

**INTERNATIONAL MONETARY FUND**  
**Joint Vienna Institute / IMF Institute for Capacity Development**  
**Course on Macro-Fiscal Modeling and Analysis (JV14.02)**  
**Vienna, Austria**  
**January 27–February 7, 2014**  
**PROGRAM<sup>1</sup>**

*Monday, January 27*

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8:30 a.m. – 9:00 a.m.		<b>Administrative Briefing</b>
9:00 a.m. – 9:15 a.m.		<b>Opening Session</b> Mr. Norbert Funke, Director, Joint Vienna Institute; and Mr. Aleš Bulíř, Deputy Chief, European and Middle Eastern Division, IMF Institute for Capacity Development (ICD)
9:15 a.m. – 12:15 p.m.	<b>L–1</b>	<b>Macroeconomic Stabilization and Fiscal Transmission Mechanism</b> <ul style="list-style-type: none"><li>• Fiscal multipliers and their estimation</li><li>• Macroeconomic environment and stability of fiscal multipliers</li><li>• Demand- and supply-side factors</li></ul> Lecture by Mr. Bulíř
2:00 p.m. – 5:15 p.m.	<b>W–1</b>	<b>Workshop: Estimating the Fiscal Multipliers</b> <ul style="list-style-type: none"><li>• Structural VAR estimation (the Czech Republic)</li><li>• Output consequences of fiscal expansions and stabilizations</li></ul> Facilitated by Counselors

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*Tuesday, January 28*

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9:00 a.m. – 10:00 a.m.		<b>E-Learning: Calculation of Trends and Gaps</b>
10:15 a.m. – 12:15 p.m.	<b>L–2</b>	<b>Fiscal Analysis and Measurement of the Fiscal Stance</b> <ul style="list-style-type: none"><li>• Discretionary and cyclical changes in fiscal policy</li><li>• Measuring the fiscal stance</li><li>• Assessing fiscal sustainability</li></ul> Lecture by Mr. Dmitry Plotnikov, Economist, ICD
2:00 p.m. – 5:15 p.m.	<b>W–2</b>	<b>Workshop: Measuring the Fiscal Stance</b> <ul style="list-style-type: none"><li>• Cyclically adjusted and structural balances (Bulgaria, Chile, and the Czech Republic)</li></ul> Facilitated by Counselors

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<sup>1</sup> Coffee breaks will be held from 10:30 a.m. – 10:45 a.m. and from 3:30 p.m. – 3:45 p.m., and the lunch break will be from 12:15 p.m. – 2:00 p.m., unless otherwise specified.

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*Wednesday, January 29*

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9:00 a.m. – 10:00 a.m.	<b>O-1</b>	<b>Participant Presentations</b> Facilitated by Counselors
10:15 a.m. – 12:15 p.m.	<b>L-3</b>	<b>Fiscal Sustainability and Debt Dynamics</b> <ul style="list-style-type: none"><li>• Deterministic debt sustainability analysis (DSA)</li><li>• The stochastic “fan-chart” approach to debt forecast</li><li>• Public debt dynamics and effects of macroeconomic shocks</li></ul> Lecture by Mr. Plotnikov
2:00 p.m. – 5:15 p.m.	<b>W-3</b>	<b>Workshop on Debt Sustainability Analysis</b> <ul style="list-style-type: none"><li>• Deterministic and stochastic DSA for Hungary</li></ul> Facilitated by Counselors

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*Thursday, January 30*

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9:00 a.m. – 10:30 a.m.	<b>L-4</b>	<b>Fiscal Consolidations and Economic Growth</b> <ul style="list-style-type: none"><li>• Definition of fiscal consolidation</li><li>• Expansionary fiscal consolidation</li><li>• Empirical evidence</li></ul> Lecture by Mr. David Vávra, Consultant, ICD
10:45 a.m. – 12:15 p.m.	<b>L-5</b>	<b>Fiscal Aspects of Financial Crises</b> <ul style="list-style-type: none"><li>• Financial crises: typology and causes</li><li>• Fiscal vulnerability indicators and financial crises’ prediction</li><li>• Fiscal policy responses and fiscal costs</li></ul> Lecture by Mr. Vávra
2:00 p.m. – 3:30 p.m.	<b>W-4</b>	<b>Workshop: Fiscal Consequences of Financial Crises</b> <ul style="list-style-type: none"><li>• The case of Ireland 2008-2009</li></ul> Facilitated by Counselors
3:45 p.m. – 5:15 p.m.	<b>O-2</b>	<b>Participant Presentations on Issues in Their Countries</b> Facilitated by Counselors

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*Friday, January 31*

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9:00 a.m. – 12:15 p.m.	<b>L-6</b>	<b>Introduction to New Keynesian Economics</b> <ul style="list-style-type: none"><li>• The new Keynesian framework – households, firms and the central bank</li><li>• Extensions for a non-Ricardian fiscal policy</li><li>• Log-linear version of the new Keynesian framework</li></ul> Lecture by Mr. Plotnikov
2:00 p.m. – 3:30 p.m.	<b>L-7</b>	<b>Fiscal Imbalances, Money Creation, and Inflation</b> <ul style="list-style-type: none"><li>• Interaction between fiscal and monetary institutions</li><li>• Fiscal dominance and price stability</li><li>• Non-cooperative equilibriums</li></ul> Lecture by Mr. Bulíř
3:45 p.m. – 5:15 p.m.	<b>O-2</b>	<b>Participant Presentations on Issues in Their Countries (cont.)</b> Facilitated by Counselors

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*Monday, February 3*

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9:00 a.m. – 10:30 a.m.	<b>L-8</b>	<b>Rules-Based Macroeconomic Frameworks</b> <ul style="list-style-type: none"><li>• Rules versus discretion</li><li>• Key elements of a rules-based framework</li><li>• Experience and lessons</li></ul> Lecture by Mr. Bulíř
10:45 a.m. – 12:15 p.m.	<b>L-9</b>	<b>Modeling of Fiscal Policy</b> <ul style="list-style-type: none"><li>• Simple reduced-form new Keynesian model</li><li>• A basic fiscal block</li><li>• Calibration and simulation</li></ul> Lecture by Mr. Vávra
2:00 p.m. – 5:15 p.m.	<b>W-5</b>	<b>Workshop: Using the Model for Fiscal Policy Analysis</b> <ul style="list-style-type: none"><li>• Introduction to the simplified model</li><li>• Impulse response functions</li></ul> Facilitated by Counselors

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*Tuesday, February 4*

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9:00 a.m. – 12:15 p.m.	<b>L-10</b>	<b>Fiscal Policy and Modeling of Fiscal Consolidations</b> <ul style="list-style-type: none"><li>• New Keynesian core model</li><li>• Fiscal rules and fiscal accounting</li><li>• Data and simulation of consolidation scenarios</li></ul> Lecture by Mr. Vávra
2:00 p.m. – 5:15 p.m.	<b>W-5</b>	<b>Workshop: Using the Model for Fiscal Policy Analysis</b> <ul style="list-style-type: none"><li>• Extending the model to multiple debt instruments</li><li>• Modeling fiscal consolidations</li></ul> Facilitated by Counselors

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*Wednesday, February 5*

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9:00 a.m. – 12:15 p.m.	<b>W-5</b>	<b>Workshop: Using the Model for Fiscal Policy Analysis, Preparation of Fiscal Adjustment Scenarios (cont.)</b> Facilitated by Counselors
2:00 p.m. – 3:30 p.m.	<b>W-5</b>	<b>Workshop: Using the Model for Fiscal Policy Analysis, Preparation of Fiscal Adjustment Scenarios (cont.)</b> Facilitated by Counselors
3:45 p.m. – 5:15 p.m.	<b>O-4</b>	<b>Participant Presentations</b> Facilitated by Counselors

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***Thursday, February 6***

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- 9:00 a.m. – 10:30 a.m.      **L-11    Fiscal Rules**
- Design and types of fiscal rules
  - Criteria for good practice
  - Performance under fiscal rules
- Lecture by Mr. Bulíř
- 10:45 a.m. – 12:15 p.m.      **L-12    Independent Fiscal Institutions**
- Rationale and distinguishing features
  - Principles of good practice
  - Experience and challenges
- Lecture by Mr. Kopits, Woodrow Wilson Center
- 2:00 p.m.– 5:15 p.m.      **W-6    Case Study on Hungary**
- Fiscal council: Background, evolution, functions, demise
  - Comparison with the UK
- Introduction and summary by Mr. Kopits
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***Friday, February 7***

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- 9:00 a.m. – 10:30 a.m.      **O-5    Panel Discussion on Independent Fiscal Institutions**
- Moderated by Mr. Kopits
- Panelists: Walpurga Koehler-Toeglhofer (Austrian National Bank) and Ludovit Odor (Slovak Council for Budget Responsibility)
- 10:45 a.m. – 12:00 p.m.      **Closing Session and Presentation of Certificates**
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*January 8, 2014*