



Ministry of Finance
Public Debt Office

2013 Annual Financing Plan

Santo Domingo, Distrito Nacional



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Introduction

The main purpose of the 2013 Annual Financing Plan is to present the financing requirements and the issuance strategy of external and domestic debt of the Central Government for 2013, which is consistent with the Medium-Term Debt Management Strategy, and the financing sources approved by the Public Debt Council.

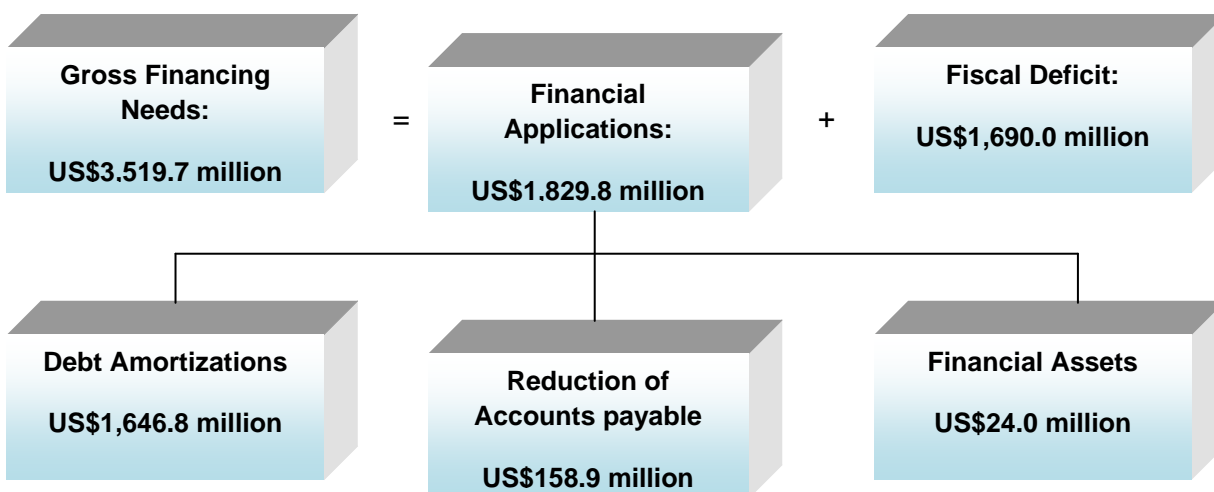
The Annual Financing Plan is not only a tool for planning, but one for increasing transparency, and the predictability in the country's debt management.

This document presents an estimate of the gross borrowing requirements for the year 2013, describing the characteristics of the new funding in terms of financing sources (external and domestic), instruments and maturities, among others; as well as the estimate of the Central Government debt outstanding balance for the end of the year given the financing and the amortizations stipulated in the 2013 budget.

I. 2013 Gross Financing Needs

The National Budget Law for 2013 stipulates a gross financing requirement of US\$3,519.7 million (RD\$146,421.1 million)¹, equivalent to 5.9% of the estimated GDP for the year². This amount is the result of a fiscal deficit of US\$1,690.0 million (RD\$70,302.0 million), plus financial applications for US\$1,829.8 million (RD\$76,119.1 million), equivalent to 3.1% of GDP.

Chart 1: Financing Needs



Source: Public Debt Office, Fiscal Policy Unit and Budget Office.

IA. Issuance Strategy 2013

Identified financing sources are described below:

External Financing

Of total financing needs, an amount of US\$2,389.7 million (RD\$99,412.7 million) would be from external sources, which will be used to finance public investment projects as well as budgetary support.

¹ Converted at average exchange rate of RD\$ / US\$ = 41.6
² Nominal GDP RD\$2,490,972.7 million (US\$59,879.2 million).



Table 1: Financing Needs and Sources 2013

Figures in million and as % of GDP

	RD\$	US\$	% GDP
GROSS FINANCING NEEDS	146,421.1	3,519.7	5.9%
I. Fiscal Result	(70,302.0)	(1,690.0)	-2.8%
1. Total Income	384,425.3	9,241.0	15.4%
2. Total Expenditures	454,727.3	10,930.9	18.3%
II. Financial Applications (3+4+5)	76,119.1	1,829.8	3.1%
3. Public Debt Amortization	68,507.1	1,646.8	2.8%
<i>External Debt</i>	<i>46,472.1</i>	<i>1,117.1</i>	<i>1.9%</i>
<i>Domestic Debt</i>	<i>22,035.0</i>	<i>529.7</i>	<i>0.9%</i>
4. Reduction of Accounts Payable	6,612.0	158.9	0.3%
5. Financial Assets	1,000.0	24.0	0.0%
FINANCING SOURCES	146,421.1	3,519.7	5.9%
External Financing	99,412.7	2,389.7	4.0%
<i>Multilaterals, Bilaterals, Commercial Banks (Investment Projects)</i>	<i>18,583.9</i>	<i>446.7</i>	<i>0.7%</i>
<i>Global Bonds</i>	<i>41,600.0</i>	<i>1,000.0</i>	<i>1.7%</i>
<i>Budgetary Support</i>	<i>39,228.8</i>	<i>943.0</i>	<i>1.6%</i>
Bilaterals	27,040.0	650.0	1.1%
<i>Petrocaribe</i>	<i>27,040.0</i>	<i>650.0</i>	<i>1.1%</i>
Multilaterals	12,188.8	293.0	0.5%
<i>IADB</i>	<i>8,860.8</i>	<i>213.0</i>	<i>0.4%</i>
<i>WB</i>	<i>3,328.0</i>	<i>80.0</i>	<i>0.1%</i>
Domestic Financing	47,008.3	1,130.0	1.9%
<i>Domestic Bonds</i>	<i>45,208.3</i>	<i>1,086.7</i>	<i>1.8%</i>
<i>Administrative Debt Bonds</i>	<i>1,800.0</i>	<i>43.3</i>	<i>0.1%</i>

Source: Public Debt Office, Fiscal Policy Unit, Budget Office.

Public Investment Projects

Financing for investment projects from multilateral and bilateral entities as well as international commercial banks, will total US\$446.7 million (RD\$18,583.9 million), which will be disbursed through existing financing contracts as well as new loans contracts to be approved during the fiscal year 2013. These new loans contracts will be mainly aimed to finance projects already in execution as well as new public investment projects.

Global Bonds

In order to increase the maturity of the portfolio and to structure the future maturity profile of the debt service leveling monthly payments, the medium-term debt management strategy provides an increase in market securities within the debt portfolio. In this sense, the Financing Plan contemplates the placement of global bonds in international markets for an amount of US\$1,000.0 million (RD\$41,600.0 million) to be placed at the most favorable conditions for the country to a minimum term of five (5) years.



Budget Support

Budget support financing is estimated at US\$943 million (RD\$39,228.8 million) for 2013:

- Petrocaribe Agreement: US\$650.0 million (RD\$27,040.0 million)
- Multilateral Institutions: US\$293 million (RD\$12,188.8 million):
 - Inter-American Development Bank (IADB): US\$213 million (RD\$8,860.8 million)
 - International Bank for Reconstruction and Development (IBRD): US\$80.0 million (RD\$3,328.0 million)

Resources via the Petrocaribe Agreement provide long term (23 years) and low interest rate (1.0%) concessional financing. Financing from multilateral agencies (IADB and IBRD) is also long-term debt and provides flexibility in adapting the principal repayments to the desired profile structure, as well as interest rates conversion options; the IMF debt is medium-term financing at low interest rates.

Domestic Financing

The Central Government stipulates to receive financing from domestic sources for an amount of US\$1,130.0 million (RD\$47,008.3 million) through bond issuance in the local debt market and the issuance of administrative debt bonds.

Domestic Bonds

As part of the strategy to increase the maturity of domestic debt and within the Program for Domestic Bond Issuances and the strategy for development of the public debt's local market, the Annual Financing Plan contemplates the issuance and allocation of bonds through public auction, with maturities of 5, 10 and 15 years. The coupons will be determined according to the evolution of the main macroeconomic variables of the financial market.

Administrative Debt

The financing plan also stipulates a bond issuance of US\$43.3 million (RD\$1,800.0 million) to pay non-covered commitments with local suppliers contracted prior to the Public Debt Law, No. 6-06, upon the validation of the Domestic Public Debt Evaluation Commission.



II. 2013 Public Debt Balance

The balance of the Central Government's debt at the end of 2013 is estimated to total US\$21,807.4 million, representing 36.4% of the estimated GDP for the year.

This amount is calculated by adding the balance of the Central Government's debt at 2012 of US\$19,121.9 million, the gross financing in 2013 of US\$3,519.7 million, plus the allocation of Central Bank recapitalization bonds of US\$1,232.5 million and subtracting principal amortizations for US\$1,646.8 million and negative exchange rate variation for US\$419.9 million.

Table 2: 2012-2013 Central Government Debt Balance Variation
Figures in US\$ million

I. 2012 Central Government Debt Balance	19,121.9
II. Liabilities Increment	4,752.2
1. Fiscal Deficit Financing (+)	1,690.0
2. Debt Amortization Financing (+)	1,646.8
3. Reduction of Accounts Payable (+)	158.9
4. Financial Assets (+)	24.0
5. CB Recapitalization Bonds (+)	1,232.5
III. Central Government Sub-Total Debt (I + II)	23,874.1
IV. Liabilities Reduction	1,646.8
5. Debt Amortization (-)	1,646.8
<i>External Debt</i>	1,117.1
<i>Domestic Debt</i>	529.7
6. Principal Waivers (-)	-
V. Exchange Rate Variation	(419.9)
VI. 2013 Central Government Debt Balance (III - IV - V)	21,807.4
VII. Gross Financing	3,519.7
VIII. Net Financing	1,690.0

Source: Public Debt Office

The Non-Financial Public Sector debt is estimated to represent 36.6% of the estimated GDP at end 2013.



Annex I – Disbursements Program by Project

Institution/ Beneficiary	Creditor	Original Budget	
		RD\$	US\$
TOTAL INVESTMENT PROJECTS		18,583,907,645.00	446,728,549.16
Presidency		827,006,274.00	19,879,958.51
Cabinet of Social Policy		582,380,102.00	13,999,521.68
Social Protection Investment Program	IBRD		
Social Protection Investment Program (Additional)	IBRD	46,067,425.00	1,107,390.02
Social Protection Investment Program Second Phase (Investment Component)	IADB		
Social Protection Investment Program Third Phase (Investment Component)	IADB	536,312,677.00	12,892,131.66
Social Protection Investment Program Fourth Phase (Investment Component)	IADB		
Public Infrastructure Supervising Office		244,626,172.00	5,880,436.83
Cancer Center Rosa Emilia de Tavarez (2nd Phase)		244,626,172.00	5,880,436.83
Ministry of Interior and Police		11,172,000.00	268,557.69
Standardization of National Immigration Control System	KEXIM	11,172,000.00	268,557.69
Ministry of Finance		322,773,861.00	7,758,987.04
Modernization of Public Finance Management	IADB	223,793,324.00	5,379,647.21
Insurance Against Natural Disasters	IADB	0.00	0.00
General Internal Revenue Office		58,980,537.00	1,417,801.37
Strengthening of the Internal Revenue Office	IADB	58,980,537.00	1,417,801.37
Catastro General Directorate		40,000,000.00	961,538.46
Catastro Nacional de la República		40,000,000.00	961,538.46
Ministry of Education		1,158,950,000.00	27,859,375.00
Solar Panels	ICO	247,350,000.00	5,945,913.46
Youth Development Program	IBRD	0.00	0.00
Ten-year Education Plan	IADB	834,200,000.00	20,052,884.62
Hospitality Training	AFD	77,400,000.00	1,860,576.92
Ministry of Public Health		4,120,069,648.00	99,040,135.77
Support to Health Sector Reform (2)	IBRD	170,000,000.00	4,086,538.46
Sosua Hospital		50,000,000.00	1,201,923.08
Valverde Mao Regional Hospital		50,000,000.00	1,201,923.08
Trinidad Sanchez Hospital		50,000,000.00	1,201,923.08
National Institute of Potable Water		2,789,567,625.00	67,056,914.06
Higüey-Bávaro Aqueduct	DEUTSCHE BANK	367,242,153.00	8,827,936.37
Peravia Aqueduct	ICO BANESTO	1,000,000,000.00	24,038,461.54
Hermanas Mirabal Aqueduct	BNDES	475,994,192.00	11,442,168.08
Decentralization and Modernization of INAPA	IADB	164,892,371.00	3,963,758.92
Sanitation of Five Cities	Natixis	598,538,909.00	14,387,954.54
The Water Supply System of Botados, Yamasá		100,000,000.00	2,403,846.15
Health Barrier in Border Area		41,450,000.00	996,394.23
Potable Water and Sewerage Tourist Zone Bavaro-Punta Cana		41,450,000.00	996,394.23
CAASD		800,000,000.00	19,230,769.23
Construction Storm Water and Sanitary Drainage Guajimía		100,000,000.00	2,403,846.15
Potable Water Systems		200,000,000.00	4,807,692.31
Expansion Rio Haina Water Uptake		300,000,000.00	7,211,538.46
Wastewater Treatment Plant Station Rio Ozama		200,000,000.00	4,807,692.31
CORAASAN		69,561,784.00	1,672,158.27
System Expansion of Potable Water and Wastewater	JICA	69,561,784.00	1,672,158.27
CORAAVEGA		100,000,000.00	2,403,846.15
Multiple Aqueduct and Wastewater Treatment in Jarabacoa		100,000,000.00	2,403,846.15
CORAAMOCA		40,940,239.00	984,140.36
Const and Rehab Treatment Plants Water and Wastewater and CORAMOCA Institutional Improvement		40,940,239.00	984,140.36
CORAAPLATA		50,000,000.00	1,201,923.08
Aqueduct for Tourist Corridor of Cabarete, Sosua, Montellano, Puerto Plata		50,000,000.00	1,201,923.08



Institution/ Beneficiary	Creditor	Original Budget	
		RD\$	US\$
Ministry of Labor		45,573,588.00	1,095,518.94
Support for the National Employment System	IADB	34,524,580.00	829,917.79
Youth Development Program	BIRF	11,049,008.00	265,601.15
Ministry of Agriculture		1,101,294,759.00	26,473,431.71
Support to Agrifood Production II	IADB	26,630,782.00	640,163.03
Support to Agrifood Production III	IADB	51,353,035.00	1,234,447.96
Prorural West	FIDA	25,830,942.00	620,936.11
Border Development	OPEC	0.00	0.00
Prorural Center and East	FIDA	35,000,000.00	841,346.15
Santo Domingo Market		60,000,000.00	1,442,307.69
Production System for Agricultural Reconversion San Juan de la Maguana		90,000,000.00	2,163,461.54
Agrarian Institute		800,000,000.00	19,230,769.23
Improvement of Rural Development in Bartolomé, Independencia		800,000,000.00	19,230,769.23
Agricultural Research Institute		12,480,000.00	300,000.00
Agricultural Research and Development for the Dominican Republic		12,480,000.00	300,000.00
Plan Sierra	AFD	0.00	0.00
Ministry of Public Infrastructure and Communications		5,123,349,459.00	123,157,438.92
Multiphase Road Infrastructure Program	IADB	723,349,453.00	17,388,208.00
Roads, streets and avenues	OPEC		
Jarabacoa Highway	BNDES	0.00	0.00
Uvero Alto Highway	BNDES	600,000,000.00	14,423,076.92
Encirclement San Pedro-La Romana	BCIE	400,000,000.00	9,615,384.62
Encirclement La Romana	BCIE	1,220,000,000.00	29,326,923.08
Coral Highway	EXIM	0.00	0.00
Reconstruction of Cruce de Ocoa	BNDES	400,000,000.00	9,615,384.62
Santiago - San Juan Highway	BNDES	100,000,000.00	2,403,846.15
East Touristic Boulevard	BCIE	800,000,000.00	19,230,769.23
INVI		880,000,006.00	21,153,846.30
OPRET: 2nd Line of Metro of Santo Domingo			0.00
Ministry of Natural Resources and Environment		1,134,101,874.00	27,262,064.28
INDRHI		1,134,101,874.00	27,262,064.28
Monte Grande	BNDES	300,000,000.00	7,211,538.46
Azua II	BNDES	366,933,841.00	8,820,525.02
Guaigui Dam Construction	DEUTSCHE BANK	100,000,000.00	2,403,846.15
Disaster Management and Emergency Recovery Project	IBRD	367,168,033.00	8,826,154.64
Disaster Management and Emergency Recovery Project (Additional)	IBRD		
Ministry of Economy, Planification and Development		477,538,665.00	11,479,294.83
Municipal Development (PRODEM)	IBRD	10,000,000.00	240,384.62
National Program for Disaster Prevention	IADB	90,000,000.00	2,163,461.54
Competitiveness Support Program	IADB	17,040,000.00	409,615.38
Water and Sanitation in Tourist Areas	IBRD	72,693,399.00	1,747,437.48
Dissemination and Promotion of Millennium Development Goals Policies		4,260,000.00	102,403.85
Integrated Management of Fly of Mango		6,006,600.00	144,389.42
Sewage Waste	OPEC	0.00	0.00
Potable Water and Sanitation -CAASD	IADB	222,567,265.00	5,350,174.64
Strengthening of Statistical System	IADB	54,971,401.00	1,321,427.91
Ministry of Tourism		407,997,517.00	9,807,632.62
National Tourism - Colonial Zone	IADB	407,997,517.00	9,807,632.62
Tresuary Bond Management		3,804,080,000.00	91,444,230.77
Dominican Corporation of Electric Companies		3,804,080,000.00	91,444,230.77
Hydroelectric Project Las Placetas	EXPORTFINANCE	624,000,000.00	15,000,000.00
Disaster Management and Emergency Recovery Project	IBRD	305,061,597.00	7,333,211.47
Disaster Management and Emergency Recovery Project (Additional)	IBRD		
Rehabilitation of Electrical Distribution Networks	IBRD		
Rehabilitation of Electrical Distribution Networks	IADB	1,580,800,000.00	38,000,000.00
Rehabilitation of Electrical Distribution Networks	OPEP		
Hydroelectric Project of Manabao-Bejucal-Tavera		530,400,000.00	12,750,000.00
San Juan de la Maguana Substation Construction	BEI	763,818,403.00	18,361,019.30



Annex II – 2013 New Debt Contracts

No.	Project	Beneficiary	Amount (US\$)
1	San Pedro de Macorís- La Romana Highway Reconstruction and encirclement variant extension (San Pedro de Macorís)	MOPC	82,500,000.00
2	Improvement and Construction of Santiago De Los Caballeros – San Juan De La Maguana Highway	MOPC	345,255,235.00
3	Multiple Aqueduct Construction, Sanitary Sewer and Wastewater Treatment Plant of Jarabacoa	CORAAVEGA	109,322,684.00
4	Aqueduct Construction of Touristic Corridor (Cabarete- Sosúa- Montellano- Puerto Plata)	CORAAPLATA	74,471,276.00
5	Drinking Water System Expansion and Wastewater Expansion of Santiago Province	CORASAN	27,201,442.00
6	Water Uptake Expansion of Haina River, Santo Domingo Province, Ozama Region	CAASD	172,737,638.00
7	Construction of Sewage Treatment Station of Ozama River, Distrito Nacional and Santo Domingo Province	CAASD	170,421,770.00
8	Construction of Hydroelectric Power Station of Artibonito in the Elias Piña Province	CDEEE	163,800,000.00
9	Construction of Hydroelectric Power Station of Manabao -Bejucal –Tavera	CDEEE	310,000,000.00
10	National Cadastre of Dominican Republic	National Cadastre	32,600,000.00
11	Improvement and Construction of Sewer and Aqueduct to develop a health barrier in the borderland	INAPA	157,430,288.00
12	Construction of Drinking Water System and Sewer System in the Touristic zone of Bavaro –Punta Cana	INAPA	120,000,000.00
13	Construction of Romana Avenue encirclement	MOPC	54,700,000.00
14	Reconstruction of Ocoa - San José de Ocoa Crossing Road and Sabana Larga bridge	MOPC	48,000,000.00
15	Construction of Sosúa Hospital	MSPAS	27,943,886.00
16	Equipment and Construction of the Regional Hospital of Valverde Mao	MSPAS	32,655,238.00
17	Construction of Maria Trinidad Sánchez Hospital	MSPAS	1,201,923.00
18	Improvement of Rural Development in Bartolomé, Independencia Province	IAD	184,188,349.00
19	Rehabilitation and Construction of a Drinking Water Treatment Plant and Sewage and the Institutional Improvement of Coraamoca	CORAAMOCA	38,076,923.00
20	Equipment and Construction of Hospitality, Pastry and Gastronomy Training Centers in Santo Domingo and Higüey	MINERD	5,214,042.27
21	Construction of the East Touristic Boulevard	MOPC	30,000,000.00
22	Construction of Hydroelectric Power Station Las Placetas	CDEEE	285,000,000.00
23	Construction of Irrigation System of Azua II – Pueblo Viejo, Azua Province	INDRHI	89,965,444.00
24	Construction of the Dam of Monte Grande, Rehabilitation and Complements of the Sabana Yegua Dam, Azua Province	INDRHI	250,000,000.00
25	Construction of Stormwater and Sanitary Drainage of La Cañada de Gaujímía	CAASD	168,481,791.00
26	Construction of Drinking Water System in the Periurbans zone of Santo Domingo Province	CAASD	9,182,912.81
27	Rehabilitation of Electricity Networks of the National Electric System	CDEEE	78,000,000.00
28	Equipment of the Comprehensive Center of Cancer Rosa Emilia de Tavarez (previous Dr. Heriberto Pieter)	OISOE	20,331,000.00
29	Drinking Water Endowment and Management in the municipality of Los Botados of Yamasá	INAPA	6,967,301.19
30	Agricultural Reconversion Plan for San Juan de la Maguana Province	MA	236,045,033.00
31	Central Market Wholesalers of Santo Domingo	MA	377,000,000.00
32	Higüey – Bavaro Aqueduct (Additional funding)	INAPA	34,400,000.00
33	Development for Poor Rural Economic Organizations of the Border	MA	5,000,000.00
34	Construction of the Road Corridor Project Norte Sur	MOPC	114,000,000.00
35	Construction of the Ecologic Corridor Project Pontezuela	MOPC	200,000,000.00
	TOTAL		4,062,094,176.27



Annex III – 2013 Auction Calendar

PUBLIC DEBT BONDS JANUARY - DECEMBER 2013							AUCTION SETTLEMENT	
January 2013								
M	T	W	T	F	S	S		
	1	2	3	4	5	6		
7	8	9	10	11	12	13		
14	15	16	17	18	19	20		
21	22	23	24	25	26	27		
28	29	30	31					
FEBRUARY 2013								
M	T	W	T	F	S	S		
				1	2	3		
4	5	6	7	8	9	10		
11	12	13	14	15	16	17		
18	19	20	21	22	23	24		
25	26	27	28					
MARCH 2013								
M	T	W	T	F	S	S		
				1	2	3		
4	5	6	7	8	9	10		
11	12	13	14	15	16	17		
18	19	20	21	22	23	24		
25	26	27	28	29	30	31		
APRIL 2013								
M	T	W	T	F	S	S		
1	2	3	4	5	6	7		
8	9	10	11	12	13	14		
15	16	17	18	19	20	21		
22	23	24	25	26	27	28		
29	30							
MAY 2013								
M	T	W	T	F	S	S		
		1	2	3	4	5		
6	7	8	9	10	11	12		
13	14	15	16	17	18	19		
20	21	22	23	24	25	26		
27	28	29	30	31				
JUNE 2013								
M	T	W	T	F	S	S		
					1	2		
3	4	5	6	7	8	9		
10	11	12	13	14	15	16		
17	18	19	20	21	22	23		
24	25	26	27	28	29	30		
JULY 2013								
M	T	W	T	F	S	S		
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8	9	10	11	12	13	14		
15	16	17	18	19	20	21		
22	23	24	25	26	27	28		
29	30	31						
AUGUST 2013								
M	T	W	T	F	S	S		
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5	6	7	8	9	10	11		
12	13	14	15	16	17	18		
19	20	21	22	23	24	25		
26	27	28	29	30	31			
SEPTEMBER 2013								
M	T	W	T	F	S	S		
						1		
2	3	4	5	6	7	8		
9	10	11	12	13	14	15		
16	17	18	19	20	21	22		
23	24	25	26	27	28	29		
30								
OCTOBER 2013								
M	T	W	T	F	S	S		
	1	2	3	4	5	6		
7	8	9	10	11	12	13		
14	15	16	17	18	19	20		
21	22	23	24	25	26	27		
28	29	30	31					
NOVEMBER 2013								
M	T	W	T	F	S	S		
				1	2	3		
4	5	6	7	8	9	10		
11	12	13	14	15	16	17		
18	19	20	21	22	23	24		
25	26	27	28	29	30			
DECEMBER 2013								
M	T	W	T	F	S	S		
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16	17	18	19	20	21	22		
23	24	25	26	27	28	29		
30	31							