What we Measure

The Bank has collected and maintained data on the external debt of its member countries since 1952. The Bank’s Debtor Reporting System (DRS) is the most detailed single source of verifiable information on the external indebtedness of low- and middle-income countries. All countries that borrow from IBRD or IDA agree to report, annually, loan-by-loan on stocks and flows for long-term external debt owed by a public agency or a private agency with a public guarantee and in aggregate on long-term external debt owed by the private sector with no public guarantee. The Bank publicly reports aggregates of this loan-by-loan information at the level of individual debtor countries, e.g. total stocks of external public and publicly guaranteed debt owed to all multilateral, bilateral official, and non-official creditors.

To support the Bank-IMF Debt Service Suspension Initiative (DSSI) and in the interests of greater debt transparency, the World Bank recently released data on the public and publicly guaranteed debt stocks and projected debt service due, for the 72 DSSI eligible countries, disaggregated by creditor type.

A new set of tables released today (June 19th), provide a further disaggregation of external debt stocks and flows by creditor country for official bilateral creditors and entity for multilateral institutions. In addition, projected debt service payments for 2019-2021 are presented on a monthly basis. Limitations on the disaggregation by creditor country and multilateral entity relate to confidentiality commitments by the World Bank with respect to information reported to the DRS: these preclude the release of information showing a debtor country’s obligations to a single creditor entity. Where this occurs, data are aggregated and presented as ‘other bilateral’ or ‘other multilateral’. Data for IBRD and IDA are drawn directly from the World Bank’s own accounting records. The regional development banks, the African Development Bank, the Inter-American Development Bank and the Asian Development Banks report directly to the DRS on their lending activities to low- and middle-income countries.

The data provide a broad indicative measure of the volume and composition of debt service payments and the potential impact of debt service payment deferral in the context of the DSSI. However, it is important to note that these data draw from annual statistical records of the debtor country and not the daily accounting records that will be the basis for calculation and agreement between debtor and creditor on the precise amount of any debt service deferred. The data presented in the tables are based on information reported annually to the World Bank Debtor Reporting System (DRS) by the national authorities of the relevant countries and compiled and disseminated by the World Bank, in accordance with the internationally agreed standards set out in External Debt Statistics: Guide for Compilers and Users, 2003).

The overall aggregates and the composition by creditor type may differ from comparable data published by national authorities in debt bulletins, budget statements, on national websites or other because of differences in methodology, coverage and presentation and vintage of data. Similar differences related to definitions, coverage and vintage will also apply to comparisons of data disseminated by the World Bank based on debtor records and those that draw from creditor records and made available by in creditors’ reports and on related websites. Some of the most common reasons for differences are (a) exclusion from the measure of external debt of loans payable in domestic currency to non-residents; (b) capitalization and inclusion of interest arrears in the measure of debt outstanding including, in credit
records, penalty interest; and (c) classification by creditor type in accordance with source of financing rather than the legal status of the lender. For example, loans extended on commercial terms by a development bank or publicly owned bank using funds raised by that lender in commercial markets may be considered as only ‘officially supported’ and classified, as with guaranteed export credits, as loans from a private creditor.

For some countries, particularly those in conflict situations or with limited technical capacity, data may be compromised by inconsistencies or under-reporting. Prior debt restructuring operations may not be consistently or comprehensively reported to the DRS or may be accounted for in different ways in individual countries, thus invalidating cross-country comparisons.

The following explanations and disclaimers regarding the data presented in the tables are given below as a service to users.

(a) Definitions and categorization

*External debt* is defined in accordance with residency criteria as the obligation of a resident to a non-resident, in foreign or domestic currency. Long-term debt is all debt with an original maturity of over one year. (*External Debt Statistics: Guide for Compilers and Users, 2003*).

**Creditor type.** The type of creditor country classification mirrors the definition used in the SNA 2008 and the BPM6.

*Official bilateral creditors*—lending by sovereign governments and all public institutions in which the government share is 50 percent or above and encompassed by the SNA definition of general government, central government; state and local government; central bank; and public enterprise.

*Official multilateral*—lending by international organization whose membership and decision-making process includes the government of two or more countries.

*Bondholders*—holdings of securities by investors for which the issuer has promised to pay a specified amount of money at a fixed date and income at periodic dates until maturity. It includes publicly placed bonds and privately placed bonds.

*Non-official bilateral* includes all other private creditors, including those that are officially support by an export credit guarantee, or other form of risk-mitigating guarantee, from an official bilateral entity or multilateral institution.

(b) Vintage and Presentation of Data

**Debt stock** is the actual amount of long-term debt outstanding at year end, inclusive of any principal payment in arrears. It excludes interest payments in arrears – these are recorded in the DRS as a short-term liability.

**Debt service payments** measure the actual amount of debt service paid in 2014-2018 and the projected amount of debt service due monthly in 2019-2021, based on the disbursed and
outstanding long-term external debt at end 2018, net of (i.e. excluding) principal in arrears. Projected debt service payments do not take account of any increase in debt service that may arise from new loans contracted after December 31, 2018 or any reduction in debt service resulting from debt restructuring arrangements concluded on a bilateral basis or in multilateral fora after December 31, 2018, including agreements in the context of the HIPC initiative.

there has been significant progress in South Africa’s reporting:

- On May 29, the South African Reserve Bank made a submission on Form 1 (attached), which is the most sensitive form with loan by loan information. DECDG is reviewing the form, and there are questions on some loans where some details are not included (possibly due to confidentiality clauses); but overall it appears to be a high quality submission.
- Treasury indicated that they would submit Form 2 by July; and Form 4 by end August to complete the 2019 reporting requirements.
- The Deputy Governor of the Reserve Bank has written to confirm South Africa’s intent to comply with the DRS (attached).
- If Form 2 and 4 are of the same quality as Form 1 and submitted as scheduled, South Africa’s score on the 2020 report could rise to 1. They are likely to need support from DECDG in completing the requirements.
- This is a significant improvement in South Africa’s reporting. Many thanks to the DECDG team (Evis Rucaj and Rubena Sukaj), and to the EDs Office (Sipho and Reshma) for making this possible.