



3rd PUBLIC DEBT MANAGEMENT CONFERENCE

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

October 3-4, 2024

World Bank, MC-Main Complex, HQ, Washington DC

PROGRAMME

THURSDAY, OCTOBER 3rd

8:30 *Registration (Room MC2-800)*

9:00 **WORD FROM THE ORGANIZATION COMMITTEE**
Lars Jessen, *Lead Debt Specialist, The World Bank*

9:10 **OPENING REMARKS**
Frederico Gil Sander, *Practice Manager, The World Bank*

9:30 **SESSION 1. [ROOM MC2-800]**
UNDERSTANDING PUBLIC DEBT SPIKES: IMPLICATIONS FOR DEBT MANAGEMENT AND DEBT SUSTAINABILITY

Chair: Carmine Di Noia, Director for Financial and Enterprise Affairs, OECD

Surges in the Shadows: Stock-Flow Adjustments and Public Debt Spikes

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, *The World Bank*

Discussant: Daniel Carvalho Cunha, International Monetary Fund

Q&A

10:30 *Coffee Break*

11:00 **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*

Discussant: Anna Gelpern, Georgetown University

Q&A

Wrap Up

12:15 Group Photo (MC Atrium)

Lunch

14:00 **KEYNOTE SPEECH:**
“Sovereign Debt and Climate Finance: The Role of Contingent Debt Instruments”
Ugo Panizza, *Professor of Economics, Department Head, and Pictet Chair in Finance and Development at the Geneva Graduate Institute*

14:30 **SESSION 2.** [ROOM 2-800]
MARKET DYNAMICS AND THEIR IMPACT ON PUBLIC DEBT MANAGEMENT PERFORMANCE

Chair: Davide Iacovoni, Public Debt Director General, Italian Treasury

Monetary Policy, the Yield Curve, and the Repo Market

Ruggero Jappelli*, Warwick Business School

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

Discussant: Marianna Blix, Sveriges Riksbank

Q&A

15:30 *Coffee Break*

16:00 **Average Interest Cost - A Novel Cost and Risk Measure and its Applications in Public Debt Management**

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

Debt for Development Swaps - A Financial Assessment Framework

Diego Rivetti*, The World Bank

David Mihalyi, The World Bank

Discussant: Lorenzo Forni, University of Padua - Prometeia

Q&A

Wrap Up

17:15 **PDM Network: Key facts & figures**

17:20 *End of Day 1*

17:30 *Conference Reception [MC 2-800 lobby area]*

FRIDAY, OCTOBER 4th

9:00 **SESSION 3A.** [ROOM 2-800]
SOVEREIGN DEBT MANAGEMENT STRATEGIES IN THE FACE OF ENVIRONMENTAL CHALLENGES AND DISASTER RISKS

Chair: Emiko Todoroki, Acting Practice Manager, The World Bank

Natural Disasters, Sovereign Defaults & Debt Restructurings

Alex W. Dryden, SOAS, University of London

The Sovereign Climate Debt Trap and Natural Disaster Clauses

Stephen Park, University of Connecticut*

Tim R. Samples, University of Georgia

The Impacts of Disasters on Capital Flows, International Reserves and Exchange Rates: Implications for Public Sector Financial Risk Management and Development Lenders

Yuen Lo, London Metropolitan University and SOAS, University of London*

Ulrich Volz, SOAS, University of London*

Discussant: Thordur Jonasson, Deputy Division Chief, IMF

Q&A

10:30 *Coffee Break*

SESSION 3B. [ROOM C1-100]
MANAGING INFLATION AND MARKET RISKS THROUGH OPTIMAL DEBT PORTFOLIO STRATEGIES

Chair: Fatos Koc, Head of Financial Markets Unit, OECD

Fiscal Sustainability and the Role of Inflation

António Afonso, Universidade de Lisboa

José Alves, Universidade de Lisboa*

Olegs Matvejevs, Latvijas Banka

Olegs Tkacevs, Latvijas Banka

Inflation-Linked Bonds are not a good Instrument for Financing Government Debt in Emerging and Developing Economies: A View from Risk-Return Analysis

Ruurd Brouwer, TCX Investment Management

Victoria Petrenko, OGREsearch

David Vavra, OGREsearch*

Does the creation of a sovereign inflation-linked bond market (information) reduce the domestic financing risk? The interplay between term premium and the demand for government securities

Daniel Carvalho Cunha, International Monetary Fund*

Dimitris Drakopoulos, International Monetary Fund

Discussant: Alvaro Pina, OECD

Q&A

11:00	<p>Peru's Debt to GDP ratio, Wars and Earthquakes: 1822-2022 Favio Leiva, <i>Nagoya University</i></p>	<p>The Dynamic Canadian Debt Strategy Model Nicolas Audet, <i>Bank of Canada</i> Joe Ning*, <i>Bank of Canada</i></p>
	<p>Multilateral Development Banks as robust climate shocks backstops: The case of the Caribbean Development Bank Pierre Cailleteau*, <i>Lazard</i> Leonardo Pupperto*, <i>Lazard</i> Gabrielle Rousseau*, <i>Lazard</i></p>	<p>An Analytical Framework for Public Debt Management Jean-Paul Renne, <i>University of Lausanne</i></p>
	<p><i>Discussant: Nils Zimmermann, The World Bank</i></p>	<p><i>Discussant: Leandro Andrian, Inter-American Development Bank</i></p>
	Q&A	Q&A
	Wrap Up	Wrap Up
12:15	Lunch	

13:30 **SESSION 4.** [ROOM 2-800]
CLIMATE CHANGE AND PUBLIC DEBT: SUSTAINABLE STRATEGIES AND EMERGING MARKETS INSIGHTS
ROOM 2-800

Chair: Frederico Gil Sander, Practice Manager, The World Bank

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*

ESG budgeting and the next generation of sustainable bonds

Bence Lukács, *Hungarian Government Debt Management Agency (AKK)*
 Bebes András*, *Hungarian Government Debt Management Agency (AKK)*

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*

Discussant: Elisabetta Cervone, Italian Treasury

Q&A

15:00 *Coffee Break*

15:15 **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: Introducing Sustainability-Linked Intermediated Debt Instruments (SLIDIs)

Marcello Estevão, *Institute of International Finance*

Nils 'Jasper' Zimmermann*, *The World Bank*

Stephen Stretton*, *The World Bank*

Discussant: Layna Mosley, Princeton University

Q&A

Wrap Up

16:40 **CLOSING REMARKS**

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

17:00 *End of Conference*

* Indicates the presenter