



# Index

Note: italics used as follows:  
*f* for figures, *n* for notes, *t*  
for tables, *b* for boxes

## A

ABS. *See* asset-backed security (ABS)  
accounting, 23*b*2.2, 25, 145-46,  
213  
accrual, 133, 137*n*11  
cash accounting, 132-33,  
137*nn*8-9  
Czech Republic, 510  
differences in, 134*b*9.2  
and financial disclosure, 132-36,  
136-37*nn*6-13  
International Federation of Ac-  
counting, 136*n*7  
Philippines, 480  
and transparency, 23  
adverse selection, 20, 115, 176  
affordability analysis, 195-96*b*12.6,  
197  
Agricultural Finance Corporation,  
Zimbabwe, 340  
Ahmedabad Municipal Corpora-  
tion, India, 423-25, 425*t*24.4,  
442*n*3  
airports, South Africa, 322  
Alam, Asad, 571-91  
Alandur Sewerage Project, India,  
435-36*b*24.1  
Albania, 116-17*b*8.1

Amanah Bank, Philippines, 484*n*1  
amortized payment structures,  
311  
appropriated funds, 303  
appropriations, as security, 74*n*2  
arbitrage bonds, 576  
Argentina, 26-27*n*4  
background, 219-22  
budgets, 26*n*3  
Convertibility Plan, 219, 221,  
225, 242  
economic history, 221-22  
intergovernmental relations,  
222-24, 239-40, 258*n*1  
subnational debt  
City of Buenos Aires bond is-  
sue, 247-53, 259*n*10  
collateral for borrowing,  
230-32, 258*nn*5-6  
debt service, 228-29, 258*n*2  
experience with subnational  
bonds, 232-37, 258*n*7  
impact of devaluation on,  
229-30  
monitoring and intervention  
in, 159-60  
overview, 219-20, 225-28,  
258*nn*3-4  
Province of Buenos Aires  
bond program, 253-58  
provincial debt swaps, 226,  
229, 238

- recent developments in finance, 237-39, 259n8
  - regulatory framework for, 225, 258n2
  - Salta bond issue, 240-47
  - viability of subnational bonds, 239-40
  - trustees in, 166-67b11.2
  - use of oil revenues to repay bonds, 143b10.1
  - Argentine Trust Law, 166-67b11.2, 236, 258n5
  - ASIA Ltd., 151-52, 153n8
  - Asian Development Bank, 153n8, 199n2, 448
  - asset-backed security (ABS), 143b10.1
  - asset management companies, India, 431
  - asset valuation, 137n10
  - auctions, 82, 86n4, 131-32b9.1
  - audits and auditing, 23-24, 133, 171n6, 211, 429
  - autonomy
    - amount of, 13
    - based on constitution, 87
    - Bulgaria, 487, 488, 501n1
    - Czech Republic, 513, 521
    - Hungary, 527, 528-29, 530, 542n2, 542n3
    - Korea, 401, 404, 411-12n2, 412n3
    - Poland, 548, 550
    - Russian Federation, 574
- B**
- Bahía Blanca, Argentina, 237
  - bailout programs, 24
    - Brazil, 263, 264, 271-73, 278n6
    - Bulgaria, 499
    - Czech Republic, 505
    - Indonesia, 449
    - Mexico, 299, 301
  - Banco Ciudad de Buenos Aires, 251
  - Banco de Galicia, Argentina, 227
  - Banco de la Nación Argentina (BNA), 166-67b11.2, 227, 231, 232
  - Banco de la Provincia de Buenos Aires, 255, 257
  - Banco del Chaco, Argentina, 166-67b11.2
  - Banco Diudad de Buenos Aires, 247
  - Banco Frances, Argentina, 227
  - Banco Patagonia, Argentina, 166-67b11.2, 231-32
  - Banco Rio, Argentina, 227
  - Bangalore, India, 423
  - Bankers Association of the Philippines, 471
  - Bank for International Settlements, 117-19b8.2
  - Bankgesellschaft Berlin, 566
  - banking systems, 4
    - Argentina, 227-29, 258n4
    - Brazil, 33b3.2
    - China, 387-88, 396nn19-20
    - India, 422
    - Indonesia, 449, 449t25.2
    - Mexico, 308
    - Philippines, 30-31, 468
    - Poland, 551-53
    - privatization of ownership, 36-37
    - regulation of, 120
    - relationship with government, 115, 127n2

- and secrecy laws, 133
- and securities markets, 30-34, 43*nn*2-3
- size of, 114
- stand-by credit facility, 68
- state-owned banks, 34-35, 43*n*4
- in transitioning economies, 116-17*b*8.1
- United States, 35, 127*n*3
- Bank Prsemyslowo-Handlowy, 566
- bankruptcy, 158, 170*n*2
  - China, 396*n*21
  - Czech Republic, 520, 523*n*17
  - Hungary, 520, 523*n*17, 526, 536-37
  - Latvia, 167, 169-70*b*11.4
  - Morocco, 359-60
- Banks of India, 422
- Banobras, 305
- Bariloche, Argentina, 237
- Barranquilla, Colombia, 282
- barter transactions, 574, 576
- Belgian Credit Communal de Belgique, 34
- BNA. *See* Banco de la Nacion Argentina (BNA)
- Bogotá, Colombia, 280, 282, 291-98
- bond banks, 188-90, 191, 200*n*7, 200*nn*10-11, 214
- bondholder representatives, 165, 166-67*b*11.2
- bond insurance, 150-52, 182, 183*b*12.3, 212
- bond issues, 136*n*1
  - Argentina, 247-53, 253-58, 259*n*10
  - Budapest, 537-38, 539*t*29.1, 543*n*8
  - Bulgaria, 498-99
  - Casablanca, 358, 364*n*1
  - China, 390*t*22.4
  - costs of developing, 199*n*1
  - Czech Republic, 504, 510, 511, 512*t*28.2
  - Hungary, 537-38, 538-41, 539*t*29.1, 543*nn*8-10
  - India, 423-25, 425*t*24.4, 437, 438*b*24.2, 442*n*3
  - Indonesia, 448
  - Krakow foreign issue, 567-68, 570*n*16
  - Mexico, 310*t*17.2, 311
  - Pecs, 538-41, 543*nn*9-10
  - Philippines, 480
  - Poland, 554-55, 566, 567-68, 570*n*16
  - Russian Federation, 577, 591*nn*2-3, 591*nn*2-4
  - St. Petersburg, 583-85
  - Szczecin, 566
- bond markets, 34-36, 43-44*n*5, 82-84, 114
  - access to, 54
  - Argentina, 226-28, 254*t*14.9
  - and bank security, 103, 110*n*13
  - China, 389-90, 396*n*21, 397*n*22
  - corruption in, 85*b*6.2
  - disclosure requirements, 130
  - Europe, 532*t*29.1
  - India, 423
  - Internet auctions, 131-32*b*9.1
  - Korea, 404
  - Morocco, 364
  - Philippines, 467, 470, 481, 485*n*6, 486*n*8
  - Province of Buenos Aires access to, 254*t*14.9

- setting terms of, 82-83
- St. Petersburg, 585
- bond pools, 191, 200n7
- bond ratings, Tamil Nadu Urban Development Fund, 437, 438b24.2
- bonds, 78
  - amortization of, 166-67b11.2
  - compensation, 407, 408-9
  - compulsory, 232, 233-34, 406, 407, 408, 410
  - corporate, 390, 450, 467, 533
  - coupon, 81, 583
  - with put options, 190-92, 200nn12-13
  - repricing of, 191-92, 200n12
  - terms and conditions of, 235f14.2
  - transmuted, 59b4.2
  - use of oil revenues to repay, 143b10.1
  - viability of, 239-40
  - vs. loans, 94
  - zero, 80
  - See also* subnational debt
- borrowing
  - coordination and control of, 24-26, 27n8
  - corporate, 114
  - decisions made by central government, 15
  - external, 270
  - incentives for, 193
  - and information disclosure, 129-32, 131nn2-5
  - intermediaries for, 184-85, 185-86b12.4
  - investments related to, 85-86, 86nn5-7
  - and legal systems, 42-43
  - by local school districts, 69b5.2
  - long-term, 31, 43n2
  - and macroeconomic stability, 16-22
  - politics and media influence on
    - borrowing decisions, 91-92b7.3
  - public-private financings, 177, 179-80, 180f12.2
  - restrictions on power of, 208-9
  - role of in developing financial markets, 38-40
  - secondary markets, 210
  - subnational governments, authority to borrow, 87-94, 108-9nn1-2
  - See also* debt; subnational debt
- Brady bond program, 249
- Brazil
  - background, 261-63
  - banks' concentration in government securities, 33b3.2
  - corruption in bond market, 85b6.2
  - expenditures, 268-69
  - hard budgets, 26n3
  - intergovernmental relations, 266-69, 277n1
  - macroeconomic conditions, 264-65
  - monitoring and intervention in subnational finances, 160
  - revenue raising capabilities, 267-68
  - subnational debt
    - overview, 261-63
    - recurring crises, 271-73, 278n6

- regulatory framework for, 269-71, 277n3, 278nn4-5
- subnational credit market, 273-77
- Bridgeport, Connecticut, 157-58, 170nn2-3
- Bucharest Stock Exchange, Romania, 124b8.4
- Budapest, Hungary, 526, 537-38, 539t29.1, 542n1, 543n8
- Budapest Stock Exchange, 532-33
- budgets
  - Argentina, 26n3
  - Bulgaria, 489, 491-92, 493
  - China, 378-79, 380-81, 393, 395nn10-11, 396n13
  - constraints of, 13-15, 24, 26n3
  - Czech Republic, 515-16
  - France, 162, 163b11.1
  - Hungary, 536
  - Indonesia, 452
  - Korea, 405, 409
  - Krakow, 567, 568f30.11
  - Lodz, 563-65
  - Morocco, 360
  - Poland, 547, 556, 557, 563-65, 568f30.11
  - Russian Federation, 574, 575, 579, 587
  - South Africa, 328, 331-33
  - St. Petersburg, 579, 587
  - and transparency, 22-23
  - Wroclaw, 562-63
  - Zimbabwe, 352, 353nn2-3
- Buenos Aires (city), Argentina, 220, 226, 236, 247-53, 259n10
- Buenos Aires (province), Argentina, 220, 227
- access to bond market, 226
- coparticipation revenues, 232
- international bond program, 253-58
- money bonds issue, 233, 234-35
- percent of total provincial debt, 237
- Buenos Aires Stock Exchange, 234
- building societies, Zimbabwe, 340
- build-operate-transfer (BOT) projects
  - India, 435-36t24.1, 442
  - Indonesia, 448
  - Philippines, 474, 485n10
- Bulawayo, Zimbabwe, 344, 346, 350
- Bulbank, Bulgaria, 498
- Bulgaria
  - background, 487-89
  - binding nature of debt, 88-89
  - intergovernmental relations, 487, 500
  - local governments
    - finances of, 491-94
    - structure of, 490-91, 501n3
  - subnational debt
    - debt management, 498-500
    - local government finances, 491-94
    - overview, 487-88
  - transition from planned to market economy, 489-90, 501n2
  - See also* Sofia, Bulgaria
- bullet bonds, 235
- bullet loans, 80
- bullet payment structure, 311
- Bundesbank, 538
- business improvement districts, 56b4.1

business tax, China, 379

## C

Caisse de Prêts et Soutien aux Collectivités Locales (CPSCL), 366, 367, 368, 369-74

Canada, 158-59, 516

capital adequacy, 33*b*3.2, 115, 117-19*b*8.2, 128*n*5

capital improvements

Bulgaria, 493

Hungary, 533

India, 424, 426-27, 442*n*4

Korea, 402, 407-8, 409-10, 412*n*6

Mexico, 309

Russian Federation, 576

South Africa, 320-27, 335*nn*4-8 and special district financing, 74, 76*n*14

*See also* infrastructure

capitalization, Hungary, 531

Capital Markets Assurance Company (CAPMAC), 151

capital requirements, 125

CAPMAC. *See* Capital Markets Assurance Company (CAPMAC)

CA Ratings, 146

Cartagena, Colombia, 282

Casablanca, Morocco, 358, 364*n*1

cash accounting, 132-33, 137*nn*8-9

cash flows, and loan structure, 79-81

CDB. *See* China Development Bank (CDB)

Cebu, Philippines, 89*b*7.1, 91-92*b*7.3, 484-85*n*5

central banks

Argentina, 232, 255

Brazil, 270-71, 276, 277

Colombia, 281, 285

Czech Republic, 520, 522*n*1

and loan risks, 117-19*b*8.2

Philippines, 468, 471, 476

Central Europe, 160-61, 171*n*6

Central European Rating Agency, 555

central governments

administration of intercepts, 105-6

approval of currency risk, 94, 109*n*6

Argentina, 221

borrowing decisions, 15

Bulgaria, 489

China, 379, 395*n*8

control of local government

credit operations, 517

Czech Republic, 514

Hungary, 528

impact of fiscal conduct of subnational governments on, 16-17, 26-27*n*4

India, 414, 415, 421-22

Indonesia, 446*t*25.1, 450, 451-52

interventions by, 21-22

Korea, 403-6, 412*n*2

monitoring and intervention system, 161-62

Morocco, 359

and municipal debt, 106*b*7.5

Philippines, 479

Poland, 550

reviews of subnational debt limits, 103

Tunisia, 366

*See also* intergovernmental transfers

- certificates of deposit, 353*n*4
- certification, of borrowing process, 93
- Ceska Sporitelna, Czech Republic, 514
- Chaco, Argentina, 227, 231
- Chelsea, Massachusetts, financial crisis, 157
- Chile, 120
- China
  - background, 375-77
  - credit quality and rating, 391
  - financial sector, 386-90, 396*nn*19-21, 397*n*2
  - fiscal management, 377-80, 395*nn*3-8
  - government structure and decentralization, 377, 395*n*2
  - infrastructure financing, 382-83
  - municipal bonds, 391-93
  - off-budget finance and transmuted bonds, 59*b*4.2
  - special-purpose entities, 58
- China Chengxin, 391
- China Development Bank (CDB), 382, 390, 397*n*22
- Cinergy Global Power, 322
- City Center Reconstruction Project, St. Petersburg, Russia, 585
- city governments, Bulgaria, 494-95
- civil servants, Brazil, 268-69, 277*n*2
- co-lending programs, 177, 179-80, 180*f*12.2, 214
- collateral, 41
  - Argentina, 230-32, 258*nn*5-6
  - and bond banks, 190
  - Czech Republic, 513, 521
  - and debt, 103-8, 110*nn*13-17
  - intergovernmental transfer payments, 69*b*5.2
  - lenders' views of, 65-66
  - Mexico, 305-8
  - physical assets, 64, 475
  - property pledged for, 104, 534
  - revenues pledged for, 361
  - and revenue streams, 65-66
  - St. Petersburg, 586
- Colombia
  - background, 279-81
  - expenditures, 283-84
  - Findeter, 280, 287-90
  - intergovernmental relations, 281-84, 289*n*1-2
  - revenues, 282-83, 298*n*2
  - subnational debt, 286-87, 298*n*3
    - overview, 279-81
    - regulatory framework for, 285, 286, 286*t*16.1, 290-91
- commercial banks
  - Brazil, 273
  - China, 382, 387
  - Colombia, 286, 288
  - Hungary, 535, 541
  - Mexico, 308
  - Morocco, 358, 363-64
  - Philippines, 476
  - Poland, 554
  - St. Petersburg, 584
  - Szczecin, 565-67
  - in transitioning economies, 116-17*b*8.1
  - Zimbabwe, 339
- commercial debt, 56*b*4.1
- Common Fund for Local Communities, Tunisia, 367

- Communal Infrastructure Fund, Morocco, 355-56, 360, 361-63
- Communal Investment Plan, Tunisia, 368, 370, 371, 372
- Communist Party, 395*n*5
- compensation bonds, Korea, 407, 408-9
- competition, 4, 82-83, 207
- compulsory bonds, 232, 233-34
- Korea, 406, 407, 408, 410
- concessionary financing, 176-77, 462, 483
- Consolidated Municipal Infrastructure Programme, South Africa, 319
- constitutions
  - Argentina, 222, 224
  - Brazil, 266-69
  - Colombia, 281-82
  - Czech Republic, 503-4, 517
  - India, 416-18
  - Korea, 411-12*n*1
  - Mexico, 305
  - principles of, 87
  - South Africa, 317
- construction financing, Korea, 407, 408
- contracts, enforcement of, 32*b*3.1
- contribution de valorization, 283
- Convertibility Plan, Argentina, 219, 221, 225, 242
- cooperative model for controls, 25
- coparticipation revenue schemes, 222-24, 230-32, 236, 238, 258*n*1, 258*n*6
- Córdoba, Argentina, 226, 227, 234
- corporate bonds, 390
  - Hungary, 533
  - Indonesia, 450
  - Philippines, 467
  - Poland, 553
- corporate securities, 127*n*3
- corporate tax, Bulgaria, 493
- corruption, in bond markets, 85*b*6.2
- cost curve studies, 197, 201*n*19
- cost-price relationship, 70
- coupon bonds, 81, 583
- CPSSL. *See* Caisse de Prêts et Soutien aux Collectivités Locales (CPSSL)
- credit
  - China, quality and rating of, 391
  - Colombia, 280, 287-90
  - security for, 63-65
  - sources of, 36-37, 38
  - Tunisia, allocation of, 368-69
- credit analyses, 211
  - Czech Republic, 521, 523*n*11
  - overview, 141, 143*b*10.1, 152*n*1
- credit assistance
  - and bond banks, 188-90, 200*mn*10-11
  - and grant and loan integration, 193-96, 201-2*mn*17-21
  - technical and market assistance for, 197-98, 201-2*mn*19-21
- credit enhancements, 182, 212, 214
  - Brazil, 262, 276
  - Morocco, 361
  - Philippines, 274
- Crédit Finance Analysis Handbook for Municipalities in the Czech Republic*, 523*n*11
- Credit Locale de France, 34, 167
- credit markets, 2, 3
  - access to, 38, 39*f*3.2



- and classification of borrowers, 52-55
- development of, 38, 39, 42, 45*n*12, 114-15, 116-17*b*8.1, 117-19*b*8.2, 127*n*2
- Korea, 410-11
- Mexico, 304-7
- Morocco, 358, 362
- technical assistance to subnational governments about, 174-75, 199*n*1
- terminology, 4
- creditors' rights, 40, 41, 213
- credit rating agencies, 120, 135-36, 373
  - Argentina, 236
  - China, 391
  - See also names of specific rating agency*
- Credit Rating Information Service of India, 424, 442*n*3
- credit ratings, 211-12
  - Ahmedabad bond issue, 424
  - Argentina, 229, 236, 255, 257
  - Bogotá, 297-98
  - Bulgaria, 499, 499*t*27.2
  - credibility of, 148-50, 152-53*nm*6-7
  - criticism of, 141, 152*n*2
  - Czech Republic, 505, 521
  - expanding market for, 146-48
  - factors used to judge, 144-46, 152*n*4
  - governments use of, 144, 152*n*3
  - Hungary, 533, 538, 539, 542*n*5, 543*n*9
  - impact on market, 147-48
  - local governments, 499*t*27.2
  - Mexico, 300, 308-9
  - Philippines, 477-79, 485*n*13
  - Poland, 556, 557
  - Province of Buenos Aires, 255, 257
  - Russian Federation, 577, 578*t*31.1, 591*n*3
  - Salta bond issue, 244-45
  - St. Petersburg, 585, 586*t*31.5
  - subnational governments, 142, 144-46, 152*nm*3-4
  - Tamil Nadu Urban Development Fund, 437, 438*b*24.2
  - volatility in Asia, 149*t*10.1
  - Zimbabwe, 349
- credit risk, 78, 141, 152*n*1
  - Brazil, 277
  - Colombia, 290
  - of CPSCL, 372
  - and Findeter, 288
  - Russian Federation, 577
- Credit Risk Data Center, Brazil, 277
- credit structures, 50-52
- creditworthiness, 20, 21, 78, 116-19*b*8.2, 182
  - of bonds, 67*b*5.1
  - concept of, 142, 144
  - Czech Republic, 521
  - differences in, 214
  - factors used to judge, 144-46, 152*n*4
  - Indonesia, 455
  - and liquidity facilities, 192
  - local governments, 470-71
  - and moral hazard, 474
  - policies to improve, 54-55, 61*n*3
  - South Africa, 328
  - St. Petersburg, 584
  - and use of subsidies, 71, 75-76*n*12

cross-subsidies, 75n10, 201-2n20,  
459n12

Cundinamarca, Colombia, 292

currencies

appreciation of Polish zloty, 547

and bond issues in Argentina,  
236-37

Brazil, 264, 265

and Buenos Aires bond issue,  
247-52, 259n10

and debt swaps, 238

investing in, 125, 128nn5-6

relationship to cost of debt ser-  
vicing, 228

*See also* devaluation

currency risk, 94, 109n6, 251

Czech Rating Agency, 523n11

Czech Republic, 135b9.3

background, 503-05

financial management, 504,  
507-11, 522n2-4, 522-23nn6-8

financial obligations of municipi-  
palities in, 41

private credit markets, 175b12.1

public sector debt, 507-8,  
522nn2-3

subnational debt

borrowing by municipalities,  
511-15

fiscal imbalances and debt ac-  
cumulation, 508-11,  
522n4, 522-23nn6-8

and fiscal management,  
506-8, 522nn2-3

management of, 515-19,  
523nn11-13

options for reform of, 519-21,  
523nn14-17

overview, 503-4

regulatory framework for,  
520-21

## D

Dagong International, 391

DBSA. *See* Development Bank of  
Southern Africa (DBSA)

debt

binding nature of, 88-89, 90b7.2

classification of, 49-52

collateral considerations, 103-8,  
110nn13-17

continuing compliance test, 101,  
110n10

to cover local government  
deficits, 26n3

currency composition of, 94,  
109n6

definition, 542-43n6

downgrading of, 22, 27n7

equal treatment of forms of, 94,  
199nn3-4

financing of, 31, 43n3

issuance test, 101, 110n10

limits on, 25, 208-9

link to creditworthiness, 145

long-term, 97-99

municipal debt limitations,  
102t7.1

public, 56b4.1, 97, 98-99, 109n7

repayment of, 78-82, 205, 332

reporting system, 162

restrictions on amount of,  
99-103, 109-10nn9-10

security considerations, 103-8,  
107b7.6

short-term, 94-96, 95, 96b7.4

by source, 555f30.2

*See also* subnational debt

- debt instruments
  - Czech Republic, 511
  - Indonesia, 449
  - Korea, 406-8
  - maturity of, 77-78
  - overview, 77
  - St. Petersburg, 583-84, 584-85, 591*n*6
- debt markets, 3, 7*n*8, 43*n*3
  - Central and Eastern European countries, 532*t*29.1
  - India, 422-25, 442*n*2
  - Indonesia, 457-58
  - problems in, 20-21
  - South Africa, 324-27, 329-35, 336*nn*10-12
- debt restructuring, Argentina, 238-39, 258
- debt service, 64, 78-82, 207, 215*n*1
  - Argentina, 220, 228-29, 258*n*2
  - Bogotá, 295, 296*f*16.5
  - Brazil, 265
  - and cash accounting, 133, 137*n*9
  - collateral pledged to cover, 66
  - Colombia, 287
  - executive agreements for, 65
  - Hungary, 537
  - India, 429
  - Indonesia, 457
  - and market-proxy value, 198
  - Mexico, 307
  - Morocco, 358, 360, 361
  - New York city, 157
  - Philippines, 482-83
  - Poland, 101, 556, 558, 562, 567, 570*n*11
  - rate-setting pledge for, 67*b*5.1
  - relationship to currencies, 228
  - and revenue intercepts, 68
  - Russian Federation, 571, 590
  - and securitized loan pools, 186-88
  - structures, 79*f*6.1
  - subsidies and public-private cofinancing, 177, 179-80, 180*f*12.2, 199*nn*2-4
  - Szczecin, 566, 567*f*30.10
  - and taxation, 66-68
  - terms of, 209
  - utility revenues, 137*n*12
- debt service ratio, 429, 519, 520, 523*n*13, 523*n*15
- debt strategy. *See* financial management
- debt swaps
  - City of Buenos Aires, 252
  - Province of Buenos Aires, 238, 257
  - provincial debt swaps, 226, 229, 238
- decentralization, 1, 6*n*1, 11-12, 16-22, 108*n*1
  - Bogotá, 291-92
  - Bulgaria, 487, 488, 490, 492-93, 500, 501*n*1, 501*n*4
  - China, 377, 395*n*2
  - Colombia, 282
  - Czech Republic, 503
  - Hungary, 525, 527, 529-31
  - India, 413
    - financial impact of, 427, 428*t*24.5, 428*t*24.6
    - functional and fiscal, 418-20, 442*n*1
    - government borrowing powers, 421-22
    - overview, 416-17

- under Constitutional Amendments of 1992, 417-18
  - Indonesia, 451-52
  - Korea, 400, 401
  - Mexico, 301-4, 312*nn*2-4
  - Poland, 546, 548-51, 569*n*3
  - relationship to borrowing and macroeconomic stability, 16-17, 26-27*n*4
  - of responsibilities and revenues, 18-19
  - Russian Federation, 574
  - deconcentration, 6*n*1
  - defaults
    - Argentina, 229, 257
    - claims after, 164
    - Philippines, 466, 470, 484-85*n*5, 485*n*8
    - Russian Federation, 575, 576, 577-78, 591*n*4
    - Zimbabwe, 351
  - deindexation, promotion of, 264
  - devaluation
    - of Argentine peso, 221, 226, 228, 229, 236, 258
    - Brazil, 265
    - of Mexican peso, 306
    - of Russian ruble, 571-72, 573, 575
  - developed economies
    - classification of credit markets, 55, 56*b*4.1
    - financial structure in, 34-36, 43-44*nn*4-9
  - Development Bank, Philippines, 470
  - Development Bank of Southern Africa (DBSA), 96*b*7.4, 178*b*12.2, 325, 326, 329, 334
  - Development Bank of the Philippines, 465-66, 470, 473, 484*nn*1-2
  - development banks, loan repayment record, 178*b*12.2
  - development finance corporations, Zimbabwe, 340
  - devolution. *See* decentralization
  - Dexia, 34-35
  - Dillon Rule, 156, 170*n*1
  - direct lending programs, 177, 178*b*12.2
  - disclosure, 207, 210-11, 213
    - and accounting standards, 132-36, 136-37*nn*6-13
    - Morocco, 360
    - overview, 129
    - regulation of, 129-32, 136*nn*2-5
    - standards for, 210-11
    - St. Petersburg, 589-90
    - United States, 136*n*4
    - Zimbabwe, 349
    - See also* information
  - discount houses, Zimbabwe, 339-40
  - discretionary financing, 303, 511
  - diversification, 589
  - domestic markets, 122-24, 128*n*3, 407, 410
  - donor-based lending activities, 191, 201*n*16, 383
  - Dresdner Bank, 589
  - Duff & Phelps, 146, 349
- E**
- Eastern Europe, 160-61, 171*n*6
  - East Saint Louis, Illinois, 157
  - EBFs. *See* extra-budgetary funds (EBFs)

- economic development
  - and financial markets, 30
  - role of banks and securities markets in, 32*b*3.1
  - Sofia, Bulgaria, 495-96
- economy
  - Argentina, 221-22, 253
  - Bogotá, 293-94
  - Brazil, 262, 264-65, 273, 274*f*15.2
  - Bulgaria, 487-89, 491-92, 495-96, 501*n*2
  - China, 375, 377, 387, 387*t*22.3, 394, 394*n*1, 395*n*4
  - Colombia, 285, 286, 293
  - Czech Republic, 505, 522*n*1
  - financial markets and, 114, 127*n*1
  - Hungary, 526, 527, 529-30, 532-33, 537-38
  - India, 419*t*24.2, 419*t*24.3
  - Indonesia, 447, 448-51
  - Korea, 399-400, 402, 403
  - link to creditworthiness, 144
  - Mexico, 300-301, 301*f*17.1, 305, 306, 312*n*1
  - Philippines, 463, 468
  - Poland, 545, 547, 555, 557
  - Russian Federation, 571-72, 573-76
  - St. Petersburg, 579-80, 580-83
  - Zimbabwe, 338
- Ecorse, Michigan, 157
- El Daher, Samir, 355-64, 365-74
- Ellis, Peter D., 487-501
- Emergency Social Fund, Brazil, 264
- emerging economies
  - banks and bond markets in, 35
  - and bond banks, 188-89
  - credit ratings, 143*b*10.1
  - debt service, 67
  - financial sectors in, 29-30
  - and market regulations, 122
  - taxation in, 182
- energy prices, 575
- enforcement, 25, 32*b*3.1, 206
  - and collateral pledged, 41
  - of debt remedies, 164-65
  - of deficit reductions, 228
  - loan repayments, 178*b*12.2
  - short-term debt payment, 96
  - and utility cessation, 75*n*5
- enhancements, 182, 185, 199*n*6
  - credit, 182, 212, 214
  - donor-based, 187
- Enron, 152-53*n*6
- enterprise financing, 68, 70-71, 75-76*nn*7-12
- environmental issues
  - China, 393-94
  - and state revolving funds, 35, 44*n*7
- escape clauses, 100
- eurobonds, 498-99, 510
  - Hungary, 538
  - Russian Federation, 571, 577, 584, 589, 590, 591*n*3
- European Bank for Reconstruction and Development, 200*n*11, 499, 538, 573, 580, 584
- European Charter, 529
- European Monetary Union, 522*n*2, 560
- European Union, 56*b*4.1
  - Bulgaria's accession to, 489, 490, 501*n*3
  - membership in, 505, 511, 522*n*2, 522-23*n*8

- Hungary, 526, 527, 531, 533
- Poland, 545, 547, 556, 560
- European Union Pre-Accession Funds, 522-23*n*8
- Exchange Commission, Czech Republic, 510, 519, 520, 522*n*6
- exchange rates, 590
  - Brazil, 264-65
  - China, 388
  - floating, 264-65
  - Russian Federation, 574
- executive agreements, for debt service, 65
- executives, approval of subnational debt, 90
- expenditures
  - Argentina, 224, 225-26
  - Bogotá, 294*t*16.5, 295
  - Brazil, 268-69
  - Bulgaria, 491-92, 493, 498
  - China, 378-80
  - Colombia, 283-84
  - Czech Republic, 506, 517-18, 523*n*12
  - Hungary, 529, 529-30, 531, 539
  - Korea, 402, 409-10
  - Mexico, 301*t*17.1, 303, 305
  - noninvestment, 517-18
  - Poland, 550-51, 557-58
  - and resources availability, 15-16
  - St. Petersburg, 579, 587
- extra-budgetary funds (EBFs), 380-81, 395*m*10-11, 396*n*13
- F**
- Federal Development Bank, Brazil, 271, 273
- Federal Housing and Savings Bank, Brazil, 271, 273
- finance houses, Zimbabwe, 340
- Financial Executives Association of the Philippines, 474
- financial management, 145
  - Argentina, 221, 225-26
  - City of Buenos Aires, 249
  - Province of Buenos Aires, 254-55
  - Brazil, 264, 265
  - Bulgaria, 488, 491-94, 496-98, 501*n*1
  - China, 377-80, 385*m*3-8, 393
  - Colombia, 284, 290-91
  - Czech Republic, 504, 507-11, 522*n*2-4, 522-23*m*6-8
  - emergency plan for, 520, 523*n*17
  - management of local government debt, 515-19, 523*m*11-13
  - options for reform, 519-21, 523*m*14-17
  - Hungary, 529-31
- impact of devolution on, 15
- India, 417, 418-20, 442*n*1
- Indonesia, 454, 458*n*9
- Korea, 402
- Morocco, 356, 357, 359
- Philippines, 481
- Poland, 545-46, 548, 549, 569*n*1
  - fiscal deficit in Wroclaw, 561-63
  - Lodz budget and loan financing, 563-65
  - Poznan borrowing controls, 568-69

- Szczecin commercial bank  
     credit, 565-67  
 Russian Federation, 573, 574-76  
 South Africa, 328  
 St. Petersburg, 587-88, 588-90  
 and transparency, 22-24  
 Tunisia, 367  
 Zimbabwe, 352, 353*nn*2-3  
 financial markets, 2  
     access to, 3, 214  
     barriers to, 37-38  
     conditions for, 4-5  
     development of, 29-30, 119-22,  
         127*n*3  
     effect of tax laws on, 126  
     guarantees, insurance, and inter-  
         cepts, 181-82, 183*b*12.3  
     impartiality and transparency in,  
         83, 85, 85*b*6.2  
     international, 22, 23*b*2.2, 37,  
         126-27, 128*n*7  
     and legal systems, 40-43  
     politics and, 89*b*7.1  
     regulation of, 119-22, 127*n*3,  
         209-10  
     relationships affecting, 115, 116  
     role of borrowing in, 37-40  
     setting terms of, 82-83, 86*nn*3-4  
     structure of, 113-19, 127*n*1  
     terminology, 43*n*1  
 financial systems, United States, 39,  
     44*n*10  
 Findeter, 280, 287-90  
 fiscal decentralization, 11-12, 26*n*1  
     impact of, 15  
     measuring of, 12-13, 26*n*2  
 fiscal risks, 522*n*3  
 Fitch Ratings, 146, 147, 244, 297,  
     309, 585, 586*t*31.5  
 fixed exchange rates, 573  
 fixed income securities, 364  
 flotation bonds, Korea, 407  
 foreign banks, 407, 552  
 foreign bonds, 407, 408-9, 519  
 foreign currencies, 225, 407, 556  
     ban on loans of, 309  
     borrowing in, 26-27*n*4,  
         316-17*b*18.1  
 foreign currency risk, 453, 588  
 foreign debt, 510, 522*n*6  
 foreign direct investment  
     Brazil, 266  
     Bulgaria, 496  
     Czech Republic, 505  
 Fort Beaufort, South Africa, 335*n*6  
 France, 162  
     banking systems, 34-35  
     binding nature of debt, 90*b*7.2  
     debt annex of budgets, 162,  
         163*b*11.1  
     financial remediation program,  
         167  
 fraud, 122, 171*n*5  
 full faith and credit pledge, 64,  
     74*nn*1-2, 406-7  
 Fund for Loans and Support to Lo-  
     cal Communities, Morocco,  
     366, 367, 368, 369-74  
**G**  
 gas distribution business, South  
     Africa, 322  
 general allocation grants, Indone-  
     sia, 451  
 general obligation debt, 50, 51*f*4.1,  
     64, 206, 236  
 general revenue funds, 53-54  
 Giovanelli, Giovanni, 261-78

- Glaser, Matthew, 337-53
- Glass Steagal Act, 127*n*3
- GOLD Investment Promotion and Prioritization Program, 474
- government bonds, 115
- China, 376
  - Korea, 404
  - tax exemption on, 126
  - Zimbabwe, 346
- Government Finance Officers Association, 137*n*13
- government financial institutions (GFIs), 34-36, 43-44*n*5, 54-55, 439-40
- Findeter, 280, 287-90
  - Korea, 4406-7
  - and loan pools, 186
  - Philippines, 200*n*8, 465, 466, 470, 475, 479, 483
  - and retail on-lending, 179-80, 181*f*12.2, 199*n*4
- government limited obligations, 50-51
- government-owned banks, 110*n*13, 403
- governments
- allocation of responsibilities
    - among levels of, 224*t*14.1
  - as guarantor, 136*n*2
  - and markets, 1, 6*n*2
  - role in development of credit markets, 114-15, 116-17*b*8.1, 117-19*b*8.2, 127*n*
  - tiers of, 417, 418*t*24.1
  - use of credit ratings, 144, 152*n*3
  - See also* local governments
- government securities
- Brazil's banks concentration in, 33*b*3.2
  - desirability of, 125, 128*nn*5-6
  - as lower risk disclosure class, 136*n*5
- Government Service Insurance System, Philippines, 467
- grants, 24, 54, 88, 190, 200*n*11
- Bulgaria, 492, 497
  - China, 380
  - Hungary, 529, 533
  - India, 430, 432
  - Indonesia, 201*n*17, 451
  - integration with loans, 193-98, 201-2*nn*17-21, 214
  - India, 430, 432
  - Indonesia, 455-57, 458-59*nn*11-14
  - South Africa, 319, 323
  - technical and market analysis of, 197-98, 201-2*nn*19-21
  - Zimbabwe, 343, 350
- Greater Nelspuit Concession Company, South Africa, 321
- gross domestic product (GDP), 412*n*6
- Argentina, 221
  - Bogota, 293
  - Brazil, 273, 274*f*15.2
  - Bulgaria, 491-92, 495, 501*n*2
  - Canada, 516
  - China, 387, 389*t*22.3, 394, 395*n*4
  - Colombia, 285, 286
  - Czech Republic, 50, 507, 522*nn*2-4
  - Hungary, 529-30
  - India, 419*t*24.2, 419*t*24.3
  - Indonesia, 447, 448-51
  - Korea, 402, 403
  - Mexico, 301*t*17.1, 312*n*1



- Poland, 547, 552, 553, 555  
 relationship of bank deposits  
 and lending to, 30  
 Russian Federation, 575  
 St. Petersburg, 579
- guarantees, 108, 110*n*17  
 Brazil, 273  
 Colombia, 290  
 and credit assistance, 181-82,  
 183*b*12.3  
 and disclosure, 136*n*2  
 Hungary, 539  
 Morocco, 362  
 Philippines, 472, 485*nn*7-8  
 pledge of coparticipation rev-  
 enues, 238  
 revenue sharing funds, 305  
 Russian Federation, 577  
 St. Petersburg, 586  
 third-party guarantee, 150  
 umbrella, 186  
 Zimbabwe, 345, 347  
*See also* sovereign guarantees
- Guaymallén, Argentina, 237  
 Gujarat, India, 422  
 Gweru, Zimbabwe, 344, 346
- H**
- Harare, Zimbabwe, 337, 343, 344,  
 346, 350, 351, 353*n*3  
 hard budgets, 13-15, 26*n*3  
 Havel, Vaclav, 522*n*1  
 highways, China, 384-86,  
 396*nn*14-18  
 Hochman, Steven, 299-312  
 Hong Kong, 386  
 Housing and Urban Develop-  
 ment Corporation, India,  
 421-22
- housing bonds, Russian Federation,  
 576
- Housing Development Finance Cor-  
 poration, India, 185-86*b*12.4,  
 431
- Hungarian National Bank, 538
- Hungary, 167, 168-69*b*11.3  
 background, 525-27  
 bankruptcy law, 520, 523*n*17,  
 526  
 debt limitations, 102*t*7.1  
 intergovernmental transfers, 19  
 local governments  
 borrowing, 533-35  
 and capital markets, 533-35  
 implementation of decentral-  
 ization, 528-29,  
 542*nn*1-3  
 Law on Local Self-Govern-  
 ment, 99, 528-29, 530,  
 533, 534-36, 541  
 municipalities, debt financings  
 post-1995, 535-37,  
 542-43*nn*6-7  
 subnational debt  
 Budapest bond issue, 537-38,  
 539*t*29.1, 543*n*8  
 evolution of domestic capital  
 markets, 531-37,  
 542-43*nn*4-7  
 impact of decentralization on,  
 529-31  
 municipal debt financing,  
 535-37, 542-43*nn*6-7  
 overview, 525-26  
 Pecs bond issue, 538-41,  
 543*nn*9-10  
 prospects for larger municipal  
 credit market, 541-42

hydrocarbon royalties, 232, 236,  
240-47, 258*n*6, 282

## I

IMF. *See* International Monetary  
Fund (IMF)

incentives

- for borrowing, 193
- and debt markets, 20-21
- in highway development invest-  
ments, 385-86

income tax

- Argentina, 222
- Bulgaria, 493, 497

indexing, government securities,  
264, 265

India

- background, 413-16
- credit rating, 149
- debt markets, 422-25, 442*n*2
- decentralization
  - and borrowing powers, 421-22
  - financial impact of, 427,  
428*t*24.5, 428*t*24.6
  - functional and fiscal, 418-20,  
442*n*1
  - overview, 416-17
  - under Constitutional Amend-  
ments of 1992, 417-18
- Municipal Urban Development  
Fund, 414, 425, 429-30
- State Finance Commissions, 13,  
427
- structure of government, 415
- subnational debt
  - decentralization and govern-  
ment borrowing, 421-22
  - functional and fiscal decen-  
tralization, 418-20, 442*n*1

overview, 413-16

*See also* Tamil Nadu Urban  
Development Fund,  
India

Indonesia

- availability of grants in,  
201*n*17
- background, 443-45
- BAPEPAM, 120
- central government lending to  
local governments,  
446*t*25.1
- decentralization of, 451-52
- factors shaping credit market,  
447-51, 458*m*5-6
- grant-loan integration in,  
194-96*b*12.6
- subnational debt, 88
- characteristics of, 445-47,  
458*m*3-4
- factors shaping credit market,  
447-51, 458*m*5-6
- integration of loans and  
grants, 455-57,  
458-59*nn*11-14
- overview, 443-44
- prospects for debt market,  
457-58
- regulatory framework for,  
453-54, 458*m*8-9

Indonesian Bank Restructuring  
Agency, 449

Industrial Credit and Investment  
Corporation of India,  
185-86*b*12.4, 431

industrial development, Bulgaria,  
496

industrial production, Russian Fed-  
eration, 579, 591*n*5

- inflation
  - Colombia, 298*n*3
  - Czech Republic, 505, 522*n*1
  - Russian Federation, 574, 575
  - Zimbabwe, 352-53
- inflation-adjusted unit of account, 306-7
- information
  - Brazil, 277
  - for central government's monitoring system, 162
  - central repository for, 211
  - Czech Republic, 515
  - reporting of, 211, 213
  - requirements for in financial sector, 32*b*3.1
  - review of, 213
  - See also* disclosure
- information systems, 25
- infrastructure, 1, 2
  - Bulgaria, 490, 493, 499-500
  - China, 382-83, 384-86, 392, 396*mn*14-18
  - Czech Republic, 514
  - financing of, 34, 43*n*2
  - Hungary, 525-26
  - India, 423, 426-27, 442*n*4
    - financing of, 185-86*b*12.4, 428*t*24.5
  - investment requirements by type of urban structure, 428*t*24.6
  - Municipal Urban Development Fund, 414, 425, 429-30
  - Tamil Nadu Urban Development Fund, 430-36
  - Indonesia, 446-47, 448, 458*n*4
  - Krakov bond issue, 567-68
  - limited obligation financing and, 70-71
  - Morocco, 359
    - borrowing for, 360-61
    - Communal Infrastructure Fund, 355-56, 358, 360, 361-63
  - Philippines, 469, 473-74, 475
    - financing of, 464
  - Poland, 561, 567-68
    - qualifying bonds for, 191, 200-201*n*15
  - Sofia, 499-500
  - South Africa, 319, 321-23, 323, 331-33, 335*mn*6-7
    - and special district financing, 71, 73-74, 76*mn*13-14
  - subnational government as suppliers of, 39
  - Zimbabwe, 351
    - See also* capital improvements
- Infrastructure Corporation of Africa, 147, 325-26
- Infrastructure Leasing and Financial Services, India, 185-86*b*12.4, 431
- insolvency, 165, 167, 168-69*b*11.3, 169-70*b*11.4
- institutional investors, 531-32, 583
- insurance, and credit assistance, 182
- insurance industry, 147, 151
- Inter-American Development Bank, 221, 273
- intercepts, 68, 69*b*5.2, 207
  - analysis of, 199*n*6
  - Argentina, 166-67*b*11.2
  - Brazil, 276
  - as debt security, 104-7, 110*n*16

- Indonesia, 454
- Philippines, 128*n*6, 482
- interest-bearing notes, 220
- interest rate risk, 569
- interest rates, 20, 78, 182
  - Brazil, 265, 274
  - China, 391
  - Czech Republic, 505
  - fixed or floating, 80-81, 86*n*2
  - India, 422
  - legal restrictions on, 81-82
  - and liquidity facilities, 191-92
  - Mexico, 306-7
  - on municipal bonds, 35, 44*n*8
  - Philippines, 484*n*4
  - Poland, 547
  - setting for sale of securities, 82-83, 86*nn*3-4
  - South Africa, 316-17*b*18.1, 324
  - usury rates, 81
  - zero bonds, 80
  - Zimbabwe, 337, 341
- intergovernmental relations, 50
  - Argentina, 222-24, 239-40, 258*n*1
  - Brazil, 266-69, 277*n*1
  - Bulgaria, 487, 500
  - Colombia, 281-84, 289*n*1-2
  - Czech Republic, 506
  - Philippines, 461
  - Poland, 549
  - Russian Federation, 574
  - Zimbabwe, 341-42
- intergovernmental transfers, 19, 27*n*6, 104-5, 144, 182, 199*n*6
  - Argentina, 222-24, 237, 259*n*8
  - Brazil, 263
  - Bulgaria, 487, 492-93
  - China, 379-80, 395*n*8
    - as collateral, 69*b*5.2
  - Colombia, 282, 283, 290-91
  - Czech Republic, 504, 514
  - design of, 23
  - Hungary, 530
  - India, 416, 422
  - Indonesia, 452
  - Korea, 401, 402
  - Mexico, 301, 302-4, 307-8
  - Morocco, 357
  - Poland, 565
  - Russian Federation, 591*n*4
  - South Africa, 319-20, 323, 335*n*3
  - Tunisia, 367
  - Zimbabwe, 343
- intermediary models for borrowers, 184-85, 185-86*b*12.4
- internal revenue allotment schemes, 463, 465, 470, 475, 479
- International Development Association, 429, 430
- International Federation of Accounting, 136*n*7
- International Finance Corporation, 177
- International Monetary Fund (IMF), 221
  - financial agreement with Argentine provinces, 238-39
  - loan to Brazil, 265
  - restrictions on amount of debt, 99
- international rating agencies, 146
- Internet, 131-32*b*9.1
- interventions, 213
  - central government system of, 161-62

- direct intervention of state in local government, 156-58, 170*nn*2-3
  - formulating and enforcing debt, 162-70
  - nonintervention tradition, 158
  - in subnational governments, 162-70
    - Argentina, 159-60
    - Brazil, 160
    - Canada, 158-59
    - South Africa, 159
    - transitioning economies in
      - Europe, 160-61, 171*n*6
  - Investment Funds Account, Indonesia, 458*n*3
  - investment-grade ratings, 236
  - investment outlays, 558, 559-60, 570*n*12
  - investors
    - appeal of credit ratings to, 142
    - and bond pools, 186-88, 200*n*7
    - of government securities, 542*n*4
    - and information disclosure, 130, 134-35
    - institutional, 531-32, 583
    - legal remedies for, 206
    - nature of, 125-26
    - reliance on credit analyses, 141, 143*b*10.1
  - Ionkova, Kremena, 487-501
- J**
- Japan, state-sponsored credit monopolies, 43-44*n*5
  - Johannesburg, South Africa, 96*b*7.4, 321, 322
  - joint ventures
    - China, 384, 385-86
    - India, 431
  - judiciaries
    - enforcement of debt payments, 164-65
    - and financial issues, 40, 41
    - See also* laws and legal systems
- K**
- Karur Municipality Bridge, India, 435*b*24.1
  - Kehew, Robert, 443-61
  - Kerala, India, 420
  - Korea, 99
    - background, 399-401
    - marketing and sales of debt, 408-9
    - subnational debt
      - central government domination of, 403-4, 412*n*2
      - fiscal autonomy in, 401, 411-12*n*1
      - local government debt instruments, 406-8
      - overview, 399-400
      - prospects for stronger credit markets, 410-11
      - regulatory framework for, 402-3, 404-6, 412*nn*3-4
  - Krakow, Poland, 84*b*6.1, 555, 556, 567-68
  - Kremikovitzi, 496
  - Kwekwe, Zimbabwe, 343, 344, 345, 346, 348, 352
- L**
- Landbank of the Philippines, 200*n*8, 465-66, 473, 476, 484*nn*1-2
  - La Pampa, Argentina, 226

- Latin America, 19-20, 121*b*8.3, 136*n*6
- Latvia, 62*n*5, 104, 110*n*14, 110*n*17
  - financial remediation program, 167, 169-70*b*11.4
- laws and legal systems
  - Argentina, 253, 258*n*5
  - banking secrecy laws, 133
  - bond pools, 188, 200*n*3
  - Brazil
    - fiscal responsibility, 270, 273
    - for subnational debt, 269-71, 277*n*3, 278*nn*4-5
  - Bulgaria, 493, 494-95
    - regional development, 490
    - tax revenues, 497
  - China
    - budgetary law, 378, 396*n*14
    - municipal bonds, 391
  - Colombia
    - adjustments to fiscal imbalances, 290-91
    - approval of debt in, 279-80
    - revenue sharing systems, 282
    - traffic light law, 285, 286, 286*t*16.1, 287
  - Czech Republic, 505
    - bankruptcy, 519, 520, 523*n*17
    - fiscal responsibility, 520-21
  - debt limits, 100-101, 110*n*10
  - debt security, 107*b*7.6
  - and development of financial markets, 119-22, 127*n*3
  - differences in, 40-41, 44-45*n*11
  - enforcement of debt payments, 164-65
  - and equal treatment of forms of debt, 94, 199*n*3-4
- Hungary, 542*n*2
  - autonomy for local governments, 528-29, 530, 533, 534-36, 541
  - bankruptcy law, 520, 523*n*17, 526
  - borrowing powers, 99, 526
  - debt adjustment, 536
- India, 416-18
  - local authorities' loans, 420, 421, 422, 423, 428-29
- Indonesia, 451-52
  - capital markets, 453-54
  - regulations for debt transactions, 453-54, 458*nn*8-9
- Korea, subnational borrowing, 404-6, 412*nn*3-4
- Latvia, 167, 169-70*b*11.4
- limits of long-term debt, 208
- link to creditworthiness, 145
- of loan structures, 81-82
- Mexico
  - collateral procedures, 307-8, 310-11
  - fiscal management, 301, 302-3, 305, 307
  - regulation of borrowing, 310
- Morocco
  - laws of municipalities, 356
  - regulatory framework for borrowing, 359-60
- overview, 40
- Philippines
  - Agri-Agra law, 471
  - borrowing powers, 464
  - central bank, 464
  - intergovernmental relations, 461

- local governments, 463, 465, 465-66, 469, 481, 482, 483
  - services provision, 463-64
- Poland, 109*n*7
  - banking system, 553
  - bond issues, 556
  - borrowing powers, 554-55
  - local government regulations, 549, 550
  - regulation of equities market, 553
- regulation of disclosure, 129-32, 131*nn*2-5
- remedies for investors, 206
- revenue intercepts, 105
- Romania, 109*n*7
- Russian Federation, for borrowing, 577, 586-88
- South Africa
  - municipal borrowing, 328, 330-31, 335*n*7, 336*n*10
  - Property Rates Bill, 335*n*2
  - Water Services Act, 335*n*7
- subnational governments, borrowing, 87-89, 108-9*nn*1-2
- tax laws, 126
- value of property as collateral, 104
- Vietnam, 109*n*7
- Zimbabwe, borrowing powers, 344, 347-48
- Lead Bank, Bulgaria, 498
- legislatures, approval of subnational debt, 91-92
- letters of credit, 199*n*3
- Lewis, Blane, 452, 455
- LIBOR. *See* London interbank offered rate (LIBOR)
- limited obligation debt, 57, 100
  - forms of, 206-7
  - self-supporting, 68, 70-71, 75-76*nn*7-12
- liquidity facilities, 190-92, 200-201*nn*12-16, 214
- liquidity ratio requirements, India, 422
- Lithuania
  - debt limitations, 102*t*7.1
  - debt service limits, 101
  - revenues used as debt security, 107*b*7.6
- loans
  - Argentina, provincial share of, 227
  - bidding process, 86*n*4
  - Bulgaria, 498-500
  - and cash flow concerns, 81
  - China, 376
  - Colombia, 288, 289*f*16.3
  - Czech Republic, 511, 522-23*n*8
  - direct lending programs, 177, 178*b*12.2
  - Hungary, 534-35
  - India, 430, 432
  - Indonesia, 445-47, 447, 454-55, 458*nn*3-4
  - integration with grants, 193-98, 201-2*nn*17-21, 214
  - India, 430, 432
  - Indonesia, 455-57, 458-59*nn*11-14
  - Korea, 403, 406-7
  - legal restrictions of, 81-82
  - Mexico, 305
  - non-performing, 200*n*8, 388
  - Philippines, 462, 483
    - to local governments, 465-68, 484*nn*1-2

- Municipal Development
  - Fund, 465, 466-67, 473-74, 477
- Poland, 546
- regulation of lenders, 225
- relationship of structure to cash flow profiles, 79-80
- repayment of, 177, 178*b*12.2
- securitized loan pools, 186-88, 200*nn*7-9
- South Africa, 326-27
- Szczecin, 566
- vs. bonds, 94
- Zimbabwe, 343-44, 347-48
- See also* borrowing; subnational debt
- Local Autonomy Act, Korea, 404, 412*n*3
- Local Government Financial Stabilization Act, Latvia, 167, 169-70*b*11.4
- local governments
  - Argentina, 159-60
  - Brazil, 160
  - budget constraints and, 13-15, 26*n*3
  - Bulgaria
    - credit ratings, 499*t*27.2
    - finances of, 491-94
    - financial management of, 496-98, 501*n*1
    - needs of, 500-501
    - structure of, 490-91, 501*n*3
  - Canada, 158-59
  - China, 378, 395*n*5
  - borrowing powers and arrangements, 383-86, 396*nn*14-18
  - infrastructure financing, 382-83
  - control of resources, 15
  - Czech Republic
    - management of debt, 515-19, 523*nn*11-13
    - options for reform, 519-21, 523*nn*14-17
    - public debt, 507-8, 522*nn*2-3
    - structure of, 506
  - and debt, 17
  - expenditures as share of GDP, 492*f*27.1
  - Hungary
    - and capital markets, 533-35
    - implementation of decentralization, 528-29, 542*nn*1-3
    - structure of, 528-29
  - India, 415-16
    - borrowing powers of, 421-22, 427-29
    - municipal bond issues, 425
    - revenue powers, 418-20
    - structure of, 417-18
  - Indonesia
    - central government allocations to, 451-52
    - central government lending to, 446*t*25.1
    - prospects for debt market in, 457-58
    - resources provided to, 451
  - Korea, 401, 411-12*n*1
    - bond sales, 408-9
    - borrowing powers, 404-6, 412*nn*3-4
    - debt instruments, 406-8
  - Latvia, 167, 169-70*b*11.4



- market structures and sources of capital for, 36, 37*f*3.1
- oversight by states in, 156-58, 170-71*n*1-5
- Philippines
  - access to credit markets, 475-77, 479-83, 485*n*11
  - borrowing power, 464
  - ceiling on debt service, 482-83
  - central government's assignment of funds to, 479
  - costs of bond issuance, 480
  - credit ratings of, 477-79, 485*n*13
  - creditworthiness of, 470-71
  - development of private credit markets, 483-84
  - financial accounting and reporting, 480
  - financial emergencies, 481
  - guarantee programs, 183*b*12.3
  - impediments to access to credit markets, 479-83
  - internal revenue allotment schemes, 463, 465, 470, 475, 479
  - loans to, 465-68, 484*nn*1-2
  - Local Government Unit Guarantee Corporation, 183*b*12.3, 462, 471-73, 476-79, 484, 485*nn*7-9, 485*n*13
  - municipal bond markets, 468-71, 484-85*nn*4-6
  - structure and finances of, 463-68, 484*nn*1-2
  - taxation of securities transfers, 480-81
- Poland
  - borrowing powers, 554-55
  - debt by source, 555*f*30.2
  - regulatory framework for, 500, 549
  - structure of, 548-51, 569*n*3
- South Africa, 159, 315-18
  - municipal budgets and financial reports, 331-33
  - reform of, 327-28
  - revenues and expenditures, 318-20
- teachers' salaries, 14*b*2.1
- transitioning economies in Europe, 160-61, 171*n*6
- Tunisia, 367
  - constraints on access to investment finance, 369
  - revenues, 367
- upgrading financial management practices of, 189*b*12.5
- Zimbabwe
  - bond issues by, 346*t*19.4
  - borrowing, 344-53
  - issuance and trading of bonds, 348-50
  - revenues, 342-43, 343*t*19.2
  - See also* municipalities
- Local Government Unit Guarantee Corporation, Philippines, 183*b*12.3, 462, 471-73, 476-79, 484, 485*nn*7-9, 485*n*13
- Local Water Utilities Administration, Philippines, 465, 466-67
- lock box arrangements, 199*n*6

Lodz, Poland, 555, 563-65  
London interbank offered rate (LIBOR), 538

## M

Maastricht Treaty, 56b4.1, 522n2, 560  
macroeconomics  
    macroeconomic stability, 16-22  
    relationship to devolution and borrowing, 16-17, 26-27n4  
    and taxation, 18  
Madurai Bypass Road, India, 435-36b24.1  
Madurai Municipal Corporation, India, 435-36b24.1, 437, 438b24.2  
Maghreb Rating Agency, 373  
Maharashtra, India, 422  
Malaysia, credit rating, 149  
mandatory ratings, 142  
market discipline  
    Czech Republic, 515-16  
    Hungary, 533  
marketing, for local government bonds, 408  
market-oriented policies, 280  
    Bulgaria, 488, 489-90, 501n2  
    Hungary, 525  
    Korea, 403  
    South Africa, 333-35, 336m11-12  
    St. Petersburg, 579  
    Tunisia, 373-74  
market-proxy costs, 194-96b12.6, 198  
market socialism, 377  
market structures, and sources of capital for borrowing, 37f3.1

Martinez-Vazquez, Jorge, 503-23  
master trust funds, Mexico, 310-11  
media, influence on borrowing decisions, 91-92b7.3  
Mendoza, Argentina, 232  
merchant banks, Zimbabwe, 339  
Mexico, 150  
    background, 299-301, 312n1  
    credit rating agencies, 120  
    debt secured by master trust, 69b5.2  
    decentralization, 301-4, 312m2-4  
    GDP, 312n1  
    subnational debt  
        overview of, 299-300, 303-4, 304f17.1  
        profile in mid-1990s, 305-6  
        recent experience, 309-12, 312n5  
        regulatory framework for, 307-9  
        relief programs, 306-7  
    military spending, 281  
    money bonds, 233-34, 258n7  
        Argentina, 237  
        United States, 258n7  
    money markets, 31  
    monitoring  
        central government system of, 161-62  
        local government debt, 521  
    subnational finances  
        Argentina, 159-60  
        Brazil, 160  
        Canada, 158-59  
        overview, 155-56  
        South Africa, 159

- in transitioning economies, 160-61, 171n6
- monobanks, 116-17b8.1
- monopolies, 34, 39, 43-44n5, 71, 75-76n12
- Moody's, 148, 244, 246, 255
  - Buenos Aires bond issue, 251
  - Korea's foreign currency debt rating, 409
  - rating in Mexico, 309
  - rating of St. Petersburg, 585, 586t31.5, 591n3
- moral hazard, 7n10, 176
  - Brazil, 262, 264
  - Czech Republic, 175b12.1, 504, 515-16
  - and fiscal management, 20-21
  - and intervention by central government, 21-22
  - Philippines, 474
  - Zimbabwe, 338
- moral obligation debt, 74n2
- Morocco
  - background, 355-57
  - subnational debt
    - issues in borrowing, 358-59
  - municipal development funds, 370-74
  - overview, 355-57
  - regulatory environment, 359-60
  - role of bond market in, 364
  - types of borrowing, 360-61
- Moscow, Russia, 572, 577, 579, 590, 591nn2-3
- municipal assets, as collateral, 64
- Municipal Assistance Corporation, 157
- municipal bond markets, 27n27
  - India, 414
  - Philippines, 462, 473-74
  - early development of, 468-71, 484-85nn4-6
  - United States, 35, 44n6
  - Zimbabwe, 338, 351-52
  - See also* bond markets
- municipal bonds, 146
  - and bond insurance, 150
  - Bulgaria, 498
  - China, 391-93
  - Czech Republic, 510, 512t28.2
  - India, 423, 425
  - Indonesia, 448
  - interest rates on, 35, 44n8, 80-81
  - maturities of, 81
  - Philippines, 477
  - Poland, 553, 555, 569n6
  - Krakow bond issue, 567-68, 570n16
  - Romania, 124b8.4
  - Russian Federation, 576, 577, 591n1
  - terminology, 44n6
  - Zimbabwe, 346
- Municipal Development Fund, Philippines, 465, 466-67, 473-74, 477
- municipal development funds, 36, 44n9
  - India, 414, 425, 429-30
  - Morocco, 355-56, 358, 360, 361-63
  - Philippines, 465, 466-67, 473-74, 477, 485n10
  - Tunisia, 365-66, 369-74

- Municipal Infrastructure Investment Unit, South Africa, 321, 335*n*5
  - Municipal Investment Fund, 175*b*12.1
  - municipalities
    - binding nature of debt, 88-89
    - as borrowers, 55, 57-58
    - Brazil
      - and federal transfers, 267, 277*n*1
      - sources of funds for, 275, 275*t*15.1
    - Bulgaria, 490-91, 492-93
    - and central governments' authority, 106*b*7.5
    - Colombia, 283
    - Czech Republic, 41
      - borrowing powers, 503-4
      - composition of debt, 510-11, 512*t*28.2, 513*f*28.4, 522*n*6-8
      - debt growth, 135*b*9.3, 508-10, 522*n*4
      - debt management, 519
    - debt limitations, 102*t*7.2
    - Hungary
      - debt adjustment of, 167, 168-69*b*11.3
      - debt financings post-1995, 535-37, 542-43*m*6-7
      - loans to, 534
      - prospects for larger municipal credit market, 541-42
    - India, 417-18
      - borrowing powers, 421-22, 429
    - Municipal Urban Development Fund, 414, 425, 429-30
    - revenue powers, 418-20
    - Morocco, laws of, 356
    - South Africa, 315-18
      - assessment of debt vs. lending activity, 327-29
      - borrowing by, 323-27, 335-36*m*8-9
      - budgets and financial reports, 331-33
      - challenges to development of debt market, 329-35, 336*m*10-12
      - financial management, 328
      - intergovernmental transfers to, 319-20, 335*n*3
      - potential size of debt market, 324-27
      - role of borrowing in financing capital investments, 320-27, 335*m*4-8
      - utilities service, 318
    - Zimbabwe, design of municipal debt, 347-48
  - See also* local governments
  - Municipal Securities Rulemaking Board, United States, 136*n*4
  - municipal services. *See* service delivery
  - Municipal Urban Development Fund, India, 414, 425, 429-30
- N**
- National Economic Structural Adjustment Program, Zimbabwe, 338-39
  - National Fund for Housing, Argentina, 258*n*1

- national governments  
 approval of subnational debt,  
 93-94, 108-9*n*2  
 and intercepts, 182  
 Philippines, 477  
 rating of, 144  
 structure and management of,  
 144-45
- National Monetary Council of  
 Brazil, 270
- National People's Congress, 378,  
 396*n*15
- National Savings Bank, Hungary,  
 534
- Nelspruit, South Africa, 321
- Neuquén, Argentina, 236
- New York City, financial crisis in,  
 156-57
- Noel, Michel, 7*nn*8-9, 127*n*2,  
 171*n*6
- nonbank financial institutions, 30,  
 32*b*3.1, 396*n*20
- noncash offsets, Russian Federa-  
 tion, 574, 575
- non-investment-grade paper, 147,  
 152*n*5
- non-performing loans, 200*n*8, 388
- non-recourse obligations, 50,  
 56*b*4.1
- North American Free Trade Agree-  
 ment, 301
- O**
- occupational status, 26*n*2
- octroi tax, India, 424
- off-balance sheet borrowers, China,  
 58
- off-budget funds, 59*b*4.2, 375-76,  
 380-81, 384, 396*n*13
- off-off-budget activities, 395*n*5,  
 396*n*13
- offset powers, 110*n*13
- offshore trusts, 143
- Oliveira, João, 503-23
- on-lending facilities, 179-80,  
 181*f*12.2, 199*n*4, 465
- open market bonds, 583
- operating revenues  
 Lodz, 563, 565*f*30, 8  
 Poland, 558, 559*f*30.3  
 Szczecin, 565, 567*f*30.10
- Orange County, California,  
 158
- Organisation for Economic  
 Co-operation and Develop-  
 ment, 496
- oversight, 123, 156-57, 207  
 Canada, 158-59  
 Korea, 402  
 and reporting systems, 162  
 Zimbabwe, 344-45
- over-the-counter transactions,  
 122-23, 532, 533
- P**
- panchayats, 417-18, 420
- parity bonds, 347
- participation funds, 267-68
- Patacones, 233
- payment streams, 177
- PBC. *See* People's Bank of China  
 (PBC)
- Pecs, Hungary, bond issue, 538-41,  
 543*nn*9-10
- pensions, 268-69, 277*n*2  
 Brazil, 270  
 Colombia, 281  
 Zimbabwe, 346

- People's Bank of China (PBC), 387-88
- People's Republic of China. *See* China
- Perfindo, 120
- Petersen, John, 399-412, 443-59, 461-85, 545-70, 571-91
- PFI. *See* private financial institutions (PFIs)
- Philadelphia, Pennsylvania, financial crisis, 157
- Philippine Bankers Association, 183*b*12.3
- Philippine National Bank, 466, 470, 476
- Philippines
  - background, 461-63
  - banking system, 30-31
  - borrowing powers, 464
  - credit ratings, 149, 477-79, 485*n*13
  - intercepts combined with guarantees, 182, 183*b*12.3
  - intergovernmental relations, 461
  - intergovernmental transfers, 69*b*5.2
  - local governments
    - access to credit markets, 475-77, 479-83, 485*n*11
    - credit ratings of, 477-79, 485*n*13
    - development of private credit markets in, 483-84
    - impediments to access to credit markets, 479-83
    - internal revenue allotment schemes, 463, 465, 470, 475, 479
  - Local Government Unit Guar-  
antee Corporation, 471-73, 485*m*7-9
  - municipal bond markets, 468-71, 484-85*m*4-6
  - obligations of, 128*n*6
  - structure and finances of, 463-68, 484*m*1-2
  - policies to improve creditworthiness, 54-55, 61*n*3
  - private credit markets, 483-84
  - restrictions on bond issues, 136*n*1
  - role of private banks in, 471
  - sale of bonds in, 61*n*3
  - subnational debt
    - impediments to local governments' access to credit markets, 479-83
    - lending to local governments, 465-68, 484*m*1-2
    - local governments' access to credit markets, 475-77, 479-83, 485*n*11
    - local governments' repayment performance, 470, 485*n*6, 485*n*8
    - overview, 461-62
    - and politics, 89*b*7.1, 91-92*b*7.3
    - revenues pledged as security for, 110*n*16
    - tax exemptions, 126
- Philippines Municipal Development Fund, 473-74, 485*n*10
- Philippines National Bank, 484*n*2
- PKO Bank Polski, 555, 566
- pledges
  - of assets, 65-66
  - of physical collateral, 64

- rate-setting, 67*b*5.1
- for self-supporting enterprises, 68, 70-71, 75-76*mn*7-12
- and taxation, 66-68
- types of security used, 64-65
- Plovdiv, Bulgaria, 490
- Poland, 61*n*1
  - background, 545-48
  - debt service limits, 101, 102*t*7.1
  - decentralization of, 108*n*1, 546, 548-51, 569*n*3
  - intergovernmental relations, 549
  - local governments
  - borrowing powers, 554-55
  - structure of, 548-51, 569*n*3
  - subnational debt
    - financial reporting, 560
    - key definitions for, 557-60, 570*mn*11-12
    - Krakow bond issue, 567-68
    - outlook for borrowing, 554-57
    - overview, 545-46, 554
    - Poznan borrowing controls, 568-69
    - regulatory framework for, 556, 557
    - Szczecin commercial bank credit, 565-67
    - trends in borrowing, 554-55
    - Wroclaw's deficit management, 561-63
  - subnational government
    - Lodz budget, 563-65
    - structure of, 550, 551*t*30.1
  - tax exemptions, 126
- Policy Financial Bonds, China, 382
- Polish Securities Commission, 556
- political risk, 476
- politics
  - Argentina, 239
  - and debt, 89*b*7.1, 91-92*b*7.3
  - devolution of, 11-12, 26*n*1
  - and fiscal control, 17
  - Korea, 407
  - Mexico, 302, 304, 312*n*2
  - Philippines, 469, 484-85*n*5
  - South Africa, 322, 335*n*6
  - and use of reserves, 95
  - Zimbabwe, 338
- Ponzi schemes, 116-17*b*8.1
- pooled financing schemes, India, 440, 441*f*24.3, 441*t*24.10
- Post Office Savings Bank, Zimbabwe, 340
- poverty alleviation, India, 185-86*b*12.4
- Poznan, Poland, borrowing controls, 568-69
- Prague, Czech Republic, 510
- private banks
  - Brazil, 273, 274, 276
  - Colombia, 286
  - Indonesia, 449
  - Korea, 406
  - Philippines, 467, 471, 476
- private financial institutions (PFIs), 179, 186
  - Morocco, 363-64
  - South Africa, 333-35, 336*mn*11-12
- privatization
  - Argentina, 224, 226, 228, 236, 258*n*4
  - of bank ownership, 36-37
  - Brazil, 266, 273
  - Bulgaria, 496
  - Czech Republic, 505

- of financial markets, 39
  - Hungary, 531
  - Philippines, 466
  - Poland, 554
  - programmed loans, 511, 522-23<sup>n8</sup>
  - property, pledged for debt, 104, 110<sup>nn14-15</sup>
  - property tax, 67<sup>b5.1</sup>, 76<sup>n14</sup>
    - China, 395<sup>n5</sup>
    - India, 424
    - Mexico, 303, 312<sup>nn3-4</sup>
    - Philippines, 463
    - Poland, 569<sup>n3</sup>
    - South Africa, 319
    - Zimbabwe, 342
  - prospectus, 130, 349
  - Provincial Development Fund, Argentina, 227-28, 229, 234, 258<sup>n4</sup>
  - provincial governments
    - Argentina
      - bonds as share of debt, 227
      - coparticipation revenue schemes, 223-24
      - indebtedness of, 225-37, 258<sup>nn3-4</sup>
      - provincial debt swap, 226, 229, 238
      - regulatory framework for debt, 225
      - subnational bonds, 232-37, 258<sup>n7</sup>
    - intergovernmental relations, 222-24
  - Prud'homme, R., 350-51, 352-53
  - public banks
    - Brazil, 274
    - Colombia, 286
  - public bonds, Korea, 407
  - public debt, 56<sup>b4.1</sup>, 520-21
  - public goods, 201<sup>n18</sup>
  - public notice, 207
  - public-private financings, 51-52
    - China, 383, 384
    - and debt service subsidies, 177, 179-80, 180<sup>f12.2</sup>, 199<sup>nn2-4</sup>
    - South Africa, 321-23, 335<sup>nn6-7</sup>
    - use of, 199<sup>n2</sup>
  - public-private projects, 97, 98-99, 109<sup>n7</sup>
  - public purpose debt, 97, 98-99, 109<sup>n7</sup>
  - public sector
    - and debt in Czech Republic, 507-8, 522<sup>nn2-3</sup>
    - lenders in South Africa, 329
  - public services, *See also* service delivery
  - put options, 190-92, 200<sup>nn12-13</sup>, 410
  - pyramid schemes, 93-94
- R**
- rating agencies, 142
    - and cash accounting, 137<sup>n8</sup>
    - criticism of, 141, 152<sup>n2</sup>
    - India, 424, 442<sup>n3</sup>
    - and information disclosure, 130
    - intercept analysis, 199<sup>n6</sup>
    - Philippines, 477
    - See also names of specific agency*
  - RDAs. *See* regional development accounts (RDAs), Indonesia
  - Real Plan, Brazil, 264
  - recapitalization bonds, Indonesia, 449
  - receivership processes, 164
  - recessions, Czech Republic, 505



- refinancing, 78, 96
- reforms
  - Brazil, 265-66
  - Bulgaria, 489-90
  - China, 378, 388-89
  - Czech Republic, 506, 519-21, 523*nn*14-17
  - Hungary, 532
  - Indonesia, 454-55
  - Russian Federation, 574
  - South Africa, 327-28
- regional development accounts (RDAs), Indonesia, 445-47, 448, 453, 454, 455, 458*nn*3-4
- regulations
  - Argentina, 225
    - Salta's bond issue, 245-46
  - China, 392
  - transparency, 308
  - Zimbabwe, 344-45
    - See also* laws and legal systems
- regulatory rating, 142
- reporting practices, 22-24, 130, 131-32*b*9.1, 144-45, 211, 213
  - Philippines, 480
  - Poland, 560
- repricing agents, 191, 200*n*12
- Reserve Bank of Zimbabwe, 339-40
- reserve requirements, 117-19*b*8.2
- reserves, as debt security, 108
- retirees, Brazil, 277*n*2
- revenue bonds, 50, 56*b*4.1
  - Indonesia, 448, 458*n*8
  - South Africa, 67*b*5.1
- revenue intercepts. *See* intercepts
- revenue obligations, 50-51
- revenues
  - Argentina, 222-24
    - City of Buenos Aires, 249
    - coparticipation, 230-32
      - percent absorbed by debt service payments, 228-29, 258*n*2
    - assignment of, 207
    - Bogota, 294-95
    - Brazil, 267-68, 269-70, 277*n*3
    - Bulgaria, 493, 497-98, 501*n*2
    - China, 378, 379-80
      - extra-budgetary funds, 380-81, 385*m*10-11, 396*n*13
      - highway tolls, 384
      - off budget, 382
      - relationship to GDP, 395*n*4
    - Colombia, 282-83, 298*n*2
      - fiscal balance as share of, 284, 284*f*16.1
    - Czech Republic, 506, 520, 523*n*14
    - decentralization of responsibilities for, 18-19
    - and government obligations, 50-51, 51*f*4.1
    - Hungary, 526, 530, 530-31, 530*f*29.1, 533, 537, 539, 541, 542-43*n*6
    - India, 415-16, 424
    - Indonesia, 451, 452
    - Korea, 401-3, 409
    - Mexico, 301, 302-3
    - Morocco, 356-57, 361
    - own-source, 493, 506, 530*f*29.1, 531, 537, 541, 550, 551*t*30.1, 552*f*30.1, 561
    - Philippines, 465, 466
    - pledge of, 65-66, 68, 75*n*8, 103, 110*n*13, 186-87

- Poland, 550, 551, 551*t*30.1, 552*f*30.1, 557-58, 561
- powers to raise, 66-68, 76*n*6, 267-68
- Russian Federation, 575
- South Africa, 318-20, 323
- St. Petersburg, 579
- Tunisia, 367
- used as debt security, 107*b*7.6
- from utilities, 137*n*12
- Zimbabwe, 342, 343*t*19.2
- See also* intergovernmental transfers
- revenue sharing schemes
  - Brazil, 267-68
  - Colombia, 282, 283-84
  - Indonesia, 452
  - Mexico, 302, 305, 310-11
  - Philippines, 463-64
  - Poland, 550
- revenue streams, 173
  - for paying debt service, 68, 70
  - and pledging of assets, 65-66
- Richards Bay, South Africa, 321, 322
- Rio de Janeiro, Brazil, 23, 277
- Río Negro, Argentina, 231
- risks
  - bond market, 471-72
  - budget constraints, 13-14
  - currency fluctuations on lending programs, 94
  - Czech Republic, 521
  - feasibility reports of, 72-73*b*5.3
  - perceptions of, 147
  - vs. return, 125
  - zero risk, 33*b*3.2
  - See also specific types of risk, i.e.,*
    - credit risk
- Romania, 86*n*4, 95, 116-17*b*8.1
  - access to financial information via Internet, 131-32*b*9.1
  - approval of subnational bonds, 94
  - binding nature of debt, 90*b*7.2
  - debt service limits, 101, 102*t*7.1
  - Government Debt Commission, 109*n*6
  - investments related to borrowing, 86*n*7
  - Law on Local Public Finance, 109*n*7
  - municipal bonds return, 124*b*8.4
  - municipal debt, 106*b*7.5
  - reporting information on debt, 162
  - teachers' salaries, 14*b*2.1
- Romanian Bankers Institute, 131-32*b*9.1
- royalties
  - hydrocarbon, 232, 236, 240-47, 258*n*6, 282
  - oil, 239
- rules-based model of controls, 25
- Russian Federation, 27*n*8, 116-17*b*8.1, 501*n*2
  - background, 571-73
  - fiscal management, 574-76
  - structure of, 573-74
  - subnational debt
    - credit ratings, 577, 578*t*31.1
    - from crisis to recovery, 590-91
    - early history of, 576-78, 591*nn*1-4
    - institutional framework for, 588-90
    - overview, 571-73
    - regulatory framework for, 573, 577, 586-88

- St. Petersburg, 578-90
- S**
- St. Petersburg, Russia, 572, 573, 590  
 administrative structure for debt service, 588, 589f31.3  
 background, 578-80  
 bond issues, 577, 591m2-3  
 from crisis to recovery, 590-91  
 debt by type, 580, 581t31.2  
 debt indicators, 580, 583t31.4  
 institutional framework for borrowing, 588-90  
 legal framework for borrowing, 586-88  
 structure of debt, 580, 582t31.3  
 trends in borrowing, 580-86  
 salaries. *See* wages  
 sales tax, Argentina, 222  
 Salomon Brothers International, 584  
 Salta, Argentina, 220, 236, 240-47  
 Salta Hydrocarbon Royalty Trust, Argentina, 232, 240-47  
 San Luis, Argentina, 226  
 San Pedro Sula, Honduras, sports complex, 72-73b5.3  
 Santa Fe de Bogota. *See* Bogota, Colombia  
 Santa Marta, Colombia, 282  
 Santander Norte, Colombia, 287  
 Santo Domingo, Philippines, 484n4  
 São Paulo, Brazil, bond sale, 85b6.2  
 savings  
   China, 387  
   Tunisia, 367, 368  
 savings bonds, 583, 589  
 secondary markets, 210  
 securities, methods of sale, 82-85, 86m3-4  
 Securities and Exchange Board of India, 423, 442n2  
 Securities and Exchange Commission, Philippines, 468, 481  
 Securities and Exchange Commission, U.S., 152-53n6, 189b12.5  
 securities markets, 4, 122-24, 128n3, 144, 155  
   China, 389  
   Indonesia, 458n5  
   and legal systems, 40-41  
   role of in provision of capital, 30-34, 43m2-3  
 securitization, of loan pools, 186-88, 200m7-9  
 security, 175-76, 206  
   definition, 121b8.3  
   dilution of, 70  
   and government credit pledge, 71, 72b5.3  
   in highway development investments, 385-86  
   Indonesia, 453  
   reserves as, 108  
   types of, 64-65  
 Security Commission, Romania, 124b8.4  
 self-supporting projects, 60, 70-71, 72-73b5.3, 75-76m7-12, 129, 475  
 Seoul, Korea, 400, 401, 409-10, 412n6  
 service delivery, 13  
   Argentina, 224  
   Brazil, 263  
   Bulgaria, 497

- China, 380, 393-94
- Czech Republic, 506
- Hungary, 526, 527, 530, 531
- India, 426-27, 429
- Indonesia, 445
- Morocco, 359, 362
- Philippines, 463-64, 473
- Poland, 548-49, 549, 550, 568
- South Africa, 320-22
  - and special district financing, 71, 73-74
  - subnational government as suppliers of, 39
- Tunisia, 366, 367
- Zimbabwe, 342-43
- Shanghai, China, bond financing
  - environmental improvements, 393-94
- Shanghai Urban Development Investment Corporation, China, 392
- Shanghai Water Assets Operation and Development Company, China, 394
- SLAs. *See* subsidiary loan agreements (SLAs)
- Small Enterprises Development Corporation, Zimbabwe, 340
- Smith, Charles, 109-10*n*9
- social indicators, Colombia, 282, 298*n*2
- social security systems
  - Argentina, 222-23
  - Philippines, 467
  - Poland, 569*n*1
- social services
  - China, 380
  - Lodz, 563
  - South Africa, 335*n*4
- SOE. *See* state-owned enterprises (SOEs)
- Sofia, Bulgaria, 94, 488, 489, 490
  - city government structure, 494-95
  - debt management, 498-500
  - economic development, 495-96
  - financial management of, 496-98
  - financial performance indicators for, 498*t*27.1
  - overview, 494
  - solicitation and bidding procedures, 207
- Sood, Pryanika, 413-42, 525-43
- South Africa
  - assessment of municipal debt vs. actual lending, 327-29
  - background, 313-15
  - and BIS ratios, 116-19*b*8.2
  - decentralization of, 108*n*1
  - enforcement of loan repayments, 178*b*12.2
  - and enterprise financing, 75*n*9
  - government as guarantor, 136*n*2
  - intergovernmental transfers, 319-20, 335*n*3
  - investments related to borrowing, 86*n*5
  - National Treasury, 319-20, 330-31, 333
  - pledges on utility operations, 129
  - rate-setting pledge in revenue bonds, 67*b*5.1
  - rating agencies in, 146-47
  - subnational debt
    - borrowing for capital investments, 320-27, 335*nn*4-8

- challenges to development of municipal debt market, 329-35, 336*m*10-12
- monitoring and intervention in, 159
- outstanding municipal debt by form, 326*f*18.2
- overview, 313-14
- potential size of municipal debt market, 324-27
- regulatory framework for, 328, 330-31, 336*n*10
- role in financing capital investments, 320-27, 335*m*4-8
- South America, 150
- sovereign debt. *See* debt
- sovereign guarantees, 21, 22, 24, 63
  - Brazil, 270
  - Colombia, 292
  - Indonesia, 88
  - South Africa, 146
  - See also* guarantees
- sovereign ratings, 144, 149, 538
- sovereign risk, Argentina, 227
- special district financing, 71, 73-74, 76*m*13-14
- special-purpose entities, 57-58, 59*b*4.2, 583-84, 589
- special service districts, 207
- spending. *See* expenditures
- sports complex, feasibility reports for, 72-73*b*5.3
- spreads, 83
- Standard & Poor's, 81, 84*b*6.1, 148
  - ASIA Ltd.'s rating, 151-52, 153*n*8
  - Bogotá's bond issue, 297
  - and bond insurance, 151
  - Buenos Aires bond issue, 251, 253, 255, 258
  - foreign currency sovereign ratings, 149*t*10.1
  - Hungary's rating, 533, 542*n*5
  - India, 442*n*3
  - Mexico credit ratings, 309
  - Russian Federation ratings, 577, 578*t*31.1, 591*n*3
  - Salta bond issue, 244
  - St. Petersburg ratings, 585, 586*t*31.5
  - subsovereign ratings, 149
  - Standard & Poor's Creditwatch, 148
  - stand-by loan facilities, 199*n*3
  - state-based loan funds, 175*b*12.1
  - state governments
    - India
      - borrowing powers, 421-22
      - financial impact of decentralization, 413, 427, 428*t*24.5, 428*t*24.6
    - Mexico, borrowing by, 304, 304*f*17.1
    - oversight and intervention in local government affairs, 156-58, 170*n*
  - state-owned enterprises (SOEs)
    - China, 388, 392, 395*n*3
    - Poland, 548, 549
  - stock exchanges, 31, 32-33, 577
    - China, 389
  - transitioning economies, 122-24, 128*n*3
- subnational debt, 2, 7*n*7
  - Argentina
    - City of Buenos Aires bond issue, 247-53, 259*n*10
    - collateral for borrowing,

- 230-32, 258*nn*5-6
- debt service, 228-29, 258*n*2
- experience with bonds, 232-37, 258*n*7
- impact of devaluation on, 229-30
- overview, 219-20, 225-28, 258*nn*3-4
- Province of Buenos Aires
  - bond program, 253-58
  - provincial debt swaps, 226, 229
- recent developments in finance, 237-39, 259*n*8
- regulatory framework for, 225, 258*n*2
- viability of subnational bonds, 239-40
- authorizing and approving of, 89-94
- backing of, 63
- Brazil
  - overview, 261-63
  - recurring crises, 271-73, 278*n*6
  - regulatory framework for, 269-71, 277*n*3, 278*nn*4-5
  - as share of GDP, 273, 274*f*15.2
  - subnational credit market, 273-77
- Bulgaria
  - debt management in Sofia, 498-500
  - local government finances, 491-94
  - overview, 487-88
- China
  - overview, 375-77
  - powers and arrangements for, 383-86, 396*nn*14-18
  - classification of, 49-52, 52-55, 62*n*3
  - Colombia, 286-87, 298*n*3
    - overview, 279-81
    - regulatory framework for, 285, 286, 286*t*16.1, 290-91
  - Czech Republic, 135*b*9.3
    - borrowing by municipalities, 511-15
    - fiscal imbalances and debt accumulation, 508-11, 522*n*4, 522-23*nn*6-8
    - and fiscal management, 506-8, 522*nn*2-3
    - management of, 515-19, 523*nn*11-13
    - options for reform of, 519-21, 523*nn*14-17
    - overview, 503-4
    - regulatory framework for, 520-21
  - as destabilizing element, 19-20
  - features of, 49
  - formulating and enforcing interventions in, 162-70
- Hungary
  - Budapest bond issue, 537-38, 539*t*29.1, 543*n*8
  - evolution of domestic capital markets, 531-37, 542-43*nn*4-7
  - impact of decentralization on, 529-31
  - municipal debt financing, 535-37, 542-43*nn*6-7
  - overview, 525-26
  - Pecs bond issue, 538-41,

- 543*nn*9-10  
 prospects for larger municipal credit market, 541-42  
 implications of legal system for, 42-43, 45*n*12
- India  
 decentralization and government borrowing, 421-22  
 functional and fiscal decentralization, 418-20, 442*n*1  
 overview, 413-16  
*See also* Tamil Nadu Urban Development Fund, India
- Indonesia, 88  
 characteristics of, 445-47, 458*nn*3-4  
 factors shaping credit market, 447-51, 458*nn*5-6  
 integration of loans and grants, 455-57, 458-59*nn*11-14  
 overview, 443-44  
 prospects for, 457-58  
 regulatory framework for, 453-54, 458*nn*8-9  
 issuance of in private markets, 52-53
- Korea  
 central government domination of, 403-4, 412*n*2  
 fiscal autonomy in, 401, 411-12*n*1  
 overview, 399-400  
 prospects for stronger credit markets, 410-11  
 regulatory framework for, 402-3, 404-6, 412*nn*3-4  
 revenue sources, 401-3  
 and macroeconomic stability, 16-17, 26-27*n*4
- Mexico, 304, 304*f*17.1  
 overview, 299-300, 303-4, 304*f*17.1  
 profile in mid-1990s, 305-6  
 recent experience, 309-12, 312*n*5  
 regulatory framework for, 307-9  
 relief programs, 306-7
- Morocco  
 issues in borrowing, 358-59  
 municipal development funds, 370-74  
 overview, 355-57  
 private financial institutions, 363-64  
 regulatory environment, 359-60  
 role of bond market in, 364  
 types of borrowing, 360-61  
 national government approval of, 93-94, 108-9*n*2
- Philippines  
 lending to local governments, 465-68, 484*nn*1-2  
 local governments' access to credit markets, 475-77, 479-83, 485*n*11  
 local governments' repayment performance, 470, 485*n*6, 485*n*8  
 overview, 461-62  
 revenues pledged as security for, 110*n*16
- Poland  
 financial reporting, 560

- key definitions for, 557-60, 570*m*11-12
  - Krakov bond issue, 567-68
  - outlook for borrowing, 554-57
  - overview, 545-46, 554
  - Poznan borrowing controls, 568-69
  - regulatory framework for, 556, 557
  - Szczecin commercial bank credit, 565-67
  - trends in borrowing, 554-55
  - Wroclaw's deficit management, 561-63
  - politics and media influence on borrowing decisions, 91-92*b*7.3, 91-92*n*7.3
  - from private credit markets, 175*b*12.1
  - Russian Federation
    - credit ratings, 577, 578*t*31.1
    - from crisis to recovery, 590-91
    - early history of, 576-78, 591*m*1-4
    - institutional framework for, 588-90
    - overview, 571-73
    - regulatory framework for, 573, 577, 586-88
    - St. Petersburg, 578-90
  - South Africa
    - challenges to development of municipal debt market, 329-35, 336*m*10-12
    - outstanding municipal debt by form, 326*f*18.2
    - overview, 313-14
    - potential size of municipal debt market, 324-27
    - regulatory framework for, 328, 330-31, 336*n*10
    - role in financing capital investments, 320-27, 335*m*4-8
  - Tunisia
    - constraints on access to investment finance, 369
    - overview, 365-68
    - role of credit in financing, 358-69
    - by type of entity, 55, 57-58
  - United States, 108-9*n*2
  - Zimbabwe
    - borrowing by local governments, 344-50
    - design of municipal debt, 347-48
    - funding sources, 342-44
    - overview, 337-38
- See also* borrowing; debt
- subnational governments, 1, 6-7*n*5
  - Argentina, 220
    - allocation of responsibilities among, 224*t*14.1
    - revenue sources, 222-24
  - and bond banks, 188-90, 200*m*10-11
  - borrowing authority, 87-94, 108-9*n*1-2
  - central government's system of monitoring of, 161-62
  - cooperation among, 58, 60-61, 62*n*5
  - credit ratings, 142, 144-46, 152*m*3-4
  - creditworthiness of, 54-55, 61*n*3



- dependence on transfers, 69b5.2
  - distinctions among, 55, 56b4.1
  - fiscal capacity and financial acumen of, 52-55
  - impact of fiscal conduct on national government, 16-17, 26-27n4
  - Poland
    - Lodz budget, 563-65
    - structure of, 550, 551t30.1
  - politics and credit markets, 89b7.1
  - recovery from insolvency, 165
  - restructuring of, 60-61b4.3
  - role of financial markets in borrowing, 38-40
  - technical assistance to, 174-75, 199n1
  - United States, 55
  - See also* local governments; municipalities
  - subsidiarity principle, 11-12, 529, 542n3
  - subsidiary loan agreements (SLAs),
    - Indonesia, 446-47, 448, 453, 454, 455, 458n4
  - subsidies, 71, 75-76n12
    - Bulgaria, 491
    - cross-subsidies, 75n10, 201-2n20, 459n12
    - forms of, 193
    - Indonesia, 456, 459nn13-14
    - means testing of, 197
    - Russian Federation, 574
  - Sweden, 137n11
  - Szczecin, Poland, 550, 565-67
- T**
- Tamil Nadu, India
    - borrowing powers, 427-29
    - decentralization, 413, 427, 428t24.5, 428t24.6
    - overview, 426
    - urban infrastructure, 426-27, 442n4
  - Tamil Nadu Urban Development Fund, India, 36, 185-86b12.4, 429
    - assessment of, 437, 438b24.2
    - funding approvals and disbursements, 433, 434f24.1
    - lending policies and terms, 432-33
    - lessons and conclusions, 439-42
    - overview, 430-32
    - performance of fund, 433-34, 436
    - recent projects financed by, 435-36b24.1
    - value of capital works, 433, 434f24.2
  - Tamil Nadu Urban Development Project, India, 414-15, 425
  - Tamil Nadu Urban Infrastructure Financial Service Ltd., India, 185-86b12.4, 431
  - tariff rates, 67b5.1
  - taxation, 27n8
    - Argentina, 222
    - Brazil, 267-68
    - Bulgaria, 493, 497
    - China, 378, 379, 380, 395n3, 395nn6-7, 396n15
    - Colombia, 282, 283
    - communist system, 75n6
    - Czech Republic, 506
    - emerging economies, 182

- guidelines for under decentralization, 18-19
- Hungary, 525, 528, 530, 542*n*4
- India, 416
- Korea, 402
- linked to benefits provided, 17
- Mexico, 303
- motor fuel, 75*n*8
- municipal bonds, 35, 44*n*8
- Philippines, 463, 469, 480-81, 481-82, 484*n*4
- Poland, 550
- revenues as debt security, 105
- setting tax rates to service debt, 66-68
- South Africa, 319, 322-34, 335*n*7
- St. Petersburg, 584, 591*n*6
- tax laws, 126
- Tunisia, 370
- utility consumption, 75*n*5
- Zimbabwe, 342
- tax-structured transactions, 335-36*n*9
- technical assistance, 174-75, 199*n*1
  - and market analysis, 197-98, 201-2*nn*19-21
  - Philippines, 473-74
  - Poland, 553-54, 569*n*6
- technology, and reporting process, 130, 131-32*b*9.1
- tender options, 190-92, 200*nn*12-13
- Tierra del Fuego, Argentina, 236
- Titov, Stepan, 571-91
- titulo valor* instruments, 121*b*8.3
- toll roads, India, 435-36*b*24.1
- total debt ratio, 520, 523*nn*15-16
- trade
  - Bulgaria, 496
  - liberalization of, 1, 6*n*3
  - traffic light law, Colombia, 187, 285, 286, 286*t*16.1
  - transfers. *See* intergovernmental transfers
  - transitioning economies, 2, 7*n*6
    - banks and bond markets, 35
    - bond banks, 189-90
    - capital markets in, 531
    - commercial banking in, 116-17*b*8.1
    - credit sources, 36
    - monitoring and intervention in subnational finances, 160-61, 171*n*6
    - stock markets in, 122-24, 128*n*3
  - transmuted bonds, 59*b*4.2, 383
  - transparency, 17, 277
    - China, 393
    - Czech Republic, 504, 515
    - and financial management, 22-24
    - Mexico, 308
    - Poland, 553
  - treasury bills
    - Indonesia, 450
    - Philippines, 467, 481
    - Russian Federation, 576
    - Zimbabwe, 340
  - treasury bonds, 390
  - Trelles Zabala, Rodrigo, 219-59, 261-78, 279-98
  - trustees, 165, 166-67*b*11.2
  - trust escrow accounts, 231, 258*n*5
  - trusts, 69*b*5.2
    - Indonesia, 453-54, 458*n*8
    - offshore, 143
  - Tucumán, Argentina, 234
  - Tunisia
    - background, 365-68

- framework for operations of municipal development funds, 370-74
  - role of municipal development funds in, 369-70
  - subnational debt
    - constraints on access to investment finance, 369
    - overview, 365-68
    - role of credit in financing, 358-69
  - turnover tax, 126
- U**
- Ukraine, investments related to borrowing, 86*n*6
  - uncertain decentralizers, 488, 501*n*1
  - unconditional transfers, 222-24
  - underwriters and underwriting, 82-83, 84*b*6.1, 85*b*6.2
    - Czech Republic, 512*t*28.2
    - Philippines, 471, 472
  - United Kingdom, 336*n*336
  - United States, 336*n*336
    - appropriations, 74*n*2
    - approval of subnational debt, 108-9*n*2
    - banking systems, 35
    - and BIS credit factors, 116-19*b*8.2
    - bond banks, 188, 189*b*12.5, 200*n*10
    - bond insurance, 150
    - bonds sold in, 56*b*4.1
    - corporate securities, 127*n*3
    - debt, 56*b*4.1
    - debt maturities, 86*n*3
    - differentiation of subnational governments, in, 55
    - disclosure information, 136*n*4
    - enterprise revenue bond, 75*n*7
    - financial market system, 30
      - and guarantees, 136*n*2
    - local school financing, 69*b*5.2, 199*n*6
    - marketing of Salta bond issue in, 245
    - money bonds, 258*n*7
    - municipal bond markets, 35, 44*n*6
    - oversight and intervention of states in local government affairs, 156-58, 170-71*nn*1-5
    - reforms in financial system, 39, 44*n*10
    - revenue bonds, 50, 75*n*8
  - U.S. Agency for International Development (USAID), 424-25, 472, 474, 485*n*13, 523*n*11
  - user charges, 70, 197-98, 384, 396*n*15
  - utilities industries
    - Argentina, Province of Buenos Aires, 254-55
    - and grant-loan integration, 195
    - Indonesia, 448, 458*n*6
    - local government borrowing for, 158, 170-71*nn*4-5
    - Philippines, 465, 466-67
    - public-private financings, 51-52
      - as revenue pledge, 66, 75*n*5
    - revenues from, 137*n*12
    - South Africa, 129, 318
    - and subsidies, 71, 75-76*n*12
    - tax on users, 70

use of government guarantees as financing device, 108  
utility-specific pledge, 70  
Uttar Pradesh, India, 420

## V

Valadez, Miguel, 299-312, 545-70  
Valle de Cauca, Colombia, 287  
value added tax  
  Argentina, 222  
  Brazil, 267, 268  
  China, 379  
  Mexico, 302  
  Poland, 569n3  
Varley, Robert, 202n21, 459n13  
Varna, Bulgaria, 490  
Velez, Alvaro Uribe, 281  
Veterans Bank, Philippines, 484n1  
Vichada, Colombia, 284  
Vietnam Law on the State Budget, 109n7  
voting requirements, authorization to borrow, 91, 92

## W

wages  
  Poland, 557  
  teachers' salaries in Lodz, 563  
  teachers' salaries in Romania, 14b2.1  
Warsaw Stock Exchange, 553  
Washington, D.C., financial control board, 157  
Washington Consensus, 6n3  
Washington State Power Supply System, 158  
Water and Sanitation Pooled Fund, India, 440, 441f24.10

White, Roland, 337-53  
World Bank, 221, 584, 585  
  Argentine privatization program funding, 258n4  
  grants to Brazil, 273  
  Local Government Finance Development Fund, 474  
  Philippine Municipal Development Fund, 473  
  proposed initiatives for Brazil's credit market, 276  
  report on borrowing in Russia, 577  
  report on capital grants, 201n17  
  report on devolution of countries, 11  
  review of Zimbabwe financial sector, 341  
Shanghai environmental program, 393-94  
Tamil Nadu Urban Development Fund equity line, 436  
Wroclaw, Poland, fiscal debt management, 561-63

## Z

zero bonds, 80  
Zimbabwe  
  assets of deposit-taking institutions, 339f19.1  
  background, 337-38  
  institutional framework for financial sector, 338-41, 353n1  
  intergovernmental relations, 341-42  
  intergovernmental transfers, 343

- subnational debt
  - borrowing by local governments, 344-50
  - design of municipal debt, 347-48
  - funding sources, 342-44
  - overview, 337-38
- Zimbabwe Development Bank, 340
- Zimbabwe Stock Exchange, 349



Within the framework of increasing decentralization, the need for local governments to access financial markets is growing. As urbanization expands, local authorities need to provide more services with fewer resources from the central government. Subnational borrowing—leveraging reliable cash flows—and prudent fiscal management can be alternatives to fund such investments, especially when the useful life of the service is long and an adequate legal framework is in place to ensure fiscal and financial stability.

This book, prepared by staff members of the World Bank and selected guest contributors, consists of two parts. The first part comprises a framework to study subnational governments as borrowers and the array of credit markets in which they may operate. The second part consists of case studies that document the recent experience of 18 countries in developing markets for subnational borrowers and offer lessons about fostering responsible credit market access within a framework of fiscal and financial discipline. The book pools information on the issuing of municipal debt and its characteristics, analyzes the role of macro-economic conditions and market development in the success or failure of those borrowings, and suggests recommendations to guide ongoing efforts. The goal is to assist local governments in working as strategic partners in the development and strengthening of the capital markets in emerging economies.

**OXFORD**  
UNIVERSITY PRESS



**THE WORLD BANK**



ISBN: 0-8213-5464-7