

# 3<sup>rd</sup> Public Debt Management Conference

## Risks and Challenges for Public Debt Management: Inflation, Markets and Climate

October 3-4, 2024

World Bank Headquarters, Washington DC, USA



Thursday, October 3<sup>rd</sup>

8:30-9:00 **Conference registration**

9:00-9:10 **Word from the Organization Committee**  
**Lars Jessen**, *Lead Debt Specialist, World Bank*

9:10-9:30 **Opening Remarks**  
**Manuela Francisco**, *Director, World Bank*

9:30-10:30 **Session 1. Approaches to public debt sustainability**  
**Moderator: Carmine Di Noia**, *Director for Financial and Enterprise Affairs, OECD*

### **Public Debt Overhang: A Tale of Spikes and Adjustments**

Leandro Andrian, Inter-American Development Bank  
Cesar M. Rodriguez, Portland State University  
Oscar M. Valencia, Inter-American Development Bank

### **Debt Service Spikes and Debt Distress**

David Mihalyi, World Bank

### **Q&A**

10:30-11:00 **Coffee Break**

11:00-12:15 **Session 1. Approaches to public debt sustainability (continued)**

**Linking Climate Shocks and Sovereign Debt Defaults**

Aitor Erce, Universidad Pública de Navarra and CERDI (Clermont Ferrand)  
Mattia Picarelli, European Stability Mechanism  
Diana Zigraiova, European Stability Mechanism

**Dealing with Heterogeneous Bondholders in Sovereign Debt Restructurings**

Carlo Galli, Universidad Carlos III de Madrid, and CEPR  
Stephane Guibaud, SciencesPo

**Q&A and Wrap Up of Session 1 by the Moderator**

12:15-14:00 **Lunch**

14:00-14:30 **Keynote speech**

**Ugo Panizza**, *Professor of Economics, Department Head, and Pictet Chair in Finance and Development at the Geneva Graduate Institute.*

14:30-15:30 **Session 2: Market Dynamics and their Impact on Public Debt Management Performance**

**Moderator: Davide Iacovoni**, *Public Debt Director General, Italian Treasury*

**Monetary Policy, the Yield Curve, and the Repo Market**

Ruggero Jappelli, Goethe University Frankfurt  
Loriana Pelizzon, Goethe University Frankfurt  
Marti G. Subrahmanyam, New York University

**Secondary Market Liquidity: The Role of Repo Market Specialness**

Valentina Catapano, University of Padua and CRIEP  
Luciano Greco, University of Padua and CRIEP  
Filippo Mormando, CRIEP

**Q&A**

15:30-16:00	<b>Coffee Break</b>
16:00-17:15	<p><b>Session 2: Market Dynamics and their Impact on Public Debt Management Performance (<i>continued</i>)</b></p> <p><b>Average Interest Cost – A Novel Cost and Risk Measure and its Applications in Public Debt Management</b>          Philipp Sicking, Federal Republic of Germany – Finance Agency          Achim Kopf, Federal Republic of Germany – Finance Agency          Christoph Peters, Federal Republic of Germany – Finance Agency          Norman Demuth, Federal Republic of Germany – Finance Agency          Felix Klameth, Federal Republic of Germany – Finance Agency          Tatjana Lemke, Federal Republic of Germany – Finance Agency</p> <p><b>Debt for Development Swaps – A Financial Assessment Framework</b>          Diego Rivetti, World Bank          David Mihalyi, World Bank</p> <p><b>Q&amp;A and Wrap Up of Session 2 by the Moderator</b></p>

**Friday, October 4<sup>th</sup>**

9:00-10:30	<p><b>Session 3a: Sovereign Debt Management Strategies in the face of Environmental Challenges and Disaster Risks</b>  <b>Moderator: Tatiana Skalon,</b>  <i>Senior Financial Sector Specialist, World Bank</i></p> <p><b>Natural Disasters and Sovereign Defaults</b>          Alex W. Dryden, SOAS University of London</p>	<p><b>Session 3b: Managing Inflation and Market Risks through Optimal Debt Portfolio Strategies</b>  <b>Moderator: Frederico Gil Sander,</b>  <i>Practice Manager, World Bank</i></p> <p><b>Fiscal Sustainability and the Role of Inflation</b>          António Afonso, Universidade de Lisboa          José Alves, Universidade de Lisboa          Olegs Matvejevs, Latvijas Banka          Olegs Tkacevs, Latvijas Banka</p>
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**The Sovereign Climate Debt Trap and Natural Disaster Clauses**

Stephen Park, University of Connecticut  
Tim R. Samples, University of Georgia

**Inflation-Linked Bonds are not a good Instrument for Financing Government Debt in Emerging and Developing Economies**

Ruurd Brouwer, TCX Investment Management  
Victoria Petrenko, OGRsearch  
David Vavra, OGRsearch

**The Impacts of Disasters on Exchange Rates, Foreign Exchange Reserves and Capital Flows**

Yuen Lo, SOAS University of London  
Ulrich Volz, SOAS University of London

**The Role of Sovereign Inflation-Linked Bond Market (Information) in Reducing the Domestic Financing Risk**

Daniel Carvalho Cunha, IMF  
Dimitris Drakopoulos, IMF

**Q&A**

**Q&A**

10:30-11:00

**Coffee Break**

11:00-12:15

**Session 3a: Sovereign Debt Management Strategies in the face of Environmental Challenges and Disaster Risks (continued)**

**Session 3b: Managing Inflation and Market Risks through Optimal Debt Portfolio Strategies (continued)**

**Peru's Debt to GDP ratio, Wars and Earthquakes: 1822-2022**

Favio Leiva, Nagoya University

**The Dynamic Canadian Debt Strategy Model**

Nicolas Audet, Bank of Canada  
Joe Ning, Bank of Canada

**Multilateral Development Banks as robust climate shocks backstops: The case of the Caribbean Development Bank**

Pierre Cailleteau, Lazard,  
Leonardo Pupperto, Lazard,  
Gabrielle Rousseau, Lazard

**An Analytical Framework for Public Debt Management**

Jean-Paul Renne, University of Lausanne

**Q&A and Wrap Up of Session 3a by the Moderator**

**Q&A and Wrap Up of Session 3b by the Moderator**

12:15-13:30

**Lunch**

13:30-15:00

**Session 4: Climate Change and Public Debt: Sustainable Strategies and Emerging Markets Insights**

**Moderator: Fatos Koc**, *Head of Financial Markets Unit, OECD*

**ESG Thematic Bonds and Innovative Budgeting Systems Leading the Way to Sustainability**

Bence Lukács, Hungarian Government Debt Management Agency (AKK)

**The Impact of the Creation of a Sovereign ESG Reference Yield Curve on Corporate ESG Bonds Issuances from Latin America and the Caribbean**

Daniel Cunha, IMF

Giovana Craveiro, Brazilian Treasury

Marina Rossi, Brazilian Treasury

**Asymmetric Sovereign Risk: Implications for Climate Change Preparation**

Jose E. Gomez-Gonzalez, City University of New York - Lehman College

Jorge M. Uribe, Universidad de Barcelona

Oscar M. Valencia, Inter-American Development Bank

**Q&A**

15:00-15:15

**Coffee Break**

15:15-16:30

**Session 4: Climate Change and Public Debt: Sustainable Strategies and Emerging Markets Insights (continued)**

**Climate Shocks and Sovereign Bonds in Africa: Understanding the Climate Risks to African Sovereign Debt**

Nadia S. Ouedraogo, United Nations Economic Commission for Africa (UNECA)

**Mobilizing Private Finance for the Climate Agenda: KPI Bonds**

Marcello Estevão, Managing Director and Chief Economist at the Institute of International Finance

Nils 'Jasper' Zimmermann, World Bank

Stephen Stretton

**Q&A and Wrap Up of Session 4 by the Moderator**

16:30

**Closing Remarks**

**Jean Pesme**, *Global Director, World Bank*