



# **Ninth UNCTAD Debt Management Conference**

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## **Debt Sustainability: After HIPC Initiative and the Global Crisis**

by

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# **Debt Sustainability: After HIPC and the Global Crisis**

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# Overview

- Introduction: converging trends
- Challenges in debt management
- Four pillars of sustainable public debt
- Conclusion



# Introduction

- **Converging trends:**
  - LICs: generally lower debt levels post-HIPC, improved access to international capital markets
  - Advanced Market Economies: increase in debt levels post-crisis, partly unsustainable debt levels
- **Similar challenges in debt management!**



# Challenges in debt management

- Asset and liability management, medium-term planning
- Inter-agency coordination
- Reliability of data and transparent communication
- Managing interdependence



# Pillars of sustainable debt management

- Sound fiscal policies
  - Coordinated policies across agencies
- Know your liabilities
  - Data recording, management, reporting
- Sound debt management strategies
  - Cost-risk calculations, liquidity management
- Fiscal risk management
  - Contingent liabilities, natural disasters



# Conclusion

- A comprehensive approach to debt management
- Sequencing and prioritisation: basics matter
- No shortcut to benefitting from diversity of financing