

Foreword

A government's debt stock is usually the largest financial portfolio in the country. It often contains complex financial structures and can create substantial balance sheet risk for the government. Several debt market crises have highlighted the importance of sound debt management practices and the need for efficient and sound capital markets. Improved debt management will reduce a country's vulnerability to economic and financial shocks and support the environment for growth.

The *Accompanying Document and Selected Case Studies* complements the IMF and World Bank's *Guidelines for Public Debt Management*, which were endorsed by the International Monetary and Financial Committee and the Development Committee at their spring 2001 meetings. It illustrates the variety of approaches taken by 18 countries from different parts of the world, and at different stages of economic and financial development, to develop their public debt management practices in a manner consistent with the *Guidelines*. The

experience of these countries should offer some useful practical suggestions of the kinds of steps that other countries could take as they strive to build their capacity in public debt management.

In line with the process adopted for the *Guidelines*, the preparation of the *Accompanying Document and Selected Case Studies* has sought to ensure that the description of individual country practice and the lessons learned are well grounded. To this end, the case studies were prepared by government debt managers with the coordination of staff from the IMF and the World Bank. IMF and World Bank staffs also prepared Part I of the document, which summarizes key lessons from the case studies. Two formal rounds of consultations were held with the country officials who prepared the case studies, and an outreach conference organized by IMF and World Bank staffs was held in Washington in September 2002 so that the country officials could meet to discuss the lessons drawn from the case studies and the book as a whole.

Anne Krueger
First Deputy Managing Director
International Monetary Fund

Jeffrey Goldstein
Managing Director
The World Bank

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