relative to countries without fiscal rules. **TAGS:** Debt and fiscal/monetary policies Sovereign spread Fiscal rules

Macroprudential Capital Regulation and Fiscal Balances in the Euro Area

Nikolay Hristov, Oliver Hülsewig, Benedikt Kolb - German Federal Bank, University of Applied Sciences

The authors examine the fiscal footprint of macroprudential policy in euro area countries arising through the bond market channel (Reis, 2021). Using local projections, the authors estimate impulse responses of the fiscal balance to an unexpected tightening in macroprudential capital regulation. Authors' findings suggest a dichotomy between country groups. In peripheral countries, the cyclically adjusted primary balance ratio deteriorates after a restrictive capital-based macroprudential policy shock. Since banks are important investors in domestic government debt, the shift in the public budget toward higher borrowing after the innovation might pose a threat to financial stability to the extent that sovereign risk increases. By contrast, in core countries, the cyclically adjusted primary balance ratio barely reacts to a sudden tightening in capital regulation. **TAGS:** Debt and fiscal/monetary policies Institutional and Organizational framework

Searching for a Safe Harbor: Fiscal Policy Responses in Small Island Developing States

Khamal Clayton David Rosenblatt - Inter-American Development Bank

Over the last two decades, there has been a growing empirical literature to test whether governments' fiscal policies systematically respond to changes in the level of debt-to-GDP. Most research has focused on advanced and emerging economies and has overlooked developing countries, especially small island developing states (SIDS). While Caribbean fiscal reaction functions have been estimated in the literature, this paper fills a gap by broadly including all SIDS in the analysis. The authors find that weak fiscal sustainability has been maintained, but mostly due to the more recent period of the analysis, and with the exclusion of the outlier of São Tomé and Principe. The magnitudes of the coefficient of the increasing primary balance in response to increasing debt-to-GDP is in line with estimates from the literature including, for example, past work on Caribbean SIDS. Two novel findings are that extreme weather events are indeed associated with deteriorations in the primary fiscal balance, and that primary balances may respond pro-cyclically to economic booms and acyclically or counter-cyclically to economic busts. **TAGS:** Debt and fiscal/monetary policies Debt-to-GDP Debt Sustainability Fiscal Sustainability

Estimating Structural Budget Balances in Developing Asia

João Tovar Jalles - ISEG

This paper reviews the current discussions, methods, and practices surrounding the estimation of reasonable proxies for the underlying fiscal position, a useful anchor for fiscal policy. An empirical application to developing Asian economies is carried out. There is no one-size fits all type of approach and the sensitivity and discernment regarding specific economies are important in various stages. The choice of the filter to decompose trends from cycles matters. The way to adjust revenues and expenditures entering the cyclically adjusted balance also matters—choices regarding economy-specific vs. panel estimations or the use of static vs. time-varying approaches need to be made. To deal with one-off operations, a narrative-based approach can complement the suggested identification based on large changes in cyclically adjusted government capital transfers. A discussion of other important factors that can affect the estimates of structural balances such as asset and commodity prices is also provided. **TAGS:** Debt and fiscal/monetary policies

Asymmetric Sovereign Risk: Implications for Climate Change Preparation

Jose E. Gomez-Gonzalez, Jorge M. Uribe, Oscar M. Valencia - Lehman College, Universitat Oberta de Catalunya, Inter-American Development Bank

Climate change adaptation efforts are heavily dependent on a countrys fiscal capacity and the associated costs of undertaking adaptation policies. The current accumulation of high debt levels in emerging and low-income developing countries, which are disproportionately affected by climate change, raises significant concerns. This study shows that sovereign risk, and hence funding costs for governments, exhibits significantly asymmetric reactions to its determinants across the conditional distribution of credit spreads. This aspect, previously overlooked in the literature, has relevant policy implications. Countries with elevated risk levels are disproportionately vulnerable to climate change compared to their lower-risk counterparts, especially in the short term. Notably, investing in climate change preparedness proves effective in mitigating vulnerability to climate change, in terms of sovereign risk, particularly for countries with low spreads and long-term debt (advanced economies), where readiness and vulnerability tend to counterbalance each other. However, for countries with high spreads and short-term debt, additional measures are essential as climate change readiness alone is insufficient to offset vulnerability effects in this case. Results also demonstrate that the actual occurrence of natural disasters is less influential than vulnerability to climate change in determining spreads. **TAGS:** Sovereign debt risk Disaster risk Sovereign spread **Climate change**

Idiosyncratic Risk, Government Debt and Inflation

Matthias Hänsel - Stockholm School of Economics

How does public debt matter for price stability? If it is useful for the private sector to insure idiosyncratic risk, government debt expansions can increase the natural rate of interest and create inflation. As I demonstrate using a tractable model, this holds in the presence of an active Taylor rule and does not require the absence of future fiscal consolidation. Further analysis using a full-blown 2-asset HANK model reveals the quantitative magnitude of the mechanism to crucially depend on the structure of the asset market: under standard assumptions, the effect of public debt on the natural rate is either overly strong or overly weak. Employing a parsimonious way to overcome this issue, my framework suggests relevant effects of public debt on inflation under active monetary policy: In particular, persistently elevated public debt may make it harder to go the "last mile of disinflation" unless central banks explicitly take its effect on the neutral rate into account. **TAGS:** Debt-to-GDP Sovereign debt, Inflation Debt and Fiscal/Monetary Policies

Spillover Effects of Sovereign Bond Purchases in the Euro Area

Yvo Mudde, Anna Samarina, Robert Vermeulen - De Nederlandsche Bank, University of Groningen

This paper investigates cross-border spillover effects from the Eurosystem's Public Sector Purchase Program (PSPP) on euro area government bond returns. The authors distinguish between the direct effects of domestic bond purchases by national central banks and the indirect effects from bond purchases by national central banks in other euro area countries over the period March 2015–December 2018. The results reveal substantial spillover effects across the euro area, providing evidence for arbitrage within euro area sovereign bond markets. These spillover effects are particularly large for longer-term bonds and for bonds issued by non-core countries. The larger impact of spillovers in these cases can be explained by investors rebalancing towards higher-yielding government bonds. **TAGS:** Economic Policies Spillover Effects Sovereign bond market Sovereign bond yields Debt and fiscal/monetary policies

Fiscal Stabilisers, Fiscal Rules and Fiscal Union

Luigi Federico Signorini - Bank of Italy

Fiscal measures to stabilise the cycle should be timely, temporary and targeted. In this perspective, automatic stabilisers are preferable to discretionary measures (see e.g. Taylor, 2000). They do not suffer from the lags due to legislative approval and implementation; they do not need explicit action to be terminated. Many of the channels through which they operate inherently benefit those most in need. […] **TAGS:** Economic Policies Debt and fiscal/monetary policies Debt sustainability

Public Debt Dynamics During the Climate Transition

Daniel Garcia-Macia, W. Raphael Lam, Anh Dinh Minh Nguyen - IMF

Managing the climate transition presents policymakers with a tradeoff between achieving climate goals, fiscal sustainability, and political feasibility, which calls for a fiscal balancing act with the right mix of policies. This paper develops a tractable dynamic general equilibrium model to quantify the fiscal impacts of various climate policy packages aimed at reaching net zero emissions by mid-century. The simulations show that relying primarily on spending measures to deliver on climate ambitions will be costly, possibly raising debt by 45-50 percent of GDP by 2050. […] **TAGS:** **Climate change** **Climate finance** Debt and fiscal/monetary policies Fiscal Sustainability

Reports

[External Shock Financing and Economic Development: Implications for Future Reforms to the Global Financing Architecture]

Sherillyn Raga - ODI

Large overlapping global shocks like pandemics and wars can severely damage national economies and risk long-term developmental impacts, particularly for low- and middle-income countries (L&MICs). The magnitude and persistence of effects vary depending on a country's exposure, resilience, and policy response options. For many L&MICs with limited domestic resources and policy flexibility, an effective global financial system for external shock assistance is critical. […]**TAGS:** Debt and growth Debt relief Debt distress Debt restructuring Multilateral financing Concessional finance

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SLBs: a Fantastic Tool, but they Need to be Used Right

Climate Bonds Initiative

Climate Bonds released the first in-depth report on sustainability-linked bonds (SLBs) just over two weeks ago. Its analysis points to a high share of SLBs currently lacking quality, a message which has been echoed repeatedly in media outlets – but that's only half the story. The sustainability-linked model provides a first-of-its-kind and powerful bridge between financial and sustainability performance, making more sustainability impacts financially material. This can be a highly effective mechanism to correct for the externalities of economic activities. **TAGS:** Climate finance Green bonds

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Global Sovereign Debt Roundtable — 2nd Cochairs Progress Report

IMF

Washington, DC: The Global Sovereign Debt Roundtable (GSDR) met today and reviewed progress on the work to improve debt restructuring processes and timelines, and to help address debt vulnerabilities. Participants also discussed priority areas for the work going forward. At the end of the meeting, the International Monetary Fund Managing Director Kristalina Georgieva, World Bank Group President Ajay Banga, and Finance Minister of Brazil Fernando Haddad, co-chairs of the GSDR, issued the attached GSDR 2nd Cochairs Progress Report. The GSDR brings together debtor countries and creditors. The objective is to build greater common understanding among key stakeholders on debt sustainability and debt restructuring challenges, and ways to address them. **TAGS:** Debt Restructuring Sovereign debt Climate finance Climate Resilient Debt Clauses Comparability of Treatment Debt sustainability Debt Sustainability Analysis

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Policy Reform Proposals to Promote the Fund's Capacity to Support Countries Undertaking Debt Restructuring

IMF

A number of sovereign debt restructurings over the past three years faced significant delays but the cases are now moving forward. These delays slowed access of countries to much needed Fund financial support, and alongside creditors' efforts the Fund had to find ways forward. With significant experience now gleaned from recent restructuring cases, it is important to extract the lessons for Fund policies from this episode. Delays in future Fund engagements need to be minimized where this can be done in a manner consistent with restoring the member to medium-term external viability and ensuring adequate safeguards for the Fund. Such delays can contribute to a deepening of debt distress, making adjustment more difficult, exacerbating the debt problem, and creating inefficiency costs for both the debtor and its creditors. **TAGS:** Debt distress Debt Sustainability Analysis Debt and fiscal/monetary policies Asset and Liability Management Multilateral Financing Debt sustainability Concessional Finance Debt Restructuring Foreign Debt

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Debt in Developing Economies

UNDP

For more than a decade, debt and debt service burdens have been rising across developing economies, and since the outbreak of COVID a record number of countries have been downgraded and entered into default and/or debt distress. For many countries, the current outlook looks highly precarious as they battle high levels of indebtedness, massive SDG (including climate) spending needs and high interest rates. For countries where debt burdens have either become too large to bear or with severe liquidity problems, a continued lack of access to effective debt restructuring and liquidity support in today's complicated creditor and geopolitical landscape pose major constraints on their development prospects. For other countries, the debt crisis is "burning slower" with debt service payments consuming an ever-increasing share of revenue and expenditure and thereby crowding out much needed and urgent spending on education, health care, social protection and on dealing with climate change, etc. **TAGS:** Debt distress Debt Restructuring Debt crisis Debt sustainability Interest rates

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IBRD Portfolio - Default Rates and Loss Given Defaults

World Bank

Developing countries face tremendous financing needs to meet the Sustainable Development Goals and address critical global development challenges. The World Bank is exploring a range of options to stretch its own capital and to expand private capital mobilization as part of its Evolution exercise. In this context, stakeholders have expressed interest in the Multilateral Development Banks (MDBs)' historical credit loss experience. […] **TAGS:** Financial Analysis Default Rates Debt Statistics Credit Default Bond

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No Soft Landing for Developing Economies

UNDP

While financial market conditions have improved lately and the world economy has proven resilient to the continued efforts to bring down inflation, developing economies are not out of the woods yet. Growth is expected to remain subdued in years to come and risk remains strongly tilted to the downside. Even if risks do not materialize, many developing economies are stuck in a negative debt-development feedback loop keeping them from undertaking new growth- and welfare-enhancing investments. For countries to break free of this situation they urgently need to prioritize policy reforms aimed at improving fiscal balances and mobilizing private capital. However, given the scale of spending needed, countries will under no circumstances be able to undertake a sustainable development transformation over the next decade without the support of a much larger and more responsive multilateral financial system. This will have to include both better access to effective debt restructuring, liquidity support and long-term affordable capital. A failure to get this right not only matters for debt vulnerable developing economies. It jeopardizes the achievement of global climate and SDG targets with ever-increasing costs, and potentially irreversible outcomes. **TAGS:** Debt Restructuring Debt distress Liquidity Multilateral Financing **Climate finance**

Understanding Sovereign Debt - Options and Opportunities for Africa

African Legal Support Facility (ALSF)

Since the debt crisis of the 1980s, the debt sustainability of African countries has been a constant, and sometimes controversial, topic of discussion. In the early 2000s, many African countries recognised the need for, and worked towards, a significant reduction in their sovereign indebtedness through debt relief programs, improved fiscal governance, and commodity-based economic growth. […]**TAGS:** Contingent Liabilities Debt distress Debt Swaps Sovereign debt market Accounting Reporting and Auditing Debt and fiscal/monetary policies Transparency Debt Restructuring

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Debt Sustainability Monitor 2023
European Commission - Directorate-General for Economic and Financial Affairs
This report provides an overview of fiscal sustainability challenges faced by EU Member States over the short, medium and long term. It is based on a methodology that will play an important role in the new EU fiscal surveillance framework. **TAGS:** Debt sustainability Debt composition Sovereign debt market Debt and fiscal/monetary policies

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Eurofi Monetary Scoreboard
Jacques de Larosière, Didier Cahen, Elias Krief - Eurofi
The objective of this scoreboard is to analyse the evolution of monetary policy and central banks' decisions over the last two decades through the extensive use of data1. Central banks' balance sheets have only rarely reached similar heights relative to GDP, except during wartime. By presenting key numbers and charts, this document opens the debate on monetary policy and the need to change course. During the Global Financial Crisis (GFC), the EU sovereign debt and Covid-19 crises, central banks played a crucial role and intervened at an unprecedented scale to keep financial markets liquid and to stabilise the financial system. In addition, in Europe, the ECB's measures have avoided financial fragmentation in the dynamics of bonds prices, particularly for sovereign bonds. These swift and decisive actions have helped to prevent potential economic collapses. […] **TAGS:** Debt and fiscal/monetary policies Sovereign debt market Debt crisis

News

The ***What's New*** area of the PDM Network website proposes a selection of ***daily news on public debt management*** from online newspapers and info providers. In addition to the bimonthly Newsletter, subscribers receive the weekly newsletter ***Emerging Markets Sovereign Debt News*** which covers sovereign debt news of emerging market and developing economies. The news has been selected by the PDM Network Secretariat from the ©Thomson Reuters Eikon 2024 and © LSEG 2024 information services.

Events and Courses

MAY

29- 31 May 2024: The Finance for Development Lab and the Paris School of Economics - Paris, France
DebtCon7

30-31 May 2024: Faculty of Finance and Banking – Bucharest University of Economic Studies, Bucharest, Romania
XXI International Conference on Finance and Banking FI BA 2024

JUNE

1 June 2024: ADBI, the Asian Development Bank (ADB), and the Crawford School of Public Policy, Australian National University (ANU) - Manila, Philippines
Research Papers on Striving for Inclusive Economic Growth in Asia and the Pacific

June 2024: Asian Association of Environmental and Resource Economics - online
"Green Finance, Responsible Investments, and Ethics in the era of Post-COVID-19 and Russian-Ukrainian Conflict"

20-21 June 2024: Saïd Business School, University of Oxford Park End Street – Oxford, United Kingdom
Oxford Saïd - VU SBE macro-finance conference

24-25 June 2024: The International Journal of Central Banking (IJCB) - Bank of Italy, Rome
Annual International Journal of Central Banking Research Conference

24-28 June 2024: Oesterreichische Nationalbank - Vienna, Austria
Green Finance – Focus on Monetary Policy and Financial Regulation

JULY

1-5 July 2024: Joint Vienna Institute, World Bank, European Central Bank - Vienna, Austria
Nonperforming Loans: Management and Resolution

8-19 July 2024: IMF - Vienna, Austria
Fiscal Sustainability

23-24 July 2024: The European Central Bank, the International Monetary Fund, and the IMF Economic Review - Frankfurt am Main, Germany
Global Challenges and Channels for Fiscal and Monetary Policy

SEPTEMBER

5-6 September 2024: The Bank of Italy - Rome, Italy
XXII Banca d'Italia Public Finance Workshop

12-13 September 2024: Bank of Finland, CEPR - Helsinki, Finland
Bank of Finland-CEPR: Back to Basics and Beyond: New Insights for Monetary Policy Normalisation

OCTOBER

3-4 October 2024: Public Debt Management Network - Washington DC, United States
3rd PDM Conference

4 October 2024: IMF - Bank of England in London, United Kingdom
5th Joint Bank of England – Banque de France – Banca d'Italia – IMF – OECD Workshop on International Capital Flows and Financial Policies

NOVEMBER

7-8 November 2024: Centre for Economic Policy Research (CEPR) - Bonn, Germany
CEPR Macroeconomics and Growth Annual Symposium 2024

8 November 2024: The Centre for Economic Policy Research (CEPR), London School of Economics - London, United Kingdom
The International Macroeconomics and Finance Programme Annual Meeting 2024

14-15 November 2024: IMF - Washington D.C., USA
[25th Jacques Polak Annual Research Conference Rethinking the Policy Toolkit in a Turbulent Global Economy]

21-22 November 2024: The Federal Reserve Bank of Cleveland - Cleveland, Ohio and Hybrid
[2024 Financial Stability Conference]

Call for Papers

DL 31 Mai 2024: The Bank of Italy - Rome, Italy
[Call for papers XXII Banca d'Italia Public Finance Workshop]

DL 10 June 2024: The Asian Development Bank Institute (ADBI) - Online
[Call for Research Papers on Climate Change, Debt Management, and Monetary and Fiscal Policy Design]

DL 15 June 2024: Bank of Finland and CEPR - Helsinki, Finland
[Call for Papers Bank of Finland-CEPR: Back to Basics and Beyond: New Insights for Monetary Policy Normalisation]

DL 28 June 2024: The Centre for Economic Policy Research (CEPR) - London School of Economics – London, United Kingdom
[Call for papers The International Macroeconomics and Finance Programme Annual Meeting 2024]

DL 30 June 2024: Centre for Economic Policy Research (CEPR) - Bonn, Germany
[Call for Papers CEPR Macroeconomics and Growth Annual Symposium 2024]

DL 1 July 2024: IMF - Washington D.C., USA
[Call for Papers 25th Jacques Polak Annual Research Conference Rethinking the Policy Toolkit in a Turbulent Global Economy]

DL 5 July 2024: The Federal Reserve Bank of Cleveland - Cleveland, Ohio and Hybrid
[Call for papers 2024 Financial Stability Conference]