



# **Eighth UNCTAD Debt Management Conference**

Geneva, 14 - 16 November 2011

## **Countries' Perspectives on Capacity Building Needs in Debt Management**

by

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD



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*8<sup>th</sup>. UNCTAD DEBT MANAGEMENT  
CONFERENCE*

*14/16 November 2011, Geneva*

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***The complexity of managing a debt in "default" setting "exceptions"***

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*DMFAS was the tool that allowed us to handle:*

*Exponential growth in the number of creditors coming within the various "exceptions"*

*Implementation of financial instrument indexed by various indicators*

*Registration process of successive restructurings of debt in bonds and loans.*

## Overall Results (in millions of U.S. dollars)

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Eligible debt +  
interest arrears

102.566

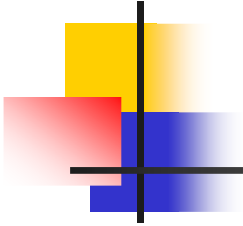
Restructured Debt

35.238

Difference

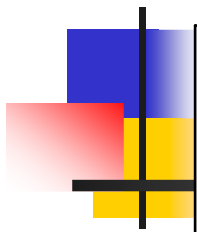
**67.328**

**65,6%**

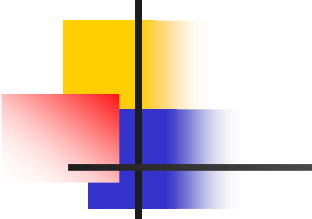


## **INDICATORS OF PUBLIC DEBT SUSTAINABILITY**

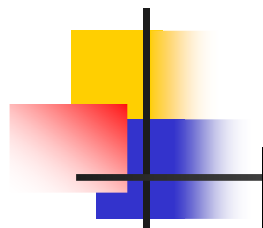
		Indicators	2001	2005 (*)	4to.Q 2010 (*)
<b>As a % DEL of GDP</b>	<b>Gross Public Sector Debt</b>	53,7%	73,9%	45,3%	
	<b>Debt External Public Sector</b>	31,5%	34,8%	16,9%	
	<b>Total Interes Paid</b>	3,8%	1,9%	1,5%	
	<b>Total Paid Services of public debt</b>	15,3%	11,9%	9,3%	



## **INDICATORS OF PUBLIC DEBT SUSTAINABILITY**



		2001	2005	2010
<b>As a % of the gross debt</b>	<b>Foreing currency debt</b>	<b>96,9%</b>	<b>51,4%</b>	<b>58,8%</b>
	<b>Indexed Debt by CER</b>	-	<b>41,5%</b>	<b>23,2%</b>
	<b>Total Interest Paid</b>	<b>7,1%</b>	<b>2,6%</b>	<b>3,4%</b>
	<b>Variable Rate Debt</b>	<b>32,1%</b>	<b>35,7%</b>	<b>30,9%</b>
	<b>External Public Sector Debt</b>	<b>58,6%</b>	<b>47,1%</b>	<b>37,2%</b>
	<b>Principal services – Maturity 2 years</b>	<b>29,0%</b>	<b>26,6%</b>	<b>20,9%</b>



		2001	2005	2010
<b>Average life of the Gross Debt</b>		8,31	12,29	11,03
As a % of Reserves	Foreign currency debt	706,4%	236,8%	185,2%
	External Debt of the Public Sector	427,3%	217,0%	117,3%
As % of Exports	Foreign currency debt	448,5%	141,4%	118,4%
	External Debt of the Public Sector	271,3%	129,6%	75,0%
As % of tax incomes	Total Interest Paid	21,9%	8,5%	5,4%
	Total Services Paid	88,3%	52,2%	32,7%

(\*) This calculation does not include the holdouts.

(\*\*) Restructuring of debt in bonds.

## NATIONAL PUBLIC SECTOR DEBT NOT EXCHANGED

Data to 31/12/2010

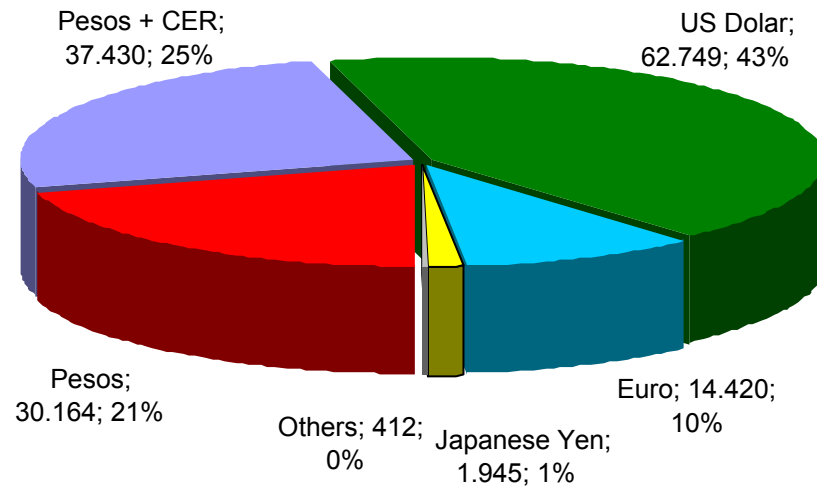
	Thousands of u\$s	Thousands of \$
<b>I- DEBT NOT EXCHANGES - GROSS ( II + III )</b>	<b><i>11.218.320</i></b>	<b><i>44.604.039</i></b>
<b>II- CAPITAL</b>	<b><i>6.808.893</i></b>	<b><i>27.072.160</i></b>
- Local currency	198.824	790.523
- Foreing currency	6.610.070	26.281.636
<b>III- INTEREST (*)</b>	<b><i>4.409.426</i></b>	<b><i>17.531.879</i></b>
- Local currency	9.359	37.210
- Foreing currency	4.400.068	17.494.670
<b>IV- FINANCIAL ASSETS (**)</b>	<b><i>144.025</i></b>	<b><i>572.642</i></b>
<b>V- DEBT NOT EXCHANGED -NET- ( I - IV )</b>	<b><i>11.074.295</i></b>	<b><i>44.031.397</i></b>



# Currency composition of public debt 31-12-09 vs 31-12-10 (\*)

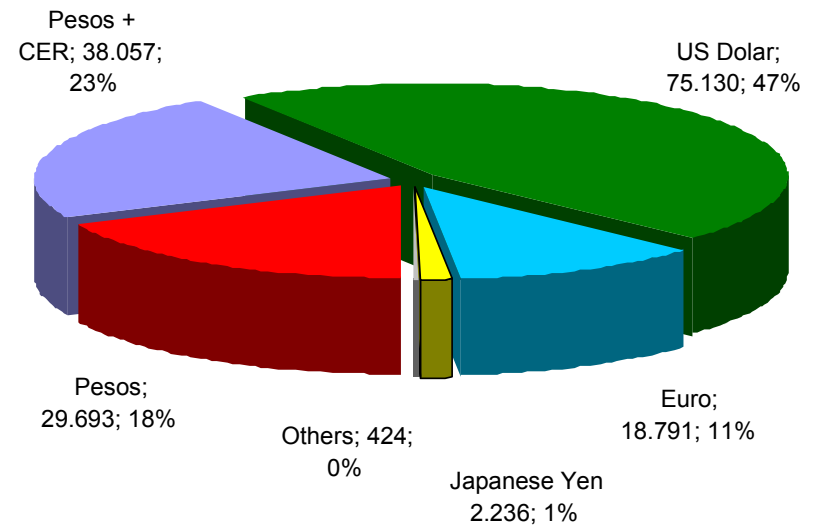
Debt at 31-12-09 - U\$S 147.119

(U\$S Millions)



Debt at 31-12-10 - U\$S 164.330

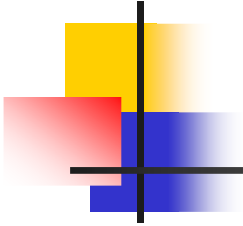
(U\$S Millions)





**CUADRO II**

	31-12-09			31-12-10		
	en mill de U\$S (a)	% Total	% FIB	en mill de U\$S (b)	% Total	% FIB <sup>(1)</sup>
<b>Deuda Pública Nacional Bruta</b>						
Agencias del Sector Público <sup>(1)</sup>	70.269	47,8%	23,3%	76.973	46,8%	21,4%
Multilaterales y Bilaterales (Situación de Pago Normal)	17.160	11,7%	5,7%	17.746	10,8%	4,9%
Club de París <sup>(1)</sup>	6.209	4,2%	2,1%	6.298	3,8%	1,8%
Sector Privado	53.481	36,4%	17,7%	63.314	38,5%	17,6%
<b>Total Deuda Pública</b>	<b>147.119</b>	<b>100%</b>	<b>48,8%</b>	<b>164.331</b>	<b>100%</b>	<b>45,8%</b>



## ***Additional uses DMFAS***

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### ***Record assests – RECAC***

*DMFAS allows the recording of financial assets that are generated by public debt operations*

*Examples:*

*Loans from multilateral organizations that are derived (redirected) to subnational governments;*

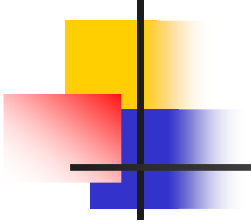
*Monitoring Compliance with the principal debtor of the debts backed by the National Treasury and other contingent liabilities*

# *Requirements of the Debt Management in Argentina*

- **Completing the installation of Version 6**
- **Implementing the “Auditing Module”, which allows the recording of a transaction with a value date in the past, without changing the balance to date of the last record.**
- **Transferring automatically debt data from DMFAS to other utilities (Example: access) for the production of debt statistics.**

## **Assistance:**

- **The reengineering of the National Public Credit Office**
- **Assistance in the development of a debt strategies. Explore possibilities of setting goals, terms, interest rates and other indicators that enable the debt office to incorporate a process of "managing for results" as the goal of maximum transparency ("accountability).**
- **The development of software enhancements (in use in several countries of Latin America) that interconnects the public credit system with other systems that comprise the Integrated Financial Management (Accounting, Budget and Treasury)**
- **The implementation of DMFAS in subnational governments**
- **The development of software that enables the interconnection of DMFAS, as asset management tool, as part of an Integrated Financial Management System.**



***END***