

Public Debt Reports Heatmap: Background and Methodology¹

Background

The Public Debt Reports Heatmap assesses public debt dissemination practices in IDA countries. The assessment, which is updated on annual basis, addresses three main areas: (i) dissemination of public debt statistics; (ii) publication of key debt management reports; and (iii) publication of other debt data, including identification and quantification of contingent liabilities.

The assessment is conducted on the basis of the information available on national authorities' websites. While dissemination may take several forms (e.g., debt reports, statistical bulletins, Excel files, etc.), governments are expected to make debt statistics regularly available on-line to meet the minimum standards of transparency towards citizens and investors.

The results of the evaluation are presented in a heatmap showing strengths and weaknesses by country and indicator. Country's performance in each indicator is evaluated under a four-category scale, which ranks standards from low (red) to high (green), according to the criteria presented in Table I. A gray color is assigned if the indicator cannot be assessed or is not relevant for a specific country.

Methodology

1. Public debt statistics dissemination practices are assessed along the following three dimensions: accessibility, completeness, and timeliness. Debt data should cover debt stocks and related debt service flows at the end of the year prior to the date of the assessment to avoid being qualified as insufficient (red).

- 1.1. *Data accessibility* analyzes whether information is made publicly available through centralized rather than multiple sources (i.e., documents and websites). The rationale is that the more concentrated the information is, the easier is its accessibility.
- 1.2. *Completeness of the statistics* evaluates the coverage by instrument² and sector³, as well as the availability of information on recently signed external loan contracts.⁴
- 1.3. *Timeliness* assesses the frequency of publications and the period between the cut-off data and their publication. The time lag is assessed using to the publication with highest frequency data.

¹ For additional clarifications please contact Diego Rivetti (drivetti@worldbank.org).

² Debt instruments include external debt, domestic debt, and guarantees by central governments.

³ When relevant, central government (CG) debt includes extrabudgetary units and debts contracted by the central bank on behalf of the central government. General government (GG) debt covers debt from the central government and local governments (LG), as well as social security funds operating at each level of government. The public sector debt aggregates debt of the general government and state-owned enterprises (SOEs).

⁴ Expected information includes the name of the lender, the amount, and the financial terms of the loan.

Notes:

- a) Countries publish reports at different times for different purposes. For this analysis, the highest-frequency publication containing the minimum set of debt data requested by the methodology is taken into consideration.
- b) Completeness is evaluated relative to the prevailing legal framework and countries' current borrowing practices. For instance, if SOEs are not legally allowed to borrow or do not have any outstanding debt, they are not expected to be covered in the public debt reports.

2. Key debt management documents that enhance transparency of future debt operations are the medium-term debt strategy and the annual borrowing plan⁵. Both documents should cover the year in which the assessment takes place to meet the minimum standards.

- 2.1. *Debt management strategy (DMS)* assesses whether strategic targets for the main cost and risk indicators are provided to inform about the nature and volume of future debt operations and sources of financing (e.g., external/domestic).
- 2.2. *Annual borrowing plan (ABP)* focuses on the publication of the nominal borrowing amounts planned for a given year for each category of debt instruments (or lenders for external borrowing). The heatmap assessment evaluates its comprehensiveness and timeliness.

3. Other debt statistics /contingent liabilities (CLs) assess the disclosure of central government guarantees (including names of beneficiaries), account payables, collateralization details, and debt-related contingent liabilities. Data should not be older than one year to avoid being qualified as insufficient (red).

⁵ Both publications are expected to be easily accessible as stand-alone documents or a specific section of an official document (e.g., budget law).

Table 1. Criteria underpinning the Debt Reports Heatmap scores

1. Public Debt Statistics						2. Public Debt Management		3. Other debt statistics / debt-related contingent liabilities (CLs)
Data accessibility	Completeness			Timeliness		Debt Management Strategy (DMS)	Annual Borrowing Plan (ABP)	
	Instrument coverage	Sectorial coverage	Information on recently contracted external loans	Periodicity	Time lag			
No publicly available (N.A.), or incomplete or outdated debt reports	N.A. or incomplete coverage	N.A. or incomplete central government (CG)	N.A.	N.A.	N.A.	No published DMS covering current year	No published ABP or partial ABP published with delay > 3 months (or no posting date)	No or insufficient reporting of explicit CLs
Multiple websites	Limited coverage: external or domestic debt only	Limited coverage : complete CG	Limited information: lender name and/or borrowing purpose	> 1 year	> 6 months	Published DMS with no targets	Partial ABP published with delay < 3 months or full ABP published with delay > 3 months	Limited reporting: guaranteed debt by beneficiary (if applicable)
Single website & multiple docs	Partial coverage: external and domestic debt (if applicable)	Partial coverage: complete general government (GG) or CG and complete SOEs	Partial information: lender name and amount; no financial terms	Annual basis	> 3 months	Published DMS with targets for total debt	Comprehensive ABP published with delay < 3 months	Partial reporting: guaranteed debt, fiscal arrears and collateralization (if applicable)
Single document	Full coverage: external and domestic and guarantees (if applicable)	Full coverage (GG and SOEs)	Full information: lender name, amount and financial terms	< 1 year	< 3 months	Published DMS with targets for domestic & external debt	Comprehensive ABP published before the year start	Comprehensive report on debt-related CLs