

# **World Bank Agenda on Enhancing Debt Data Quality and Transparency**

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# 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

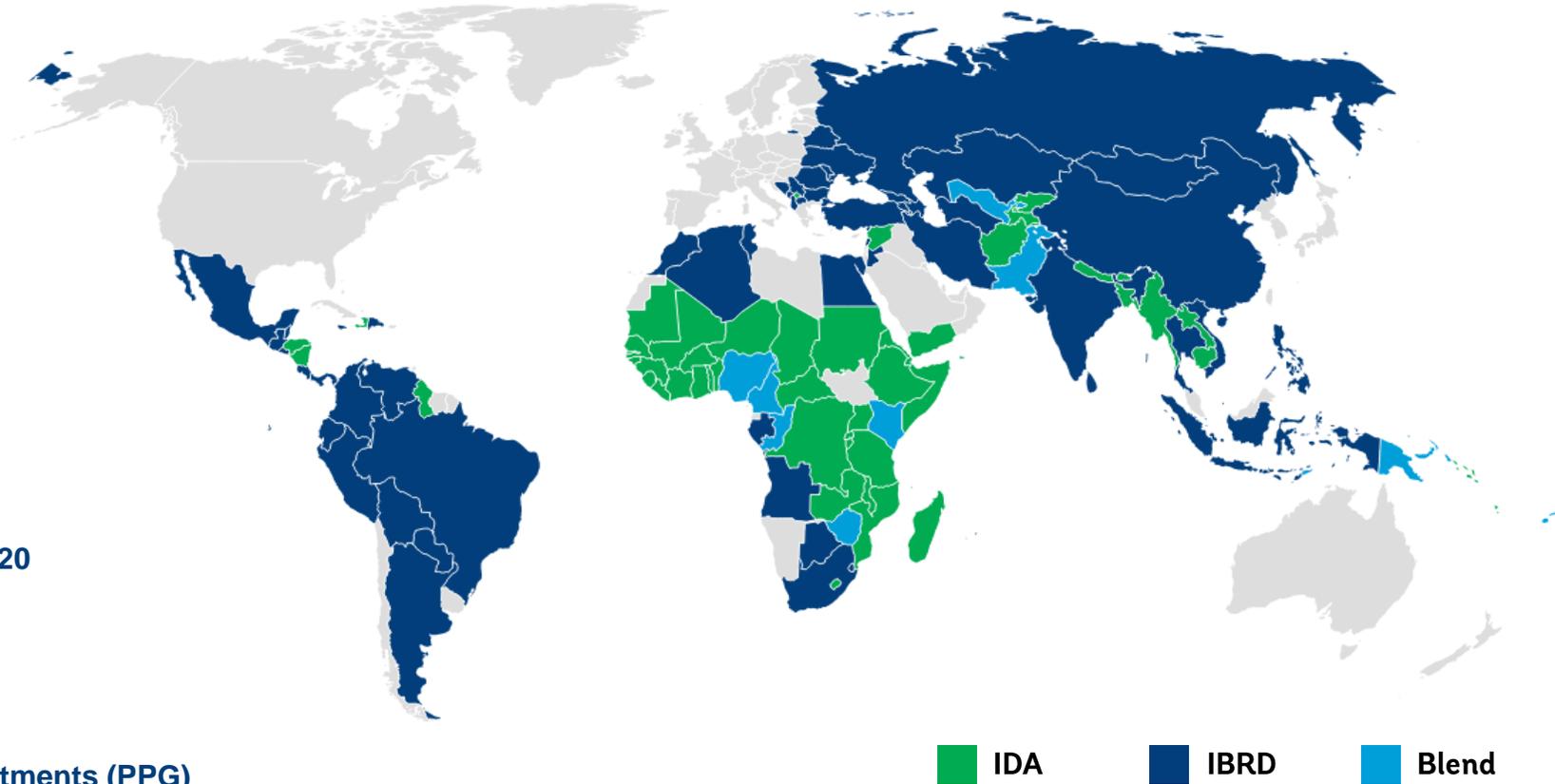
**15** Blend countries

**\$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

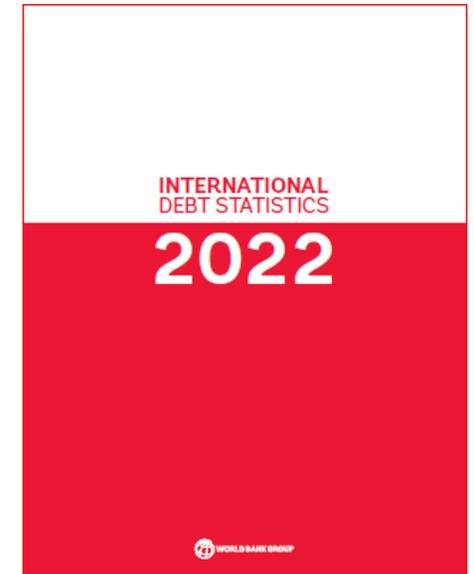
## Quarterly Publication: Quarterly Debt Report

## 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**

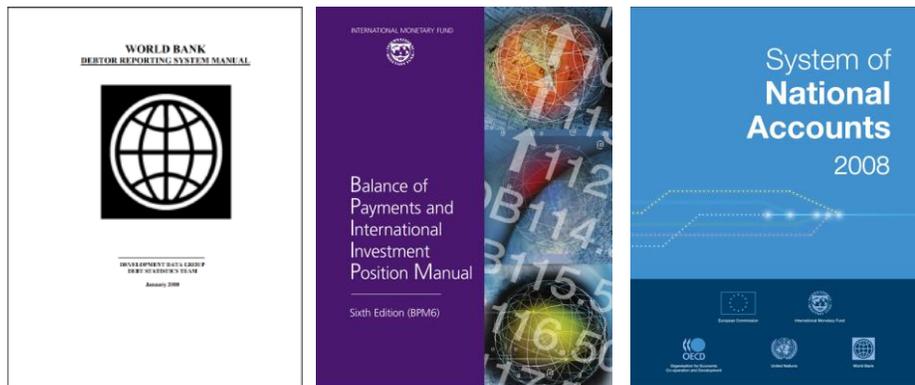
- 1 Redesign the DRS to support new borrowing patterns and current data needs**
- 2 Extend the DRS to domestic Public Sector Debt liabilities**
- 3 Enhance DRS data quality and transparency**
- 4 Facilitate DRS data dissemination and data access**

# Redesign DRS to support new borrowing patterns & current data needs

## OBJECTIVE



- Harmonize the DRS with international statistical systems (BoP/IIP and SNA)
- Capture critical information for an accurate measure of external public debt



## ACTION PLAN

- 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.

**Raising the Bar on Debt Data Transparency | Let's Talk Data**

**Thank You**