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Debt Sustainability: After HIPC Initiative and the Global Crisis

by

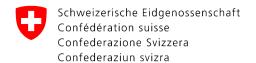
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Swiss Confederation

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IX UNCTAD Debt Management Conference, November 12, 2013

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Overview

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

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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

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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