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Occasional Paper on Activities Relating to External Debt Statistics

Prepared by the World Bank



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World Bank Occasional Report on Activities Relating to External Debt Statistics

I. Data and Publications

International Debt Statistics 2015. The *International Debt Statistics 2015* country and summary data were disseminated through the World Bank *Open Data* in December 2014. The report covers external debt stocks and flows, major economic aggregates, and key debt ratios as well as average terms of new commitments, currency composition of long-term debt, debt restructuring, and scheduled debt service projections for 124 countries that report debt under the World Bank Debtor Reporting System. The online database presents historical time series indicators (country-level) from 1970 to 2013 and can be accessed under the new World Bank debt portal site which serves a central hub for information and access to debt statistics, launched in December 2013. The site is available at <http://datatopics.worldbank.org/debt/home>. The IDS 2015 book was also published in December 2014.

Quarterly External Debt Database. The Quarterly External Debt (QEDS) database has been in existence since November 2004 and was jointly developed by the World Bank's Development Data Group and the International Monetary Fund (IMF) Statistics Department. The QEDS database brings together detailed external debt data of countries that subscribe to the IMF's Special Data Dissemination Standard (SDDS) and a selected number of countries that participate in the IMF's General Data Dissemination System (GDDS). The external debt data is disaggregated by institutional sectors, original maturity, and debt instruments, and for some of these economies, disaggregated by currency and remaining maturity. GDDS/QEDS participants report a simplified quarterly set of data focusing on the external debt of the public and publicly guaranteed sectors.

As of end January 2015, 66 countries (out of 72 reporters) plus the Euro Area reported under the SDDS/QEDS and 25 countries (out of 45 reporters) reported under QEDS/GDDS for the period ending 2014Q3. Of the 25 GDDS reporters, 17 countries have also provided data under the SDDS/QEDS.

In October 2014, the World Bank's Development Data Group, in collaboration with the International Monetary Fund (IMF) Statistics Department launched the new QEDS database in line with the *2013 External Debt Statistics: Guide for Compilers and Users (2013 EDS Guide)* and *Sixth Edition of Balance of Payments and International Investment Position Manual (BPM6)* for reporting to the QEDS database. In order to disseminate consistent cross-economy and historical statistics, the World Bank converted data that were reported on the basis of the *2003 EDS Guide/BPM5* to the basis of the *2013 EDS Guide/BPM6*. The

conversion was conducted using generic conversion rules in consultation with reporting QEDS economies. The QEDS database on a *2003 EDS Guide/BPM5* basis has been discontinued and is no longer available to the public. The World Bank will present to the TFFS a more detailed report on the work done to convert QEDS time series data, launch the new QEDS database, country status and issues in reporting QEDS data as per *2013 EDS Guide*, and the future steps.

The QEDS database can be accessed through the World Bank's QEDS Debt Data portal at <http://datatopics.worldbank.org/debt/home>. Access to the QEDS database is provided through the World Bank Open Data site at <http://databank.worldbank.org/> under "[Quarterly External Debt Statistics/SDDS \(New\)](#)" and "[Quarterly External Debt Statistics/GDDS \(New\)](#)."

Joint External Debt Hub. The World Bank has actively contributed to the development and maintenance of the Joint External Debt Hub (JEDH). The JEDH provides a one-stop source of comprehensive external debt statistics compiled from international creditor/market sources and national debtor sources, namely QEDS (see above). In 2014, the JEDH website was streamlined to ensure a more user friendly experience. The updates included direct links to the QEDS website and JEDH database, and a simplified data release calendar. In 2015, the JEDH creditor/market table was rearranged so indicators with higher frequency and more data appear in the main table.

The JEDH uses the Statistical Data and Metadata Exchange (SDMX) standards, which the World Bank has been involved in advancing, and the World Bank's latest generation of web service, the Development Data Platform. The JEDH can be accessed at: <http://www.jedh.org> or through the debt data portal at: <http://datatopics.worldbank.org/debt/>, and JEDH data is also available through the World Bank's Open Data platform at: <http://databank.worldbank.org/data/home.aspx>.

Quarterly Public Sector Debt Data. As part of the World Bank [Open Data Initiative](#), in December 2010 The World Bank launched for the first time an online, quarterly, [Public Sector Debt database](#) (www.worldbank.org/qpsd), developed in partnership with the IMF, which allows researchers and policymakers to explore questions about the recent development in the public sector debt. The PSD database, with the endorsement of the Inter-Agency Task Force on Finance Statistics (TFFS), was initially focused on developing/emerging market countries and now in partnership with OECD and Eurostat has been expanded to the advanced economies. The launch of the database is one of the recommendations in the G-20 Data Gaps Initiative.¹ PSD database facilitates timely dissemination in standard formats of external debt data. By bringing such data and metadata

¹ Please see <http://www.imf.org/external/np/g20/pdf/102909.pdf>. The Public Sector Debt Database is recommendation number 18 in the Data Gaps Initiative Report.

together in one central location, the database supports macroeconomic analysis and cross-country comparison.

The database is organized into five sets of tables on the following sectors: General government; o/w Central government; o/w Budgetary central government; Nonfinancial public corporations and Financial public corporations and is structured by instruments, maturity and by creditors as the presentation format articulated in the table 4.3 in *the IMF Public Sector Debt Guide*. While central government is identified as the area where there is the most important key of macroeconomic analysis, the public sector debt database provides data on other levels of public sector, valuation methods and debt instruments, and clearly defined tiers of debt where appropriate for central, state and local government as well as extra-budgetary agencies and funds.

As of end February 2015, a total of 69 economies, out of which 34 developing and emerging and 35 developed, provided data for the Q3 2014.

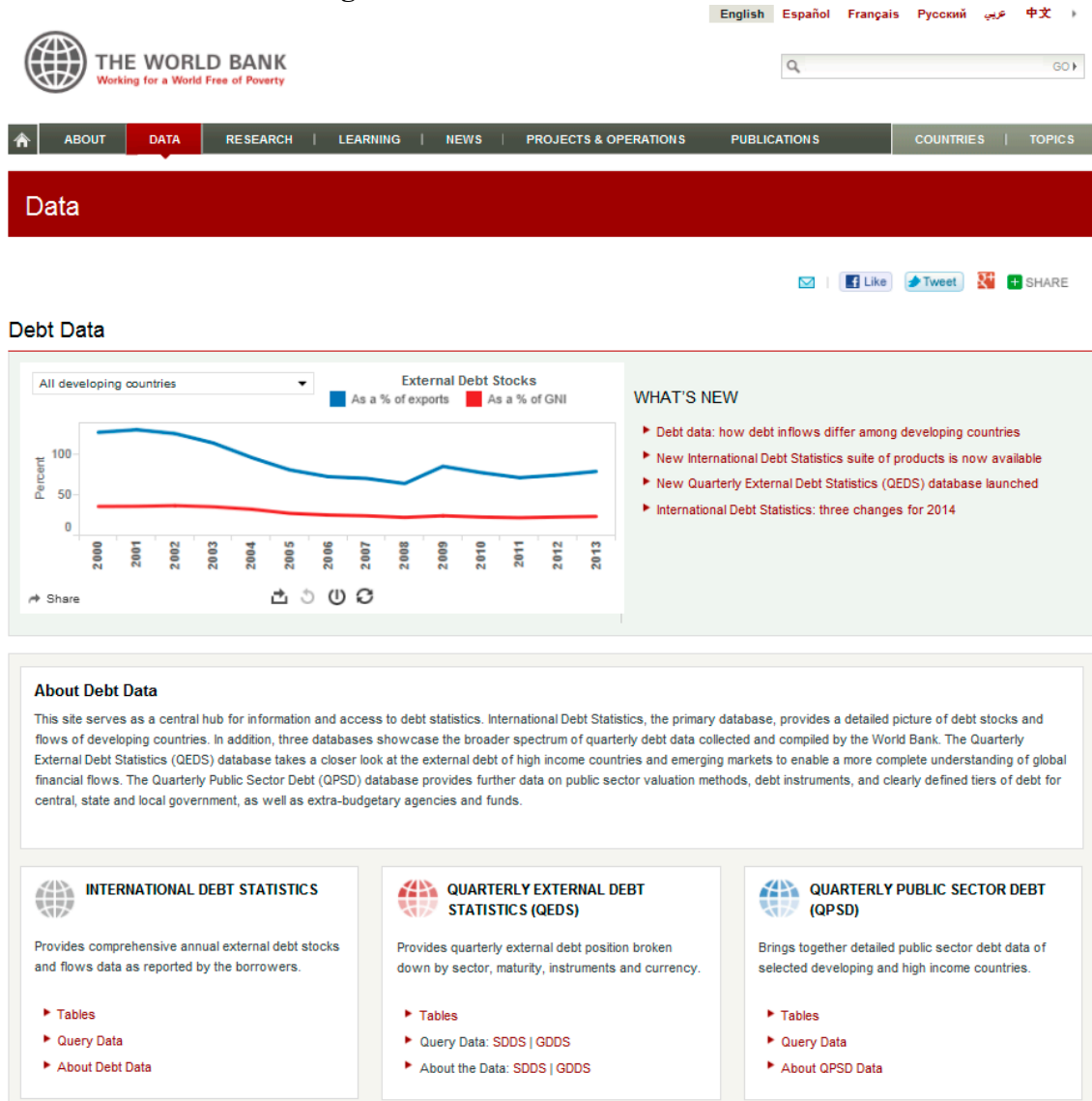
In the effort to classify the Public Sector Debt data in four main categories and present the data based on the D1-D4 presentation, The World Bank sent out a questionnaire on January 8, 2015 with the purpose of identifying data, instrument and sectoral coverage and clarifying the status of the data provided (true zeros, full or partial coverage) and the status of non-reported data. 15 countries have already responded to the questionnaire. The same questionnaire was shared with OECD to be sent out to the OECD countries on January 20, 2015. The World Bank and the OECD are cooperating in the presentation of debt statistics of the OECD countries.

The presentation of data as percentage of GDP was made available to the public in the QPSD database in February of 2015. Data from the three data sources identified (IFS, OECD and WEO) was pulled into one indicator through the SDMX data transmission feature and was published in the QPSD database. Processing of SDMX quarterly reports in the World Bank system was also made possible, as more countries started using this option in reporting QPSD data.

Open Data Initiative. Since launching in April 2010, the World Bank's open data initiative has become the institution's most popular web destination and sees over one million visits per month. Data are published in structured formats under an open license permitting free re-use. In order to sustainably manage the development of the open data agenda, the focus is on making the World Bank's data easily findable and usable and on providing more localized, better documented data, building closer links between open data resources creating a greater level of engagement with data users. To reach these targets, the open data platform features open data from multiple sources and shows more than just time series indicators, pulling data from emerging open data services including monthly updated IDA and IBRD portfolio data from the [Open Financial Data](#) site.

Debt Data Portal. The World Bank's Debt Data portal (<http://datatopics.worldbank.org/debt/home>) serves as the central hub for information and access to debt statistics which includes International Debt Statistics (IDS), Quarterly External Debt Statistics (QEDS) and Quarterly Public Sector Debt (QPSD). See Figure 1 below.

Figure 1: World Bank Debt Data Portal



II. Ongoing Initiatives

The Debt Management Facility (DMF) for LICs, established in January 2009 as a World Bank administered Multi-Donor Trust Fund (MDTF), aims to strengthen Public Debt Management (PDM) capacity and institutions in LICs. DMF activities form part of a programmatic approach to support government authorities in building capacity for managing debt more effectively and efficiently, which comprise the key elements as follows.

A. Debt Management Performance Assessment (DeMPA) evaluates strengths and weaknesses in public debt management through a comprehensive set of performance indicators covering six core areas of public debt management. A DeMPA report can help guide the design of actionable reform programs, facilitate monitoring of performance over

time, and enhance donor harmonization based on a common understanding of reform priorities.

One hundred and three DeMPA missions took place in eighty six countries and fifteen in sub-nationals by end-FY 2014. Of all, eighteen are 2nd DeMPA missions. The follow-up activities have resulted in (i) thirty-six reform plan missions² in thirty-one countries and (ii) fifty-two ‘Medium-Term Debt Management Strategy (MTDS)’ missions in thirty-five countries³.

The results from the assessments helped to identify reform priorities across countries. The results from 69 assessments⁴ summarized in the chart 1 indicate deficiencies across countries regarding the quality of debt management strategies, conduct of performance audits of debt-management policies and functions, policies and procedures for external borrowings, operational risk management and cash balance management.

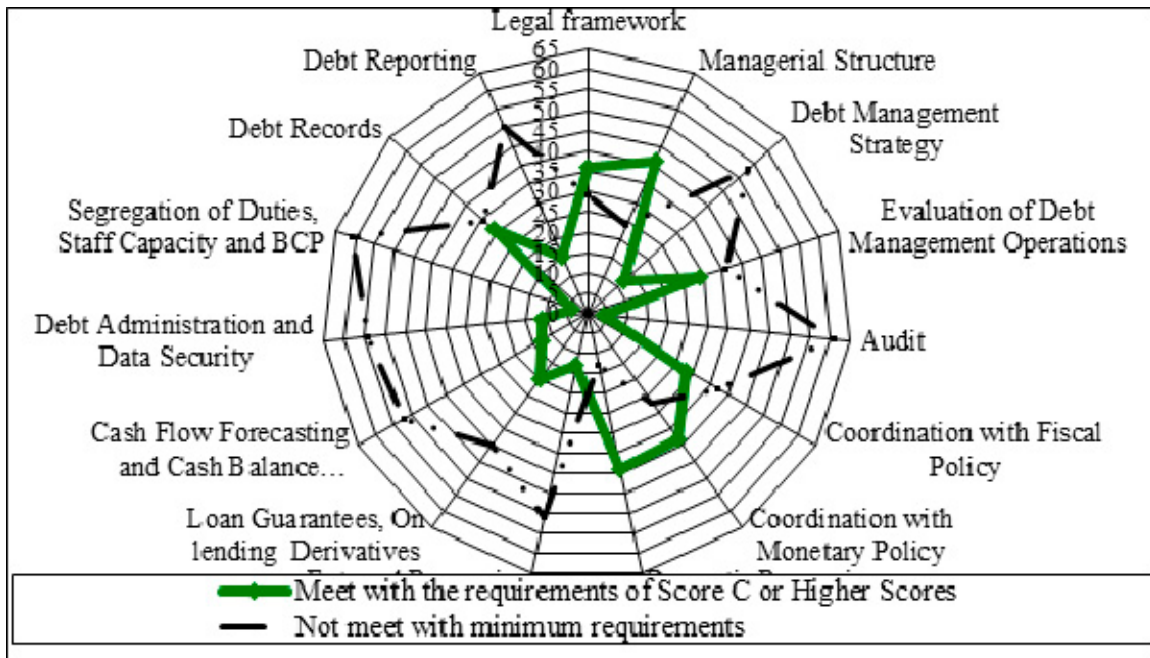
Given the rapid growth in sub-national debt markets in developing countries to finance infrastructure and economic growth, owing to worldwide decentralization a need for a more focused tool for sub-nationals was expressed. A subnational DeMPA tool was developed and shared with stakeholders.

More information about the DeMPA tool and methodology can be accessed through the World Bank’s website at: <http://go.worldbank.org/4VX651FHB0>.

² There was one follow up reform plan mission.

³ There were 36 MTDS mission in 23 countries in total.

⁴ Among 103 DeMPAs which reports have been finalized, 15 are follow-up DeMPAs. In case of more than one report for one country, the most recent results are incorporated in the chart.

Chart 1: Results from the DeMPA Exercise⁵

B. The diagnostic has also been followed up with technical assistance (TA) to develop detailed and sequenced reform plans. The reform plan aims to alleviate the weaknesses identified and analyzed by the DeMPA or through other assessments. It details expected outputs and outcomes, actions, sequencing and milestones. It also provides an estimate of budget and resources required to implement the plan. With growing demand, reform plan missions have been carried out in 36 countries (see Chart 2).

⁵ The green line represents the number of countries that meet the DeMPA minimum requirements while the black line represents the number of countries that do not.

Chart 2: DeMPA and Reform Plan Missions to Date Fiscal-Year-Wise

DeMPA Implementation: 102 Missions						
FY07 (5) Pilots	FY09 (14)	FY10 (15)	FY11 (18)	FY12 (14)	FY13 (12)	FY14 (11)
The Gambia	Burundi	Pakistan	Kazakhstan	CAR (2nd)	Tanzania	Bangladesh
Malawi	Uganda	Nepal	Togo (2nd)	Zimbabwe	Lesotho	Armenia
Albania	St. Kitts & Nevis	Samoa	Nicaragua (2nd)	Vietnam	Bolivia	Bosnia & Herzegovina
Guyana	Solomon Islands	The Gambia (2nd)	Yemen	Mali (2nd)	Madagascar	Ecuador (SN)
Nicaragua	Cabo Verde	Cambodia	Albania (2nd)	Ghana (2nd)	Pakistan (SN)	Serbia (SN)
FY08 (13)	Cameroon	Maldives	Papua New Guinea	Nigeria (SN)	Chad	Honduras
Burkina Faso	Congo Brazzaville	Malawi (2nd)	Mongolia (2nd)	Sudan	Bosnia & Herzegovina	Nigeria (SN)
CAR	Guinea	Liberia	Bhutan	Niger	Ethiopia	Fiji (CS)
Ghana	Nigeria	Guinea-Bissau	Zambia (2nd)	Nigeria	Georgia	Bhutan
Mali	Rwanda	Senegal	Comoros	Burundi (2nd)	Nigeria (SN)	Haiti
Mozambique	Congo, DRC	Sierra Leone	Nigeria (SN)	Gabon	Uganda (SN)	Gambia
Togo	Cote D'Ivoire	Djibouti	Burkina Faso (2nd)	Kosovo	Peru (SN)	
Sao Tome & Principe	Grenada	Tanzania	Swaziland (2nd)	Indonesia (SN)		
Swaziland	Antigua	Mauritania	Brazil (SN)	Maldives (2nd)		
Zambia		Benin	Tajikistan			
Bangladesh			Belarus			
Honduras			Sao Tome & Principe (2)			
Moldova			Afghanistan			
Mongolia						
Debt Management Reform Plans Implementation: 44 Missions						
FY08 (2)	FY09 (1)	FY10 (5)	FY11 (5)	FY12 (11)	FY13 (9)	FY14 (11)
Albania	Ghana	Congo, Brazzaville	Congo, Brazzaville	Zimbabwe	Burundi	Niger
Andhra Pradesh		Bangladesh	Maldives	STP	Samoa	Bosnia & Herzegovina
		Solomon Islands	Moldova	Bhutan	Tonga	Ethiopia
		Cameroon	The Gambia	Liberia	Zambia	Timor Leste
		Sierra Leone	Malawi	DRC	CAR	Madagascar
				Cameroon	Gambia	Guinea
				Tajikistan	Sudan	Togo
				Tanzania	Cabo Verde	Samoa
				Comoros	Ghana	Myanmar
				Mauritania		Pakistan
				Vietnam		Jamaica

In a number of countries, DeMPA and the Reform Plan have been the catalytic impact to enhance the debt management functions and institutions. Reforms or corrective actions have been undertaken or planned to address the identified weaknesses. More information on reform plan can be accessed through the World Bank's website at: <http://go.worldbank.org/CFPMWGNZ70>.

C. The Joint Bank-Fund Medium Term Debt Management Strategy (MTDS) toolkit provides a framework for formulating and implementing a debt management strategy for the medium term. It is focused on determining the appropriate composition of the debt portfolio, taking into account macroeconomic indicators and the market and institutional environment.

An MTDS is useful for illustrating a government's cost and risk trade-offs that may be associated with alternative debt management strategies and helps in managing the risk exposure embedded in a debt portfolio, in particular the potential variation in debt servicing costs and its budgetary impact. The MTDS toolkit includes a guidance note on the process of designing and implementing a debt management strategy in a LIC context, a template for strategy documentation, and a tool for cost-risk analysis with an associated handbook. The MTDS missions completed to date as well as the mission pipeline for FY12 are listed in Chart 3.

Chart 3: MTDS Missions to Date Fiscal-Year-wise

MTDS Implementation: 58 Missions					
FY08 (4) Pilots	FY10 (9)	FY11 (7)	FY12 (11)	FY13 (12)	FY14 (12)
Bangladesh	Cabo Verde	Malawi	Cabo Verde (follow-up)	Cameroon	Liberia
Ghana	Samoa	Ghana (follow-up)	Rwanda	Cote D'Ivoire	Djibouti
Cameroon	Moldova (follow-up)	Bangladesh (follow-up)	Mozambique (follow-up)	Burkina Faso	Azerbaijan
Nicaragua	Tanzania	Paraguay	Mongolia	Ethiopia	Burkina Faso
FY09 (3)	Nigeria	Tanzania (follow-up)	Cameroon (follow-up)	Sierra Leone	Seychelles
Moldova	Kenya (follow-up)	Senegal	Nigeria (follow-up)	Honduras	Sao Tome & Principe
Kenya	Nicaragua (follow-up)	Kyrgyzstan	Armenia	Malawi	Cabo Verde
Jamaica	Mozambique		Gambia	Djibouti	Liberia
	Jamaica		Nicaragua	Lesotho	Tanzania
			Tajikistan	Mongolia (follow-up)	Pakistan
			Mauritania	Uganda	St. Vincent & the Grenadines
				Bolivia	Vietnam

The MTDS missions and trainings have raised awareness of the importance of debt management strategy and strengthened the analytical capacities in the area. Following the MTDS missions, several countries have published or were about to publish their formal debt management documents.

More information on the MTDS can be accessed through the World Bank's website at: <http://go.worldbank.org/T7SB6VFEL0>.