
INTERNATIONAL MONETARY FUND

Joint Vienna Institute / Institute for Capacity Development

Course on Fiscal Sustainability (JV17.20)

July 17 – 28, 2017

Vienna, Austria

PROGRAM

Monday, July 17

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| 8:30 a.m. – 9:00 a.m. | | Administrative briefing, Yuriy Makovetsky, Program Officer, JVI |
| 9:00 a.m. – 9:15 a.m. | | Opening session Chaired by Mr. Tom Richardson, Director, Joint Vienna Institute (JVI); Ms. Andrea Lemgruber, Advisor; and Ms. Irina Yakadina, Senior Economist, Institute for Capacity Development (ICD) |
| 9:15 a.m. – 10:30 a.m. | | Course Introduction and Quiz |
| 10:45 a.m. – 12:15 noon | L-1 | Overview of the Current Fiscal Sustainability Challenges. Course Structure and Objectives <i>Andrea Lemgruber and Irina Yakadina</i> <ul style="list-style-type: none">• Current global fiscal sustainability challenges;• Course objectives and structure. |
| 2:00 p.m. – 3:30 p.m. | L-2 | Macroeconomic Policy Mix for Fiscal Sustainability <i>Ehsan Ebrahimi</i> Macroeconomic policies for <ul style="list-style-type: none">• Long-term stability and inclusive growth;• Long-term fiscal sustainability;• Short-term stabilization. |
| 3:45 p.m. – 5:15 p.m. | R-1 | Round Table on Regional Issues: Recent Macroeconomic Trends and Challenges to Fiscal Sustainability <ul style="list-style-type: none">• Key regional fiscal challenges: volunteers will prepare short introductory presentations on their countries;• Group discussions |

Tuesday, July 18

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| 9:00 a.m. – 10:30 a.m. | L-3 | Review of Key Concepts and Definitions <i>Ehsan Ebrahimi</i> <ul style="list-style-type: none"> • Debt sustainability analysis (DSA) at the IMF and the World Bank; • Key concepts and definitions; Intertemporal budget constraints and debt dynamics. |
| 10:45 a.m. – 12:15 p.m. | L-4 | Macroeconomic Frameworks for Fiscal Sustainability <i>Santiago Acosta</i> <ul style="list-style-type: none"> • Applying the principles for assessing fiscal sustainability to a country: deterministic frameworks; • Fiscal reaction functions; Probabilistic frameworks. |
| 2:00 p.m. – 5:15 p.m. | W-1 | Workshop: Key Practical Principles for Assessing Debt Sustainability <ul style="list-style-type: none"> • Hands-on interactive assessments on key definitions and standardized calculations used in fiscal sustainability analysis. |

Wednesday, July 19

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| 9:00 a.m. – 10:30 a.m. | L-5 | Fiscal Risks <i>Santiago Acosta</i> <ul style="list-style-type: none"> • Quasi-fiscal activities; • Fiscal risks posed by the financial sector, PPPs, and SOEs; • Integrating contingent liabilities into a fiscal sustainability framework. |
| 10:45 a.m. – 12:15 p.m. | L-6 | Working with the Debt Sustainability Template for Market-Access Countries (MAC DSA): Baseline Scenario <i>Irina Yakadina</i> <ul style="list-style-type: none"> • Structure of the template: inputs and outputs; • Key assumptions; • The baseline scenario; • Gross financing needs and financing assumptions. |
| 2:00 p.m. – 5:15 p.m. | W-2 | Workshop: MAC DSA Template <ul style="list-style-type: none"> • Constructing the baseline scenario; • Gross financing needs and financing assumptions. |

Thursday, July 20

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| 9:00 a.m. – 10:30 a.m. | L-7 | Working with the MAC DSA Template: Risk Assessment and Reporting <i>Irina Yakadina</i> <ul style="list-style-type: none"> • Realism of the baseline scenario; • Alternative scenarios and shocks. • Reading the MAC DSA outputs; • Reporting MAC DSA results: requirements, key elements, write-up; • Going forward: adding more probabilistic assessments to MAC DSA. |
| 10:45 a.m. – 12:15 p.m. | W-2 | Workshop: MAC DSA Template (Continued) <ul style="list-style-type: none"> • Realism of the baseline scenario; • Alternative scenarios and shocks. |
| 2:00 p.m. – 5:15 p.m. | W-2 | Workshop: MAC DSA Template (End) <ul style="list-style-type: none"> • Reading the MAC DSA outputs; • Reporting MAC DSA results: requirements, key elements, write-up. |
| 3:45 p.m. – 5:15 p.m. | O-1 | Group Project <ul style="list-style-type: none"> ✓ Each group will choose a customized macro-fiscal MAC DSA scenario to assess, e.g., oil price shock; structural reform fallout; financing structure. |

Friday, July 21

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| 9:00 a.m. – 10:30 a.m. | L-8 | Fiscal and Debt Sustainability Frameworks for Low-Income Countries (LIC DSF) <i>Irina Yakadina</i> <ul style="list-style-type: none"> • Key similarities and differences between MAC DSA and LIC DSF; • Debt limits framework. |
| 10:45 a.m. – 12:15 p.m. | L-9 | Debt Management <i>Ehsan Ebrahimi</i> <ul style="list-style-type: none"> • Debt management instruments; • Developing efficient markets for government securities; • Costs and risks of the public debt portfolio. |

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| 2:00 p.m. – 5:15 p.m. | W-3 | Workshop: Debt Management <ul style="list-style-type: none"> • Key concepts and calculations needed to operate the Analytical Tool for a Medium-Term Debt Management Strategy (MTDS). |
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Monday, July 24

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| 9:00 a.m. – 10:30 a.m. | L-10 | Long-term Fiscal Pressures <i>Santiago Acosta</i> <ul style="list-style-type: none"> • Health and education expenditures; • Aging populations and pension liabilities. |
| 10:45 a.m. – 12:15 p.m. | L-11 | Template for Pensions and Healthcare: Projections and Reform <i>Santiago Acosta</i> <ul style="list-style-type: none"> • Template presentation. |
| 2:00 p.m. – 5:15 p.m. | W-4 | Workshop: Pensions and Healthcare: Projections and Reform <ul style="list-style-type: none"> • Pension projections; • Impact of various pension reform scenarios. |

Tuesday, July 25

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| 9:00 a.m. – 10:30 a.m. | L-12 | Fiscal Crises <i>Ehsan Ebrahimi</i> <ul style="list-style-type: none"> • Interlinkages between crises (financial/fiscal) • Sovereign debt crises and debt restructuring; • Fiscal vulnerabilities and financial crises; • Fiscal responses to crisis; • Costs of crises. |
| 10:45 a.m. – 12:15 p.m. | L-13 | Fiscal Adjustments <i>Irina Yakadina</i> <ul style="list-style-type: none"> • Timing, Size, Composition, and Implementation of Fiscal Adjustment Sovereign debt crises and debt restructuring; • Macroeconomic Impact. |
| 2:00 p.m. – 5:15 p.m. | W-5 | Case Studies on Fiscal Crises <ul style="list-style-type: none"> • Groups will debate case studies and their main lessons (Uruguay and Portugal) |

Wednesday, July 26

9:00 a.m. – 12:15 p.m. O-1 **Group Project (Continued)**

2:00 p.m. – 5:15 p.m. O-1 **Group Project (Continued)**

Thursday, July 27

9:00 a.m. – 12:15 p.m. O-1 **Group Project (End)**

2:00 p.m. – 5:15 p.m. O-1 **Final Presentation of Group Project**

Friday, July 28

9:00 a.m. – 10:30 a.m. **R-2** **Round Table: Key Takeaways from this Course**

10:45 a.m. – 11:30 a.m. **Final Quiz**

11:45 a.m. – 12:30 p.m. **Discussion of the course evaluation**
Closing session and presentation of certificates
