
INTERNATIONAL MONETARY FUND

Joint Vienna Institute / Institute for Capacity Development

Course on Fiscal Sustainability (JV18.20)

July 23 – August 3, 2018

Vienna, Austria

PROGRAM

Monday, July 23

8:30 a.m. – 9:00 a.m.		Administrative briefing Tatiana Bredniakova, Program Officer, JVI
9:00 a.m. – 9:15 a.m.		Opening session Chaired by Mr. Tom Richardson, Director, Joint Vienna Institute (JVI) and Ms. Irina Yakadina, Senior Economist, Institute for Capacity Development (ICD)
9:15 a.m. – 10:30 a.m.		Course Introduction and Quiz Chaired by Mses. Magali Pinat; Anna Unigovskaya; and Irina Yakadina
10:45 a.m. – 12:15 p.m.	L-1	Overview of the Current Fiscal Sustainability Challenges. Course Structure and Objectives Irina Yakadina <ul style="list-style-type: none">• <i>Current global fiscal sustainability challenges</i>• <i>Course objectives and structure</i>
2:00 p.m. – 3:30 p.m.	L-2	Macroeconomic Policy Mix for Fiscal Sustainability Magali Pinat <ul style="list-style-type: none">• <i>Macroeconomic policies for long-term stability and inclusive growth</i>• <i>Long-term fiscal sustainability</i>• <i>Short-term stabilization</i>
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">• <i>Discussion of key regional fiscal challenges: volunteers will prepare short introductory presentations on their countries</i>

Tuesday, July 24

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

Wednesday, July 25

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

Thursday, July 26

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

Friday, July 27

9:00 a.m. – 10:30 a.m.	L-8	Fiscal and Debt Sustainability Frameworks for Low-Income Countries (LIC DSF) Anna Unigovskaya <ul style="list-style-type: none">• <i>Key similarities and differences between MAC DSA and LIC DSF</i>• <i>IMF debt limits framework</i>
10:45 a.m. – 12:15 p.m.	L-9	Debt Management Irina Yakadina <ul style="list-style-type: none">• <i>Debt management instruments</i>• <i>Developing efficient markets for government securities</i>• <i>Costs and risks of the public debt portfolio</i>
2:00 p.m. – 5:15 p.m.	W-3	Workshop: Debt Management <ul style="list-style-type: none">• <i>Key concepts and calculations needed to operate the Analytical Tool for a Medium-Term Debt Management Strategy (MTDS)</i>

Monday, July 30

- 9:00 a.m. – 10:30 a.m. L-10 **Long-term Fiscal Pressures**
Anna Unigovskaya
- *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**
Anna Unigovskaya
- *Template presentation*
- 2:00 p.m. – 5:15 p.m. W-4 **Workshop: Pensions and Healthcare: Projections and Reform**
- *Pension projections*
 - *Impact of various pension reform scenarios*

Tuesday, July 31

- 9:00 a.m. – 10:30 a.m. L-12 **Fiscal Crises**
Magali Pinat
- *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**
Magali Pinat
- *Timing, Size, Composition, and Implementation of Fiscal Adjustment*
 - *Macroeconomic Impact*
- 2:00 p.m. – 5:15 p.m. W-5 **Case Studies on Fiscal Crises**
- *Groups will debate case studies and their main lessons (Uruguay and Portugal)*

Wednesday, August 1

- 9:00 a.m. – 12:15 p.m. W-6 **Case Studies on Fiscal Adjustment**
- *Groups will debate case studies and their main lessons (Uruguay and Portugal)*
- 2:00 p.m. – 5:15 p.m. O-1 **Group Project (Continued)**

Thursday, August 2

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, August 3

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
