

Foreword by the National Treasury Secretariat

It is a great pleasure to introduce this book, which took shape as the fruit of a productive partnership between the Brazilian National Treasury and the World Bank. As can be seen in its very first lines, the book offers readers an in-depth view of Brazil's experience in managing its public debt. To that effect, the authors focused on the role of good debt management in reducing the costs and risks of government liabilities, and described the National Treasury's institutional evolution, along with that of Brazil's capital market - which were both key to achieving today's results.

Brazil is profoundly committed to transparency and sound public debt management practices. These objectives can only be attained through prudent fiscal policies that eliminate uncertainties about the sustainability of the debt. As said before, it was within this framework that the National Treasury has sought to manage the Federal Public Debt (FPD) in ways that would minimize its financing costs and reduce risks to prudent levels.

Over the past 10 years, Brazil has strengthened these practices so impressively that in early 2008, already with the perspectives of a strong financial crisis in the world ahead, the main rating agencies assigned Brazil the investment grade. It is also worth noting that, despite the serious financial crisis that actually erupted in 2008 - indeed, the worse since 1929 - Brazil's credibility with domestic and international investors remains high. The country's success in efficiently managing its public debt has also contributed to achieving macroeconomic stability, which allows us to envision a better future for all Brazilians.

The gains in this area are due mostly to the efforts of the National Treasury's technical team, whose high skill levels and commitment have allowed Brazil to be recognized as an international benchmark in public debt management.

We believe this book will help investors, financial analysts, rating agencies, researchers, journalists and our citizens better understand the country's public debt from its origin to the current state of the art. Moreover, we hope that other countries can find elements in the Brazilian experience that contribute to their own domestic debates and add interesting ideas to discussions among public debt managers around the world.

With innovative ideas like this, the National Treasury contributes to strengthen institutions and improve public management in Brazil. Producing this book was an integral part of that ongoing process, as it presents the unique experiences of current and former dedicated employees, along with other collaborators, who chronicle the rich history of debt since the 16th century and describe the concepts, institutional advances, development of the capital market, the creation of the Treasury Direct program and the Brazilian framework to manage public debt. Together, these features offer a pioneering publication that contributes to knowledge and understanding of an area that had not been previously explored.

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