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# Bimonthly Newsletter

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N. 1 – January/February 2026



## **A new look for a clearer editorial focus**

The PDM Network Bimonthly Newsletter has been updated with a refreshed visual design. The new layout introduces a cleaner and more structured presentation aimed at better highlighting the content we share and making the reading experience clearer and more engaging.

The update reflects a deliberate effort to strengthen how content is curated, prioritised, and presented, in response to the growing volume and complexity of information relevant to public debt management.

The new structure is designed to help readers more easily identify key contributions, distinguish between core policy-relevant documents and complementary materials, and navigate the Newsletter according to their professional needs.

While the look has evolved, the mission remains unchanged: to support the global public debt management community by sharing high-quality, policy-relevant knowledge and fostering informed discussion.

## About this Newsletter

The **PDM Network Bimonthly Newsletter** provides a curated selection of recent papers, institutional reports, policy analyses, blog and commentary articles, training courses, calls for papers, and upcoming events related to public debt management worldwide.

All featured materials are also available on the **PDM Network website** and have been published over the previous two months. The selection follows a **clear editorial hierarchy**, designed to guide readers through the content according to its relevance.

**FOCUS** documents identify contributions that are encouraged to be read in full, as they address core policy, market, and risk issues central to public debt management. A second set of documents, **visually framed** throughout the Newsletter, represents strongly recommended readings. All remaining documents complete the broader informational landscape and are presented as part of the regular selection. Within this overall structure, **blog and commentary pieces** are included among the general document selection and are clearly identified through the keyword “Blog/Commentary”. These contributions provide interpretative, contextual, or exploratory perspectives, and do not represent formal policy papers or institutional reports.

The Newsletter is published every two months (January, March, May, July, September, and November) and aims to offer readers a timely and structured overview of the most relevant developments, resources, and initiatives in the field of public debt management.

We welcome suggestions for relevant documents, news, and events. Please contact the **PDM Network Secretariat**, and we will be pleased to share selected resources with our Network.

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## HIGHLIGHTS

### **Forthcoming! PDM Webinar Series #9: “Investor Base Development: Trends, Risks and Policy Responses”**

#### *PDM Network*

The 9th webinar of the PDM Network entitled “Investor Base Development: Trends, Risks and Policy Responses” will take place on Wednesday, **March 25, 10 am EDT-3 pm CET**, featuring as speakers Rodrigo Cabral (*World Bank Treasury*), Sam Foxall (*OECD*) and Jeffrey Gao (*Bank of Canada*).

### **CALL FOR PAPERS - DEADLINE EXTENDED! “4th Public Debt Management Conference” September 10–11, 2026 | Paris, France**

#### *PDM Network*

The deadline to submit a paper has been extended to **March 13, 2026**. The Conference will take place in Paris on September 10–11, 2026. The Public Debt Management Conference brings together debt managers, policymakers, academics, and market participants to discuss key developments, challenges, and innovations in sovereign debt management. Relevant topics include, but are not limited to i) Sovereign Debt Management in an Era of Prolonged Uncertainty; ii) Liquidity, Market Functioning, and Investor Dynamics; iii) Digitalization and Innovation in Public Debt Management; iv) Transparency, Legal Frameworks, and Governance [...]

### **Summary 8<sup>th</sup> Webinar of the PDM Network – Public Debt Transparency: Flavor of the Month and a Menu of Options**

#### *PDM Network*

The 8th webinar of the Public Debt Management Network examined the evolving and multifaceted concept of public debt transparency. The session explored why transparency has become central in international policy debates, the operational challenges it presents, and the new opportunities it offers for debt managers and stakeholders. Featured speakers included Anna Gelpern (Scott K. Ginsburg Professor of Law and International Finance, Georgetown University; Senior Fellow, Peterson Institute for International Economics) and Diego Rivetti (Senior Debt Specialist, Global Macro and Debt Unit, World Bank). [...]

## FOCUS

### Debt Sustainability Monitor 2025

*European Commission*

The DSM plays an important role in identifying fiscal sustainability risks in EU Member States. It assesses risks in the short, medium and long term, and discusses a wide range of additional risk factors. This is an important input to the European Semester. The 2025 DSM is based on the Commission 2025 autumn forecast and incorporates the ageing cost projections from the 2024 Ageing Report. Methodological details are available in the annexes, ensuring transparency. [...]

*Keywords: Debt Sustainability; Sovereign Debt Risk; Escape Clauses; Debt Forecasts; Fiscal Risks; Statistics; Debt Sustainability Analysis (DSA); Debt Statistics; Debt and Fiscal/Monetary Policies; Debt-to-GDP*

### Global Debt Report 2026 - Sustaining Debt Market Resilience Under Pressure

*OECD*

Global debt markets are navigating a difficult terrain. Geopolitical tensions, trade disputes, and an uncertain macroeconomic environment are adding pressure to already stretched markets. But debt markets have been resilient so far. This stability, however, masks deeper structural developments. The cost of long-term borrowing has risen, and the resulting shift in issuance towards shorter maturities increases refinancing risks. [...]

*Keywords: OECD; Debt Statistics; Statistics; Debt Transparency; Debt Reporting; Sovereign Debt Market; Market Liquidity; Sustainable Bonds; Debt Sustainability; Financial Analysis; Cost and Risk; Investor Base; Debt Forecasts; Financial Stability*

### Under Pressure: Sovereign Debt Challenges in a Warming World 🌿

*Caterina Seghini, Stéphane Déès, Annabelle de Gaye - Banque de France*

Climate change is already imposing significant economic costs on advanced economies, with extreme weather events disrupting supply chains, damaging infrastructure, and straining public finances. Adaptation spending is increasing but remains insufficient to ensure long-term resilience. There is a trade-off between allowing climate damages to occur, which reduces economic growth and shrinks the fiscal base, or investing public funds in adaptation measures that reduce future damages but increase immediate fiscal costs. [...]

*Keywords: Cost and Risk; Debt Sustainability; Climate Change; Sovereign Debt; Debt-to-GDP*

## Vulnerabilities in Government Bond-Backed Repo Markets

*Financial Stability Board*

This report assesses vulnerabilities in government bond-backed repo markets. The report makes use of quantitative and qualitative information from members, a review of published academic and practitioner research, and insights gained from outreach sessions with market participants and researchers. Repo backed by government bonds represented approximately 80% of the stock of all repo outstanding, at end-2024. [...]

*Keywords: Financial Analysis; Financial Stability; Repos; Sovereign Debt Market; Liquidity Risk; Statistics; Central Clearing; Debt and Fiscal/Monetary Policies; Institutional Investors; Interest Rates; Tokenization; Trading Platforms; Spillover Effects*

## Private Money and Public Debt. U.S. Stablecoins and the Global Safe Asset Channel

*Massimo Ferrari Minesso, Daniele Siena - ECB*

This paper studies the international macro-financial implications of U.S. dollar-backed payment stablecoins. These digital assets create a new global safe asset channel that links private money creation and global payment needs directly to U.S. public debt. By reshaping the demand for safe assets and the geography of dollar intermediation, stablecoins transform the dynamics of global financial markets, generating new tradeoffs, also for the U.S.: even if they widen the dollar's global footprint and compress U.S. risk-free yields, they entail non-trivial macro-financial costs. [...]

*Keywords: Financial Analysis; Debt and Fiscal/Monetary Policies; Financial Stability; Cost and Risk; Sovereign Debt Risk; Market Liquidity; Tokenization; Sovereign Bond Yields; Debt and Fiscal/Monetary Policies; Spillover Effects; Institutional and Organizational Framework*

# DOCUMENTS

## DEBT POLICY

### Diversifying Sovereign Risk in the Euro-Area: Empirical Analysis of Different Policy Proposals

*Christian E. Castro, Angel Estrada, Gonzalo Fernandez-Dionis - CaixaBank, Banco de España, IMF*

The 2010 sovereign crisis in the euro-area highlighted the dangers of the sovereign-bank nexus –the risk amplification effect of sovereign debt being held primarily by domestic banks. In response, important regulatory and institutional changes at the European level were put in place. Despite this, the debate on how banking regulation should account for this sovereign-bank interdependence continues today. We review the main regulatory proposals in this area and assess their impact on banks and sovereign bond markets. [...]

*Keywords: Debt Policy; Cost and Risk; Sovereign Debt Risk; Sovereign Debt Exposure; International and Macprudential Regulation; Financial Stability*

## 3 Paradigm Shifts and 4 Practical Reform Ideas for Debt and Public Finance for Sustainable Development

*Caren Grown, Kendall Trelegan - Centre for Sustainable Development, Brookings*

Debt distress has become a defining constraint on development and climate action across many low-income economies. As debt service overwhelms budgets and as concessional finance tightens, governments are forced into impossible tradeoffs: repay creditors or fund the investments that keep societies functioning and economies growing. [...]

*Keywords: Debt Policy; Cost and Risk; Debt Sustainability; Debt Distress; Debt and Fiscal/Monetary Policies; Climate Finance; Foreign Debt; Institutional and Organizational Framework; Contract Standards; Transparency*

## How Credit Ratings Undermine Climate Finance for the Global South

*Subham Shrivastava, Labanya Prakash Jena - Institute for Energy Economics and Financial Analysis, Climate and Sustainability Initiative & LSE*

COP30, widely billed as the “Implementation COP”, concluded without concrete progress on several core workstreams. Most notably, it failed to outline a credible pathway for mobilising the promised US\$1.3 trillion per year in climate finance for developing countries, more than five times the current US\$300 billion pledge from developed nations. This shortfall highlights a deeper structural tension in the global climate finance architecture. [...]

*Keywords: Financial Analysis; Liquidity; Cost and Risk; Structural Policies; International and Macprudential Regulations; Financial Stability; Sovereign Debt Risk; Sovereign Debt*

## Debt Sustainability in the Global Governance Crisis

*Pier Carlo Padoan - UniCredit Group*

The sequence and interplay of the various crises that the global system has been experiencing for several years imply that, in the years ahead, it will be necessary to issue substantial amounts of public and private debt to address the new challenges arising from these crises. Consider the crises at stake: the climate crisis and the need to support the green transition; the technological crisis, whose speed and scope simultaneously accelerate obsolescence and create new profit opportunities; the energy crisis driven by geopolitical conflicts; the industrial crisis exacerbated by the aggressive unilateral trade policies of the U.S. administration; and, of course, ongoing wars. [...]

*Keywords: Structural Policies; Debt Sustainability; Financial Stability; Debt Policy; Debt and Growth; Institutional and Organizational Framework; Debt Statistics; Cost and Risk; Economic Forecasts; Debt Crisis; Statistics*

## COST AND RISK

### Can Public Debt Drive the Development of Advanced Productive Forces? Evidence from AI Development

*Xiaoxian Li, Hongcai Guo, Tongzhou Liu - Beijing Police College, East China University of Political Science and Law, Shanghai Lixin University of Accounting and Finance*

This paper examines whether public debt expansion promotes or inhibits the development of advanced productive forces, using artificial intelligence (AI) development as a representative indicator. Drawing on data from Chinese prefecture-level city investment bonds and A-share listed firms over the period 2013–2023, we investigate the impact of public debt expansion on firms' advanced technology development and the underlying mechanisms. [...]

*Keywords: Debt And Growth; Cost and Risk; Economic Forecasts; Financial Stability; Statistics*

### Risk Spillover and Network Connectedness Analysis of Green Financial and Related Financial Markets: Evidence from China

*Ziwei Huang, Xiaoquan Ding, Yuankui Wang - Henan University of Science and Technology, Zhengzhou Business University*

Green finance is pivotal in mitigating climate change and promoting environmental sustainability. This paper examines the time and frequency risk spillover effects and network connectedness between China's green financial markets (green bonds, green stocks, and carbon markets) and related financial markets [...]

*Keywords: Green Bonds; Green Finance; Spillover Effects; Financial Stability; Cost and Risk; Sovereign Bonds Yields; Statistics*

### The Adaptation Imperative: Climate Change and Sovereign Credit Risk

*Matt Burkeab, Kamiar Mohaddesbc, Mehdi Raissibd - University of Sheffield, University of Cambridge, IMF*

This paper examines how climate change affects sovereign credit ratings and borrowing costs under the latest IPCC climate scenarios. We integrate country-specific income-loss estimates from Mohaddes and Raissi (2025) into the IMF's Q-CRAFT macro-fiscal framework and apply a Random Forest emulator to predict rating trajectories. [...]

*Keywords: Cost and Risk; Sovereign Credit Ratings; Climate Change; Sovereign Spread.*

## What Would a Fiscal Crisis Look Like?

*U.S. Committee for a Responsible Federal Budget*

The U.S. national debt is approaching record levels as a share of Gross Domestic Product (GDP) and currently stands at 100% of GDP, while interest costs are surging to new records and budget deficits remain elevated at around 6% of GDP. High and rising deficits and debt can have many consequences, including that they can put upward pressure on inflation, boost interest rates, slow income growth, reduce fiscal space to respond to needs or emergencies, and weaken our national security. [...]

*Keywords: Cost and Risk; Fiscal Risks; Debt Sustainability; Financial Stability; Debt Statistics; Statistics; Debt Policy; Debt and Fiscal/Monetary Policies; Economic Forecasts*

## Breaking Free from Government Debt Traps in 2026

*Muflih Hidayat - Discovery Alert*

Market forces rarely announce their arrival with fanfare. Instead, they operate through mathematical inevitabilities that compound silently until reaching critical thresholds. Today's global economy presents a scenario where revenue growth systematically diverges from debt accumulation across major developed nations, creating what economists term a debt trap. Unlike cyclical fiscal challenges that respond to policy adjustments, these traps emerge from structural arithmetic: when the cost of servicing debt consistently exceeds the capacity to generate supporting revenue streams. [...]

*Keywords: Blog/Commentary; Financial Analysis; Debt Statistics; Statistics; Economic Forecasts; Cost and Risk; Interest Rates; Debt and Fiscal/Monetary Policies; Financial Stability; Debt Sustainability; Debt Forecasts; Sovereign Debt Risk*

## Cryptocurrency Reserve by Country (2026): Who has a Crypto National Reserve and Who Holds the Largest?

*Bleap Finance*

A cryptocurrency reserve exists when a government holds crypto as part of its national assets, either through an explicit crypto strategic reserve or as government-owned holdings from seizures, mining, or other state activity. As of 2026, the United States holds the largest known government crypto reserve, driven primarily by its Bitcoin holdings under a formal Strategic Bitcoin Reserve framework. [...]

*Keywords: Blog/Commentary; FinTech; Tokenization; Financial Stability; Cost and Risk*

## Could a Gilt Market Shock Derail the Economy in 2026?

*NIESR National Institute of Economic and Social Research*

While the central outlook for the UK bond market in 2026 suggests a steady decline in yields, the risk of a significant “jolt” remains high. In this blog, we examine a stylised risk scenario where volatility in the US Treasury market spreads across borders and results in a tightening of UK financial conditions. [...]

*Keywords: Blog/Commentary; Spillover Effects; Economic Forecasts; Financial Analysis; Cost and Risk; Sovereign Bonds Yields; Sovereign Debt Exposure; Financial Stability; Debt and Fiscal/Monetary Policies*

## The Growth of Government Debt and its Consequences

*Joe Brusuelas - RSM US LLP*

The American government budget is not on a sustainable path. The United States is borrowing roughly \$7 billion per day to finance its operations, with the deficit heading toward \$2 trillion this fiscal year, according to the Committee for a Responsible Federal Budget. And it’s only going to increase as expansionary fiscal policies take effect in the new year. While the United States can find investors willing to finance its debt, a look at the primary budget deficit—the deficit excluding interest owed on past debt—now stands at 3.78% of gross domestic product, which is simply not sustainable. [...]

*Keywords: Blog/Commentary /Commentary; Cost and Risk; Debt Statistics; Debt Sustainability; Financial Stability; Debt and Fiscal/Monetary Policies*

## ACCOUNTING, STATISTICS, REPORTING AND AUDITING

### Beyond the Narratives: What the IDR 2025 Data Reveal about Debt in Low- and Middle-Income Countries

*Evis Rucaj, Yan Bai - World Bank*

In recent years, discussions around debt in low- and middle-income countries (LMICs) have often been framed by narratives suggesting that debt challenges stem primarily from excessive borrowing or ineffective policies. While these perspectives reflect real and important concerns, the latest evidence from the International Debt Report (IDR) 2025 points to a more nuanced picture. [...]

*Keywords: Blog/Commentary; Accounting Statistics Reporting and Auditing; Liquidity; Debt Sustainability; Debt Restructuring; Debt Statistics; Sovereign Bond Yields; Transparency*

## The Causal Effect of Debt on Interest Rates

*Anthony M. Diercks et al. - Board of Governors of the Federal Reserve System*

This paper uses a natural experiment to measure the causal effect of an expected debt-financed fiscal stimulus on interest rates. We find that a 1 percentage point increase in the expected US

debt-to-GDP ratio leads to an increase of about 1-2 basis points in the longer-run neutral rate ( $r^*$ ) and about 2-3 basis points in the 10-year Treasury term premium. [...]

*Keywords: Accounting, Statistics, Reporting and Auditing; Debt-to-GDP; Interest Rates; Government Debt*

## PRIMARY MARKETS

### The Determinants of Green Bond Issuance in Indonesia: An Analysis of Sustainable Financial Instruments 🍃

*Endri Endri, Irwan Mangara Harahap, Anton Hindardjo - Universitas Mercu Buana*

Green Bonds (GBs) have emerged as one of the most prominent innovations in sustainable finance instruments in recent times, necessitating an understanding of the factors determining their issuance. However, empirical literature on the factors driving GB issuance in Indonesia is limited. This study aims to investigate the impact of bond characteristics and macroeconomic factors on Government and Corporate Bond issuance from 2018 to 2023 using a random-effects panel regression model. [...]

*Keywords: Green Bonds; Green Finance; Bond Market Development; Primary Market; Financial Analysis; Statistics*

## FINANCIAL ANALYSIS

### Modelling the Sovereign Debt Strategy: A Practical Primer

*Nicolas Audet et al. - Bank of Canada*

This paper provides a primer on the role of debt modelling in developing a sovereign debt issuance strategy, and how the policy objectives of a sovereign debt manager influence design decisions within their models. The insights provided here are supported by current and past uses of the Canadian Debt Strategy Model, which is a key component of Canada's process to set its annual Debt Management Strategy and Medium-Term Debt Strategy. [...]

*Keywords: Financial Analysis; Debt Management; Debt Forecasts; Debt Statistics; Interest Rates; Debt Composition; Sovereign Debt Market; Cost and Risk*

### Sovereign Loan Guarantees and Financial Stability

*Ivan de Lorenzo Buratta, Tiago Pinheiro - Prometeia, Banco de Portugal*

We analyze the effects of sovereign loan guarantees on financial stability in Portugal using a DSGE model. Sovereign loan guarantees decrease the default rate of banks and increase credit. On the other hand, guarantees increase the leverage and default rate of firms. These effects are larger the lower the sensitivity of the capital of banks to capital requirements. Behind these results are the reduction in regulatory risk-weights and the transfer of loan losses from banks to the sovereign brought by sovereign loan guarantees. [...]

*Keywords: Financial Analysis; Financial Stability; Sovereign Defaults; Cost and Risk; Contingent Liabilities*

## ECB Council Members' Objectives and Public Debt at Home – Evidence from an AI-Based Textual Analysis

*Friedrich Heinemann, Jan Kemper - University of Heidelberg, ZEW Mannheim*

Authors examine the changing attention that ECB Governing Council members pay to different policy objectives by analysing more than 4,600 speeches given between the establishment of the ECB and the summer of 2024. Alongside the primary objective of price stability, they consider the following potential secondary objectives: financial stability, stability of the government bond market, sustainable public debt, climate protection and distribution. [...]

*Keywords: Financial Analysis; Debt and Fiscal/Monetary Policies; Structural Policies; Cost and Risk*

## The Interplay of Public and Private Debts

*Maxime Fajeau - University of Lille*

Private credit and public debt levels have reached unprecedented levels in many economies. This paper examines their joint dynamics over multiple horizons, focusing on a sample predominantly composed of high- and upper-middle-income countries with relatively mature financial systems. [...]

*Keywords: Financial Analysis; Sovereign Debt Market; Financial Stability; Debt Crisis; Sovereign Debt; Cost and Risk; Debt and Fiscal/Monetary Policies; Statistics; Debt-to-GDP; Structural Policies*

## Projecting the Interests of a Dynamic Debt Portfolio: a Financial Model

*Maxime Gueuder, Sébastien Ray - Bank of France*

This paper presents a financial model developed to project the future interest expenses of a large set of rolling debt instruments. It aims at forecasting the financial consequences, for borrowing entities, of changes in the interest rate environment. Starting from detailed data on the current debt's maturity structure and interest rates, and given a future path for market interest rates, we simulate the progressive repayment of borrowed amounts refinanced by issuing new debt at prevailing conditions, with few structural assumptions. [...]

*Keywords: Cost and Risk; Financial Analysis; Interest Rates; Sovereign Debt; Financial Stability*

## Sloping Up: The Repricing of Euro Area Yields in 2025

*Benjamin Böninghausen, Andreea Liliana Vladu - ECB*

The euro area yield curve steepened significantly in 2025 as long-term and especially very long-term interest rates increased. This ECB Blog post dissects what happened and explores key drivers behind the unusually strong shift. [...]

*Keywords: Blog/Commentary; Financial Analysis; Cost and Risk; Sovereign Debt Risk; Debt-to-GDP; Interest Rate; Economic Forecasts; Debt and Fiscal/Monetary Policies*

## Stock-Bond Diversification Offers Less Protection from Market Selloffs

*Tobias Adrian, Johannes Kramer, Sheheryar Malik - IMF*

Spreading investments across asset classes can reduce risk and smooth returns. The classic diversification between stocks and bonds worked historically because they moved in opposite directions. When stocks fell, investors sought safety in bonds. Bonds rallied, cushioning losses and stabilizing portfolios. [...]

*Keywords: Blog/Commentary; Financial Analysis; Financial Stability; Debt Policy; Cost and Risk; Sovereign Bond Yields*

## Climate Change Risk Index and Municipal Bond Disclosures of United States Drinking Water Utilities

*Zia J. Lyle, Jeanne M. VanBriesen, Constantine Samaras - Carnegie Mellon University*

Climate change increases risks to the operations and financial reliability of drinking water utilities across the United States (US). Here we develop a comparative climate risk index that includes hazard, vulnerability, and exposure components for 1455 medium and large municipal US drinking water utilities. We find that 67 million customers are serviced by utilities with higher climate risk. Drinking water utilities in the Western US have higher risk due to expected large changes in climate hazards, while utilities in the Northeast and Midwest have higher risk due to existing vulnerabilities and exposure. [...]

*Keywords: Cost and Risk; Subnational Debt; Debt Policy; Structural Policies; Primary Market; Climate Change; Financial Analysis*

## Resilience Bonds Could Serve as an Insurance Solution to Address Climate Change Risks

*Will Smalley - Lehigh University*

Researchers with Lehigh University's Center for Catastrophe Modeling and Resilience, led by anthropologist David G. Casagrande, have identified two urgent challenges the United States faces in adapting to climate change: a potential disaster insurance crisis and the lack of comprehensive relocation policies for communities facing chronic flooding. Their paper, titled "Climate Change and Insurance: Embracing Resilience for Private Market Survival," is published in Sustainable Development. The research warns that climate change is undermining the private insurance and reinsurance industries. [...]

*Keywords: Bond Market Development; Primary Market; Financial Stability; Cost and Risk; Green Finance*

## Explainer: How Catastrophe Bonds Help Manage Climate Risks

*Patrick Henry, Madeleine North - World Economic Forum*

Global natural catastrophes, like this year's LA wildfires and severe storms across the world, helped push insured losses to \$107 billion in 2025, marking the sixth year in a row losses have exceeded \$100 billion. [...]

*Keywords: Financial Analysis; Cost and Risk; Climate Finance; Climate Change; Primary Markets; Statistics; Institutional Investors*

## Europe's US Holdings: Leverage Lies in Marginal Demand

*Paola Subacchi, Paul van den Noord - Sciences Po, University of Amsterdam*

The question of whether Europe's \$12.6 trillion holdings of US assets be used as leverage if relations with Washington sour has become increasingly salient in policy and market discussions. This column argues that Europe's US debt holdings offer little scope for strategic deployment as they are fragmented across jurisdictions and institutions, and efforts to weaponise them for political purposes would largely backfire. [...]

*Keywords: Financial Analysis; Liquidity; Cost and Risk; Structural Policies; International and Macprudential Regulations; Financial Stability; Sovereign Debt Risk; Sovereign Debt*

## Dollarisation Waves: New Evidence from a Comprehensive International Bond Database

*Swapan-Kumar Pradhan et al. - BIS*

We investigate how the US dollar's prominence in the denomination of international debt securities has evolved in recent decades, using a comprehensive global data set with far more extensive coverage than data sets used in prior literature. We find no monotonic dollarisation or de-dollarisation trend; instead, the dollar's share exhibits a wavelike pattern. We document three dollarisation waves since the 1960s. [...]

*Keywords: Financial Analysis; Debt and Fiscal/Monetary Policies; Statistics; Primary Markets; Debt Statistics; Debt Composition; Financial Stability*

## The International Transmission of Asset Market Shocks in Liquidity Traps

*Philippe Bacchetta et al. - Banque de France*

We build a two-country heterogeneous-agent non-Ricardian model featuring asset scarcity and financial frictions in international capital markets. Due to the non-Ricardian nature of our framework, a demand for liquidity emerges and the supply of bonds matters. We show that shocks affecting the supply or demand of assets have very different international spillovers for an economy in a liquidity trap. A decrease in the supply of assets issued abroad leads to an asset shortage domestically. In normal times, the nominal interest rate decreases, stimulating investment and

output. In a liquidity trap, deflation hits instead and the currency appreciates, which may cause a recession. [...].

*Keywords: Spillover Effects; Financial Analysis; Cost and Risk; Financial Stability*

### What Were the Drivers of UK Long-Term Interest Rates in 2025?

*Lisa Panigrahi, Amarjot Sidhu - Bank of England*

Long-term interest rates increased materially during the first three quarters of 2025, both in the UK and advanced economy peers. UK long-term rates then fell back during the fourth quarter, though remain close to their highest levels in over a decade. The primary driver of the increases in long rates was higher term premia, the compensation investors require for holding long-term bonds instead of a series of short-term bonds. [...]

*Keywords: Blog/Commentary; Financial Analysis; Sovereign Risk Premia; Sovereign Bonds Yields; Financial Stability; Debt Sustainability; Interest Rate*

### Eurobond Market: The Tide is Rising, but not all Boats are Equal

*Jules Devie - Finance for Development Lab*

The paper presents detailed case studies of countries such as Kenya, Nigeria, and Suriname. While these nations have seen marginal improvements in financing conditions, they still grapple with high capital costs. For example, while Kenya has successfully issued Eurobonds at lower yields than prior issues, it continues to prioritize market financing over potentially costly IMF programs. Conversely, countries like Laos and the Republic of Congo illustrate the challenges faced by lower-rated issuers, entering the market under distressing conditions, thus raising concerns about long-term debt sustainability. [...]

*Keywords: Financial Analysis; Market Liquidity; Eurobonds; Debt Sustainability; Statistics; Primary Market; Sovereign Bond Yields; Bond Market Development; World Bank*

### Entry and Exit in Treasury Auctions

*Jason Allen et al. - Bank of Canada, Chicago University, Columbia Educational*

Hedge funds have become increasingly active in Treasury markets, yet we have little evidence on how this shift has affected the market. Authors focus on the primary market, where the government issues its debt through auctions. Using over 20 years of data from Canadian Treasury auctions, they document dealers exiting and hedge funds entering. [...]

*Keywords: Primary Market; Financial Stability; Financial Analysis; Cost and Risk; Primary Dealers; Sovereign Debt Risk*

## Spread the Foreign Redenomination Risk to Default Premia: Dynamic Frequency Connectedness Analysis

*Tarek Chebbi, Bruno S. Sergi, Salem Hamad Aldawsari - A'Sharqiyah University, University of Messina, Prince Sattam bin Abdulaziz University*

We investigate how a correct decomposition of the credit default swap (CDS) quote into redenomination and default risks allows us to explore effectively the dynamic interconnections between such noteworthy events in four countries in the Euro area. We employ daily CDS data denominated in different currencies and default clauses from November 2015 to September 2023. [...]

*Keywords: Credit Default Swaps; Financial Analysis; Sovereign Risk Premia; Statistics; Sovereign Debt Risk; Financial Stability*

## Retail Investors' Participation in the Gilt Market

*Sarah Munson, Callum Ashworth - Bank Underground*

In recent years, retail investors' demand for UK government bonds (gilts) has increased, marking a change in the composition of market participants. The growth of retail investors, comprised of individuals managing their own portfolios, has been a global phenomenon (Foxall et al (2025)). But what's driving this change, and what does it mean for the gilt market's role in monetary policy and financial stability? In this post we explore how UK-based retail participants' presence in the gilt market is changing and what that might signal for the future [...]

*Keywords: Blog/Commentary; Bond Market Development; Debt Statistics; Financial Analysis; Financial Stability; Sovereign Bonds Yield*

## Outlook 2026: Convergence and Readjustment in Euro Area Sovereign Bond Markets

*Edoardo Reviglio - LUISS Guido Carli*

Euro area sovereign bond markets are quietly converging again in a pattern that recalls the pre-2008 financial crisis years, but under very different conditions. As between 2000 and 2008, yield differentials across major euro area issuers have narrowed markedly, reflecting a reassessment of relative risk. This stands in sharp contrast to the post-2008 period, when market dynamics and speculative behaviour amplified divergence and produced systematic mispricing, most visibly during the 2010–12 sovereign debt crisis. [...]

*Keywords: Financial Analysis; Sovereign Bonds Yields; Debt Statistics; Cost and Risk; Sovereign Debt Market; Sovereign Debt Risk*

## Sovereign Default and the Decline in Interest Rates

*Francesco Molteni - University of California*

This paper studies the Eurozone sovereign debt crisis through the lens of funding liquidity in government bonds. Using newly collected data on repo haircuts from LCH Clearnet Ltd, the paper identifies liquidity shocks with a high-frequency structural VAR, separately from sovereign risk shocks, and shows that reductions in funding liquidity substantially increased yields on peripheral government bonds. To explain these effects, a general equilibrium model with financial frictions reproduces the empirical dynamics of a liquidity shock, capturing the rise in bond returns, the flight-to-liquidity, and the contraction in aggregate activity during the crisis. [...]

*Keywords: Financial Analysis; Market Liquidity; Sovereign Bonds Yields; Sovereign Debt Risk; Sovereign Risk Premia; Repos; Cost and Risk*

## DEBT CRISIS

### Sovereign Debt Dynamics at the Brink of Default and the Special Role of Supranational Lenders

*Sanne Zwart - EIB*

Compared with the relatively straightforward definition of a default event, assessing sovereign debt sustainability remains a grey area. The interaction between fiscal choices, lenders' expectations and economic uncertainty creates a setting in which—particularly when a default looms—anticipation and coordination can matter as much as analysing economic fundamentals. [...]

*Keywords: Debt and Fiscal/Monetary Policies; Sovereign Defaults; Debt Sustainability; Financial Stability; Debt Crisis; Multilateral Financing*

### Africa Enters 2026 Facing a Debt Crisis. The Answer Lies in Regional Solutions

*Juliet Lancey - Atlantic Council*

Last year's Group of Twenty (G20) Summit in Johannesburg, the first ever held in Africa, put the continent's prosperity at the top of the agenda. Accordingly, Africa's mounting debt crisis featured prominently. Today, many countries on the continent are trapped in a vicious cycle: shocks beyond their borders and domestic economic challenges force higher expenditures despite low revenue, driving increased borrowing amid rising interest rates and falling credit ratings. [...]

*Keywords: Blog/Commentary; Debt Distress; Debt Crisis; Multilateral Financing; Debt Sustainability; Financial Stability; Debt Statistics; Foreign Debt; Debt Relief; Cost and Risk*

## INSTITUTIONAL AND ORGANIZATIONAL FRAMEWORK

### Getting Debt Sustainability Analysis Right: Eight Reforms for the Framework for Low-Income Countries

*C. Randall Henning - American University*

Assessing the sustainability of developing countries' debt is an essential task of the International Monetary Fund (IMF) and the World Bank, but it is also a controversial one. The two institutions are currently reviewing the debt sustainability framework for low-income countries (abbreviated as LIC-DSF). [...]

*Keywords: Institutional and Organizational Framework; Debt Policy; Multilateral Financing; Statistics; Debt Composition; Debt Restructuring; Debt Sustainability; Debt Sustainability Analysis (DSA)*

## CONTRACT STANDARDS

### Capacity in Derivatives with Public Bodies after *Dexia Credit Local S.A. v Patrimonio del Trentino S.p.A.* [2024] EWHC 2717 (Comm) ('Dexia v Trentino')

*Omotola Ariyo - London School of Economics*

This case note examines *Dexia v Trentino*, a key case on capacity in derivative transactions involving public or quasi-public entities. The comment suggests that the case is consistent with the distinction between hedging and speculation being determined objectively by reference to the entity's financial exposure and economic purpose. It is also consistent with the leading authority, particularly that in *Banca Intesa Sanpaolo Spa & Anor v Comune Di Venezia* [2023] EWCA Civ 1482. [...]

*Keywords: Subnational Debt; Derivatives, Contract Standards; Cost and Risk; Financial Stability; Interest Rates; Debt Sustainability*

### The 'Hedging or Speculation' Question in Determining the Capacity of Public Bodies to Trade Derivative Transactions

*Omotola Ariyo - London School of Economics*

First, the article discusses how English courts assess the capacity of public bodies to engage in derivative transactions, focusing on whether these are for hedging or speculative purposes. The capacity to contract is crucial, as without it, contracts are considered 'ultra vires' (beyond the powers) of the public entities involved. Second, the article highlights the role of court decisions in shaping public policy related to financial market practice, particularly in the use of derivatives by public bodies. [...]

*Keywords: Contract Standards; Derivatives; Cost and Risk; Financial Stability; Interest Rates; Sovereign Debt Litigation*

## Foreign Bonds, Territorial Change and Repudiation: The Silesian Bonds Saga

*Ulrich Bindseil, Mitu Gulati - Technische Universität Berlin, University of Virginia School of Law*

Once a famous tale of conquest, law and foreign bond markets, the saga of the Silesian Bonds of 1734-37 is missing from the literature on sovereign debt. The Silesian Bonds were among the earliest foreign currency sovereign bonds issued. They go into the market 84 years prior to the 1818 Prussian issue by the Rothschilds often described as the first Eurobond. [...]

*Keywords: Contract Standards; Sovereign Debt; Debt Swaps; Government Debt*

## Currency Shift, Legal Continuity: Dispute Resolution in RMB Sovereign Bonds

*Yingxin Angela Chen - Princeton University*

China's push to internationalize the renminbi (RMB, or yuan) since 2008 has led to the growing share of RMB-denominated bonds in the international bond market. So-called "panda bonds" and "dim sum bonds" are variants of RMB-denominated bonds. [...]

*Keywords: Contract Standards; Debt Policy; Sovereign Debt Market; Institutional and Organizational Framework; Bond Market Development; Sovereign Debt Litigation; Financial Stability*

## DEBT RESTRUCTURING

### Africa's Debt Restructuring Problem: Why the G20 Common Framework Has Failed to Deliver Economic Relief

*Zsófia Ságodi - OWP The Organization of World Peace*

Several African nations have seen increasing financial distress during the past ten years due to a combination of high external borrowing, shocks to the world economy, rising interest rates, and shrinking fiscal flexibility. Countries like Zambia, Ethiopia, Ghana, and Chad reported unmanageable debt levels by the early 2020s, restricting their capacity to make investments in infrastructure, public services, and economic growth. [...]

*Keywords: Debt Restructuring; Debt Policy; Multilateral Financing; Structural Policies; Financial Stability; Debt Sustainability; Cost and Risk; Institutional and Organizational Framework; Transparency; Debt Crisis*

## Sovereign Debt Restructuring in Zambia

*Charles Ho Wang Mak - University of Bristol Law School*

China, as one of the world's largest creditors, has recently faced numerous defaults on its loans by recipient states, bringing the issue of Chinese debt restructuring to the forefront. This case study unpacks this process, with a particular focus on Zambia, a country emblematic of the broader dynamics at play. [...]

*Keywords: Debt Restructuring; Sovereign Debt Market; Multilateral Financing; Comparability of Treatment; Debt Crisis; Debt Statistics; Foreign Debt; Debt Composition; Contract Standards; Institutional and Organizational Framework*

## Debt Crisis in Senegal: A Strategic Compass

*Martin Kessler, Abdoulaye Ndiaye - Finance for Development Lab*

Senegal enters 2026 with a soaring public debt and very limited options; there are no “good” options left on the menu. In this note, Abdoulaye Ndiaye and Martin Kessler aim to clarify the feasibility and desirability of two possible paths. The first is to avoid restructuring and try to refinance on a large scale while maintaining an extremely tight fiscal stance for a prolonged period. [...]

*Keywords: Debt Restructuring; Foreign Debt; Sovereign Bonds Yields; Debt Composition; Sovereign Credit Ratings; Debt Crisis; Debt Sustainability; Debt Management; Debt and Fiscal/Monetary Policies; Multilateral Financing; Debt Statistics; Debt-to-GDP*

## Designing Sovereign Debt Legislation: Learning from Comparative Experience

*Simon Hinrichsen et al. - University of Copenhagen*

The current international regime for restructuring sovereign debt largely relies on consensual processes and contract law. This has enabled uncooperative distressed debt investors to realize high profits by insisting on full payment in situations where most creditors have already agreed to debt relief. To counter the disruptive effects of holdout creditors, Belgium, the United Kingdom, and France have enacted domestic laws limiting the enforceability of distressed sovereign debt. [...]

*Keywords: Debt Restructuring; Institutional and Organizational Framework; Debt Relief; Debt Policy; Contract Standards; Collective Action Clauses; Comparability of Treatment; Debt Distress*

## MACROECONOMIC ANALYSIS

### Bulletin of Monetary Economics and Banking

*Hong Chen, Diviya Narayan, Baljeet Singh - Fuzhou University of International Studies and Trade, The University of the South Pacific*

Using the Hamilton filter and the panel threshold model, this study provides new evidence of the threshold effects of debt on output in 14 Asia-Pacific countries over the period 2005 to 2019. In the long term, we found a threshold debt value of 73.5 percent of GDP, below which debt has a positive effect on GDP, and the positive effect turns negative when debt goes above the threshold level. In the short term, we noted that debt volatility reduces output volatility, and the impact is greater with larger negative fluctuations in debts. The findings have important policy implications [...]

*Keywords: Debt-To-GDP; Statistics; Debt Statistics; Debt Sustainability; Debt and Growth; Financial Stability; Debt Policy*

### How to Design and Implement Rules-based Fiscal Frameworks Based on Debt Anchors? A Step-by-step Methodology and Application

*Ardanaz, Martín et al. - Inter-American Development Bank*

This paper develops a step-by-step guide for the design and implementation of fiscal rules based on prudent public debt levels aimed at reconciling two critical fiscal policy objectives: ensuring debt sustainability while preserving flexibility to respond to exogenous shocks. [...]

*Keywords: Macroeconomic Analysis; Sovereign Debt; Debt and Fiscal/Monetary policies; Debt Sustainability; Debt-to-GDP*

### Fiscal Fireworks: How Debt is Rewriting the Rules for the US and Japan

*Kriti Gupta - JP Morgan*

The world is no stranger to a debt crisis. It's been a feature of financial markets for decades – from Latin America in the 1980s to the Asian Financial Crisis in the late 1990s. Although emerging markets are more prone, the phenomenon has spread to developed markets. That used to be unfathomable. But starting with the Eurozone in the wake of the Global Financial Crisis (GFC), debt crises have become more frequent. [...]

*Keywords: Economic Forecasts; Debt Forecasts; Cost and Risk; Financial Stability; Debt Sustainability; Debt Crisis; Debt and Fiscal/Monetary Policies; Fiscal Risks*

## Time-Varying Connectedness Between Public Debt, Exchange Rate, Credit Rating, and Economic Growth in Ghana: TVP-VAR Framework

*Samuel Berko Opong, Anthony Adu-Asare Idun, Vincent Adela - University of Cape Coast*

This study examines the dynamic connectedness between public debt, exchange rate, credit rating, and economic growth in Ghana using Time-Varying Parameter Vector Autoregression framework. The analysis utilised monthly data spanning from December 2012 to January 2024. The results reveal that connectedness among Ghana's macroeconomic variables is crisis-driven. [...]

*Keywords: Debt Distress; Debt Sustainability; Debt and Fiscal/Monetary Policies; Statistics; Financial Stability; Debt Sustainability; Debt Policy; Sovereign Credit Ratings; Cost and Risk; Debt Management*

## Public Debt Sustainability in the Eurozone: An Empirical Assessment using Macroeconomic Indicators

*Noah Cheruiyot Mutai et al. - Berlin School of Business and Innovation*

This study examines public debt sustainability in the Eurozone by estimating fiscal reaction functions that assess how fiscal balances respond to rising public debt under heterogeneous macroeconomic conditions. Using annual panel data for 20 EU countries from 2000 to 2024, we employ fixed effects, system Generalized Method of Moments (GMM), and nonlinear specifications grounded in the intertemporal budget constraint framework. [...]

*Keywords: Debt and Fiscal/Monetary Policies; Financial Stability; Cost and Risk; Debt Sustainability; Statistics; Debt Policy; Structural Policies*

## External Finance in Emerging Markets and Developing Economies

*Dohan Kim, Gian Maria Milesi-Ferretti - World Bank, The Brookings Institution*

Over the past two decades, many emerging markets and developing economies have been viewed as increasingly resilient to external financial shocks. This paper assesses whether such resilience is broadly shared across emerging markets and developing economies by classifying them into three tiers based on economic size, income level, institutional strength, and financial integration. [...]

*Keywords: Macroeconomic Analysis; External Debt Liabilities; Debt Burden; Debt Statistics; Debt Relief; Debt Distress; Debt Sustainability*

## How to Design and Implement Rules-Based Fiscal Frameworks Based on Debt Anchors?

*Martín Ardanaz - Inter-American Development Bank*

This paper develops a step-by-step guide for the design and implementation of fiscal rules based on prudent public debt levels aimed at reconciling two critical fiscal policy objectives: ensuring debt sustainability while preserving flexibility to respond to exogenous shocks. The approach combines a medium-term anchor for the ratio of public debt to GDP with rolling medium-term fiscal

frameworks (MTFFs) that guide fiscal policy toward convergence with the anchor, complemented by mechanisms to correct temporary deviations from the convergence path. [...]

*Keywords: Macroeconomic Analysis; Debt-to-GDP; Debt Sustainability; Sovereign Debt; Debt and Fiscal/Monetary Policies*

## Debt Maturity and Government Spending Multipliers

*Jochen Mankart et al. - Národná Banka Slovenska*

Government spending effectiveness depends critically on how it is financed. Using state-dependent SVAR models and local projections on post-war US data, we show that fiscal expansions financed with short-term debt generate significantly larger output multipliers than those financed with long-term debt. This difference mainly stems from private consumption responses: short-term financing crowds in consumption while long-term financing does not. [...]

*Keywords: Macroeconomic Analysis; Debt and Fiscal/Monetary Policies; Debt-to-GDP; Government Debt; Government Expenditure*

## A Strategic Compass for Navigating Senegal's Debt Crisis

*Abdoulaye Ndiaye, Martin Kessler - New York University, Paris School of Economics*

With public debt at around 130% of GDP, Senegal's options are limited: there are no good solutions. This paper reviews the constraints and difficult choices the government faces in managing the debt crisis. We explore two possible paths. In the first approach, the government seeks to avoid restructuring at all costs. [...]

*Keywords: Macroeconomic Analysis; Debt Relief; Debt Restructuring; Debt Distress; Debt-to-GDP; Debt Composition; Debt Burden; External Debt*

## Performance Evaluation with Security-Level Holdings: A Study of Government Bond Funds in Southern Europe During the Euro Debt Crisis

*Cristina Ortiz, Gloria Ramírez, Luis Vicente - University of Zaragoza, Universidad de Antioquia*

This study is the first to evaluate the performance of Euro government bond mutual funds with characteristic-based benchmarks. This analysis is based on the security-level holdings of the affected countries in the Euro sovereign debt crisis, i.e., the so-called periphery countries of Southern Europe, including Greece, Italy, Portugal, and Spain (GIPS). [...]

*Keywords: Macroeconomic Analysis; Government Bonds; Debt Crisis; Sovereign Debt; Sub-Sovereign Debt*

## The Impact of External and Internal Government Debt on Economic Growth: An Analysis of Threshold Effects

*Naoto Tanemoto - Kobe University*

This paper conducts an empirical analysis of the nonlinearity in the effects of external and internal government debt on economic growth. While much existing research treats government debt as a single indicator, this paper examines the composition of government debt, distinguishing between external and internal government debt to assess their effects on economic growth. [...]

*Keywords: Macroeconomic Analysis; Debt-to-GDP; Government Debt*

## The Political Economy of Defaultable Debt and Entitlements

*Ryo Arawatari - Doshisha University*

This study develops a two-period dynamic politico-economic model in which both government debt and entitlements may default. We examine how default costs influence policy choices and social welfare. In this model, debt shifts resources from future to present, whereas entitlements target the future allocation of resources. [...]

*Keywords: Macroeconomic Analysis; Debt-Default Cost; Government Debt; Debt-to-GDP; Debt Repayment*

## Sovereign Debt Pricing with Shifting Long-Run Growth Expectations

*Pei Kuang, Liang Shi - University of Birmingham, University of Essex*

The paper presents new evidence of systematic errors in real-time estimates of long-run output growth rates and, importantly, reveals a negative, nonlinear relationship between these estimates and sovereign debt spreads during the Eurozone debt crisis of the 2010s. To study the implications of these beliefs, we develop a sovereign default model in which agents infer trend growth from aggregate output and from noisy signals about the trend. [...]

*Keywords: Macroeconomic Analysis; Debt-to-GDP; Sovereign Spread; Sovereign Debt; Debt Restructuring*

## The Outlook for Restructuring Venezuela's Sovereign Debt Post-Maduro

*Steven T. Kargman - Kargman Associates*

The capture of Nicolás Maduro by US forces in the early morning hours of January 3, 2026 produced dramatic headlines, but a key question now is whether his removal alone significantly affects the dynamics that have underpinned Venezuela's long running crises. The reality, though, is that the fundamental challenges that shaped Venezuela's trajectory before Maduro's capture remain firmly in place today, and none of the country's core problems can or will be resolved by Maduro's removal alone. [...]

*Keywords: Blog/Commentary; Debt Crisis; Debt Restructuring; Contract Standards; Conditionality; Debt and Growth; Debt Sustainability; Financial Stability*

## **The Perils of Narrowing Fiscal Spaces**

*Hanno Kase et al. - ECB*

When public debt is elevated, the fiscal cost of fighting inflation rises sharply, as interest rate hikes increase government interest expenditures. We formalize this mechanism in a nonlinear New Keynesian model with a state-dependent fiscal constraint on monetary policy. High debt may dampen the monetary response to inflation, generating an inflationary bias even though government debt remains fully fiscally backed. [...]

*Keywords: Macroeconomic Analysis; Debt and Fiscal/Monetary Policies; Keynes; Interest Rates; Sovereign Debt Market; Financial Stability; Debt Sustainability*

## **Russia's 2026 Budget: Mounting Financial Challenges and Economic Stagnation**

*Iwona Wiśniewska - Centre for Eastern Studies (OSW)*

On 28 November, Vladimir Putin signed the Russian Federation's 2026 budget law and approved the overall parameters of the budgets for 2027–28, after the document had passed swiftly through parliament. In drafting next year's budget, the government relied on optimistic assumptions, particularly with regard to oil export prices, the pace of economic growth, and tax collection rates. Despite this, the budget will run a deficit in 2026 [...]

*Keywords: Economic Forecasts; Debt Sustainability; Debt and Growth; Sovereign Bonds Yields; Debt and Fiscal/Monetary Policies; Fiscal Risks; Financial Stability*

## **MULTILATERAL FINANCING**

### **Preferred Creditor Treatment and Multilateral Development Banks' Mobilisation Agenda**

*Chris Humphrey, Jessica Pudusery, Frederique Dahan - ODI*

A key attribute of multilateral development banks (MDBs) is preferred creditor treatment (PCT) – the notion that MDB loans to government borrowers essentially always get repaid. PCT underpins MDBs' financial strength and preserving it is a top priority to ensure that they can continue to access bond market funding at privileged terms. [...]

*Keywords: Multilateral Financing; Sovereign Debt Market; Credit Rating; Debt Policy; Debt Restructuring; Structural Policies; Statistics; Comparability of Treatment*

## Scaling Credit Enhancement Models or Sustainability-Linked Sovereign Financing

*Task Force on Credit Enhancement for Sustainability-Linked Sovereign Financing, Sustainable Sovereign Debt Hub*

Amid challenging financing conditions, emerging markets and developing economies (EMDEs) are struggling to access the long-term, affordable capital they urgently need to achieve the Sustainable Development Goals (SDGs). With the SDG financing gap projected to exceed US\$4 trillion by 2025, countries face growing barriers to investing in climate resilience, nature protection and managing their rising debt burdens. [...]

*Keywords: Multilateral Financing; Cost and Risk; Debt-for-Nature Swaps; Swaps; Debt Sustainability; Sustainable Finance; Debt Policy; Sovereign Credit Ratings; Debt Statistics*

## REPORTS

### Sustainable Bonds - Trends and Policy Recommendations

*OECD*

The Sustainable Bonds: Trends and Policy Recommendations report explores key issues and trends in sustainable bond markets. It aims to inform policy discussions on the goals of investors when acquiring sustainable bonds, how these instruments may influence corporate and official sector issuers' decisions, and what can be done to develop the market for sustainable bonds further. [...]

*Keywords: OECD; Transparency; Primary Market; Institutional Investors; Green Finance; ESG; Sustainability-Linked Bonds; Institutional and Organizational Framework; Sustainable Finance; Financial Analysis; Statistics*

### CEE Issuance Outlook 2026. Diversify, Pre-fund, Switch, Repeat

*ING Think*

Sovereign issuance in 2026 is set to be driven mainly by refinancing needs and debt costs rather than fresh fiscal loosening. Governments will increasingly rely on diversified funding – retail bonds, T-bills, EU and FX sources – to contain net local bond supply and manage curves, with Turkey the clear outlier as net issuance rises sharply [...]

*Keywords: Economic Forecasts; Debt and Fiscal/Monetary Policies; Debt Forecasts; Interest Rates; Financial Stability; Debt Sustainability; Primary Market; Financial Analysis; Sovereign Risk Premia; Sovereign Credit Ratings; Foreign Debt*

## Debt Restructuring under the G20 Common Framework and Alternative Policy Solutions

**AFRODAD**

Restructuring is typically the last resort used to deal with unsustainable sovereign debt. It can be an extension of maturity, a reduction in coupon payments, discounting the face value of debt, and/or a mixture of these, notably to free up fiscal space for sustained growth and development. [...]

*Keywords: Debt Restructuring; Debt Policy; Multilateral Financing; Structural Policies; Financial Stability; Debt Sustainability; Cost and Risk; Institutional and Organizational Framework; Debt and Fiscal/Monetary Policies; Transparency; Statistics*

## Labeled Sustainable Bonds - Quarterly Market Update Q4 2025

**World Bank**

Annual issuances declined in 2025 after a steady stream of issuances for the past four years, with all categories of labeled issuances recording declines. Annual issuances for 2025 reached USD 904 billion, a 17% decline compared to 2024 levels. The cumulative amount of green, social, sustainability, sustainability-linked, and transition bonds issued in the market reached USD 6.81 trillion as of December 2025. [...]

*Keywords: World Bank; Thematic Bonds; Sustainable Finance; Sovereign Debt Market; Statistics; Green Finance; Primary Market*

## Getting Institutional Assessment Right

**Sustainable Sovereign Debt Hub, Nature Finance**

As gatekeepers to international capital markets, credit rating agencies (CRAs) are critical nodes in the global financial architecture. Their assessments of governments' "willingness and ability" to honor sovereign debt obligations have a direct bearing on the cost of capital in emerging markets and developing economies (EMDEs). [...]

*Keywords: Transparency; Credit Rating; Institutional and Organizational Framework; Cost and Risk*

## Government Bond Data Report Q3 2025

**AFME**

EUR 994 bn bonds and bills issued in Q3 2025 as European quarterly issuance volumes increase 5.2% (YoY) Total quarterly gross issuance in Europe (EU Member States, UK and EU Commission) was EUR 994 bn during Q3 2025, up 5.2% compared to Q3 2024 (YoY) and down 8.2% from Q2 2025 (QoQ). Total (bond and bill) issuance in Q3 2025 continued at elevated levels with volumes (including EU Commission issuance) representing the highest third-quarter issuance on record [...]

*Keywords: Statistics; Sovereign Bonds Yields; Debt Statistics; Primary Market; Sovereign Credit Ratings; Sovereign Debt Market; Secondary Market; Market Liquidity*

## Sustainable Debt Outlook 2026: Higher Issuance with Changing Compositions

*Coco Zhang et al. - ING*

Global sustainable finance (excluding asset-backed securities, or ABS) is set to regain growth in 2026, surpassing the slight slowdown in 2025. We ended last year with a total issuance of US\$1,539bn, a modest drop from the US\$1,668bn in 2024, but still comfortably above the dip in 2023. For 2026, we expect a rise once more, with issuance landing around US\$1,621bn. This is still shy of the record 2021 figure, and long-term growth remains non-linear, but the market is showing resilience. [...]

*Keywords: Green Bonds; Green Finance; Economic Forecasts; Statistics; Bond Market Development*

## Public Debt Confidentiality

*The National Democratic Institute, Transparency International, Open Government Partnership*

Citizens have a right to know about their country's debt because public debt is the public's debt. When governments go into debt, they are putting their citizens' futures up as collateral. The benefits of debt transparency – reduced borrowing costs (interest rates) and improved efficiency of public spending – are well-documented.<sup>1</sup> Debt relief processes aimed at restoring sustainability for debt-distressed countries also rely on comprehensive debt data by debtors and creditors. [...]

*Keywords: Transparency; Debt Sustainability; Institutional and Organizational Framework; Accounting, Statistics, Reporting and Auditing; Contract Standards; Conditionality; Contingent Liabilities; Financial Stability; Debt Policy*

## Macroeconomic Digest of Ukraine January 2026

*The Ukrainian Institute for the Future*

On December 22, the Ukrainian Institute for the Future released its 2026 economic forecast, available via the link. This digest also presents the key indicators from this forecast and details of the calculations. On December 24, the Ministry of Finance announced the completion of the restructuring of GDP-linked securities (warrants). Under the restructuring terms, GDP warrants in the amount of USD 2,635,058,000 were exchanged for new Series C bonds maturing in 2032, totaling USD 3,497,665,320, as well as for Series B bonds maturing in 2030 and 2034, totaling USD 16,904,800 for each series. All GDP warrants were cancelled. [...]

*Keywords: Statistics; Debt Statistics; Debt Sustainability; Economic Forecasts; Debt and Fiscal/Monetary Policies; Financial Stability; Debt and Growth; Multilateral Financing*

# CALENDAR

## EVENTS

### MARCH

**10 March 2026**

Florence School of Banking & Finance - Online

**From Taboo to Strategic Tool? The Case of Eurobonds**

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**11 March 2026**

UNCTAD - Geneva, Switzerland

**Breaking the debt cycle: Digitalization and structural reforms as drivers of growth and debt reduction - The Greek experience**

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**16 March 2026**

ICMA - Bruxelles, Belgium

**Towards a more connected market: SIU, T+1 and Digital bonds**

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**17 March 2026**

SUERF - Online

**Trading firms: The new Masters of the Universe**

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**19 March 2026**

OMFIF - Paris, France

**European sovereign, supranational and agency forum**

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**23 March-3 April 2026**

Joint Wien Institute - Wien, Austria

**Macroeconometric Forecasting and Analysis**

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**23 March 2026**

SASLA - Cape Town, South Africa

**The securities lending and collateral management conference 2026**

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**25 March 2026**

PDM Network - Online

**PDM Webinar Series #9: Investor Base Development: Trends, Risks and Policy Responses**

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**27-28 March 2026**

TEHA Group - Cernobbio, Italy

**The Outlook for the Economy and Finance 2026**

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**27 March 2026**

NBER - Cambridge, MA

**International Finance and Macroeconomics Program Meeting, Spring 2026**

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**31 March 2026**

ICMA - Beijing, China

**ICMA China Debt Capital Market Annual Forum 2026**

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**31 March 2026**

ICMA - Paris, France

**European debt capital markets: How to address the economic and geopolitical challenges?**

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## APRIL

**13-19 April 2026**

World Bank, IMF - Washington, D.C., USA

**2026 World Bank Group/IMF Spring Meetings**

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**15-16 April 2026**

Princeton - Washington DC, USA

**The Third Annual Politics of Sovereign Finance Conference**

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**16-17 April 2026**

NBER - Cambridge, MA

**41st Annual Conference on Macroeconomics, 2026**

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**20-24 April 2026**

Joint Vienna Institute - Vienna, Austria

**Government Debt Management Performance Assessment Tool - Course**

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**27 April 2026**

ICMA & ISLA- Riyadh, Saudi Arabia

**Saudi Arabia's Evolving Capital Markets: Focus on Repo & Securities Lending**

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**29 April 2026**

BIS, BoE, ECB, IMF, and JIE Spillover Conference - Washington D.C, USA

**Global Spillovers Amid Shifting Policies**

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## MAY

**27-29 May 2026**

ICMA - London, UK

**58th ICMA Annual General Meeting & Conference**

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## JUNE

### 2-3 June 2026

Banque Centrale du Luxembourg, Bank of Canada, Deutsche Bundesbank, Euronext-MTS, the European Central Bank - Luxembourg City, Luxembourg

#### **Sovereign Bond Markets in Geopolitical Storms**

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### 15-16 June 2026

CEPR - Naples, Italy

#### **CEPR Public Economics Annual Symposium 2026**

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### 16-17 June 2026

FT Live - London, UK

#### **The Global Borrowers & Bond Investors Forum**

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## JULY

### 6-10 July 2026

Joint Vienna Institute - Vienna, Austria

#### **Designing Government Debt Management Strategies - course**

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### 13-17 July 2026

EBRD - JVI Joint Vienna Institute - Vienna, Austria

#### **Implementing Government Debt Management Strategies**

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### 21-22 July 2026

The Hutchins Center on Fiscal and Monetary Policy - Washington, DC

#### **15th JRCPPF Annual Conferences Debt, Deficits & Global Imbalances**

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### 26-29 July 2026

The World Finance Conference (WFC) - Limerick, Ireland

#### **The World Finance Conference (WFC) 2026**

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### 28-29 July 2026

ADB – AMRO - Singapore

#### **Conference on “Fiscal and Monetary Policies in Developing Economies for Navigating Fragmentation Risks”**

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## AUGUST

### 23-24 August 2026

WASET - Rome, Italy

#### **International Conference on Public Finance and Fiscal Policy ICPFFP**

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**28-29 August 2026**

CEPR - Mannheim, Germany

**Conference on New Challenges in Monetary Economics**

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## SEPTEMBER

**10-11 September 2026**

PDM Network - OECD, Paris, France

**4th Public Debt Management Conference**

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**29 September 2026**

Bank of England, Banque de France, IMF, OECD, Banca d'Italia - Paris, France

**Workshop on International Capital Flows and Financial Policies**

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## OCTOBER

**8-9 October 2026**

National Bank of Belgium – Brussels, Belgium

**Fiscal-monetary policy interactions in the 21st century**

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**16-18 October 2026**

World Bank Group, IMF - Bangkok, Thailand

**2026 World Bank Group/International Monetary Fund Annual Meetings**

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**26-30 October 2026**

IMF - Singapore, Singapore

**Sovereign Risk and Debt Sustainability Framework for Market Access Countries (SRDSF-MAC)**

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## DECEMBER

**7-9 December 2026**

UNCTAD - Geneva, Switzerland

**The 15th Debt Management Conference - UNCTAD**

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**17-18 December 2026**

Bank of Finland and CEPR - Lapland, Finland

**Bank of Finland and CEPR Joint Conference on Navigating Monetary Policy by the Northern Lights**

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## CALL FOR PAPERS

**Deadline: 13 March 2026**

PDM Network – Paris, France

**CALL FOR PAPERS - DEADLINE EXTENDED! 4th Public Debt Management Conference  
September 10–11, 2026 | Paris, France**

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**Deadline: 31 March 2026**

Bank of Finland and CEPR - Lapland, Finland

**Call for Papers: Bank of Finland and CEPR Joint Conference on Navigating Monetary Policy by the  
Northern Lights**

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**Deadline: 31 March 2026**

CEPR - Mannheim, Germany

**Call for Papers: Conference on New Challenges in Monetary Economics**

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**Deadline: 25 April 2026**

Bank of England, Banque de France, IMF, OECD, Banca d'Italia - Paris, France

**Call for Papers: 7th Joint Bank of England – Banque de France – IMF – OECD – Banca d'Italia  
Workshop on International Capital Flows and Financial Policies**

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**Deadline: 6 May 2026**

ADB – AMRO - Singapore

**Call for Papers: Fiscal and Monetary Policies in Developing Economies for Navigating  
Fragmentation Risks**

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