World Bank Agenda on Enhancing Debt Data Quality and Transparency

Evis Rucaj  Senior Economist and Debt Statistics Team Lead, Development Data Group
erucaj@worldbank.org

www.worldbank.org/debtstatistics
Debtor Reporting System (DRS) by the numbers

Established in 1951 to monitor external debt of World Bank borrowers, mandated by Bank’s Policy on External Debt and Financial Statements.

123 low- and middle-income countries:
- 54 IDA countries
- 54 IBRD countries
- 15 Blend countries

$8.9 trillion outstanding debt stock as of end 2020

303 total creditor countries and IOs

$500 million annual 5-year average new commitments (PPG)

- Records debt instrument level external debt for public and publicly guaranteed sector
- Records aggregate information on all external debt of private sector
- Publishes annual external debt statistics since 1970
- Harmonizes external debt statistics to facilitate timely cross-country analyses

Source: International Debt Statistics 2022
International Debt Statistics (IDS)

**Annual Publication:** A by-product of the DRS

- Comprehensive data and analysis on external debt and financial flows
- Cross country comparable external debt data for all DRS low- and middle-income countries
- 570 debt indicators

**Quarterly Publication:** Quarterly Debt Report

**Level of detailed breakdown by:**

- **Debtor Classification:** (a) government borrowing, (b) other public sector, including public corporations, state-owned enterprises and development banks, and (c) private sector borrowing guaranteed by the public sector.
- **Creditor Classification:** (a) creditor country (b) creditor type: official bilateral, official multilateral, private creditors, and bondholder.
- **Average terms** of contracted debt by creditor country and creditor type for each debtor type.

**Data access:**

- Online tables (Analytical and Standard)
- DataBank
- World Bank Data API
- Guides in both Python and R
A Four-Point Agenda: Enhancing debt data quality and transparency

1. Redesign the DRS to support new borrowing patterns and current data needs
2. Extend the DRS to domestic Public Sector Debt liabilities
3. Enhance DRS data quality and transparency
4. Facilitate DRS data dissemination and data access
Harmonize the DRS with international statistical systems (BoP/IIP and SNA)

Capture critical information for an accurate measure of external public debt

The new DRS will expand the information collected on:
- Debt instruments beyond loans and debt securities
- Granularity of borrower and creditor type
- Offshore debt-treatment of Special Purpose Entities/Vehicles and residency concept
- Collateralization of loan contracts, where feasible

This would involve:
- Consultations with national authorities on the new requirements
- Technical assistance on the implementation of the new definitions and methodology for data capture and compilation
Extend the DRS to domestic Public Sector Debt liabilities

**OBJECTIVE**

• Unify the approach to collect and compile public sector domestic debt data across countries

• Strengthen the transparency of public debt statistics

• Consolidate inter- and intra-sectoral debt

**ACTION PLAN**

• **Survey to 120 DRS countries** was conducted to assess:
  • Countries’ legal and statistical frameworks that mandate the compilation and dissemination of domestic debt statistics
  • Statistical capacity of governments to define, collect, record and classify domestic debt per international standards
  • Mechanisms in place to record and report domestic debt

• **A pilot exercise** is underway:
  • Collect detailed information on domestic borrowing of the public sector debt beyond loans and debt securities
  • Concentrate on the central government only at this stage
  • Cover 45 pilot countries representing various regions and income groups

• The results of the pilot will inform a **new data program on domestic debt**
Enhance DRS data quality and transparency

**OBJECTIVE**

- Ensure a comprehensive reporting of external public and private sector debt

- Use creditor records and research and academic sources, where possible, to improve the quality and close the gaps

**ACTION PLAN**

- Provide **technical assistance** to DRS reporters to:
  - Improve reporting of State-Owned Enterprises’ borrowing, specifically borrowing without a state guarantee
  - Raise DRS reporters’ awareness of the need to measure private non-guaranteed external debt
  - Conduct outreach to Central Banks to close gaps on (i) central bank debt liabilities and (ii) private non-guaranteed debt

- Conduct **debt data reconciliation** among various sources:
  - Comprehensive and systematic debtor–creditor reconciliation exercises to close reporting gaps
  - Assessment of research and academic debt datasets to identify potential data gaps
  - Documentation of differences in methodology and definitions among various sources
Facilitate DRS data dissemination and data access

**OBJECTIVE**

- Support debt transparency agenda with access to more **Data, Statistics** and **Methodology**

**ACTION PLAN**

- **New Debt Statistics website:**
  - IDS publications including quarterly updates and data revisions
  - Continuous disaggregation of the debt timeseries with more instruments and maturities and market players’ breakdown
  - Educational material and articles on debt definitions, classification and methodology used
  - Links and data sources:
    - DRS borrowing countries’ databases
    - International organizations and creditor institutions’ databases
    - Academic and research published datasets
- Ease access and flexibility of **DRS database** to researchers and academia.
Thank You