# DEBT REPORT

# 2021

## EDITION II

April 2021

WORLD BANK GROUP

# DEBT Report 2021

## About the Report

This is the second of the series of Debt Reports for 2021 to be published online, at regular intervals, over the course of the year. Their aim is to provide users with analyses of evolving trends and development related to external debt and public debt in individual countries and regional groups, with primary emphasis on low- and middle-income countries, and to keep users abreast of debt-related issues and initiatives.

The reports:

- Complement the summary overview of borrowing trends in 120 low- and middle-income countries information presented in International Debt Statistics (IDS 2021), published in October 2020 with regional and country specific analyses on the composition and characteristics of external debt stocks and flows. The analyses will be underpinned by the detailed loan-by-loan data on stocks, transactions (commitments, disbursements and debt service payments) and loan terms captured by the World Bank Debtor Reporting System (DRS);

- Draw from the high-frequency, Quarterly External Debt Statistics (QEDS) and quarterly Public Debt Statistics (PSDS) databases to provide users with syntheses of emergent trends in external and public debt, including borrowing patterns and current debt levels in both high-income countries and low- and middle-income countries;

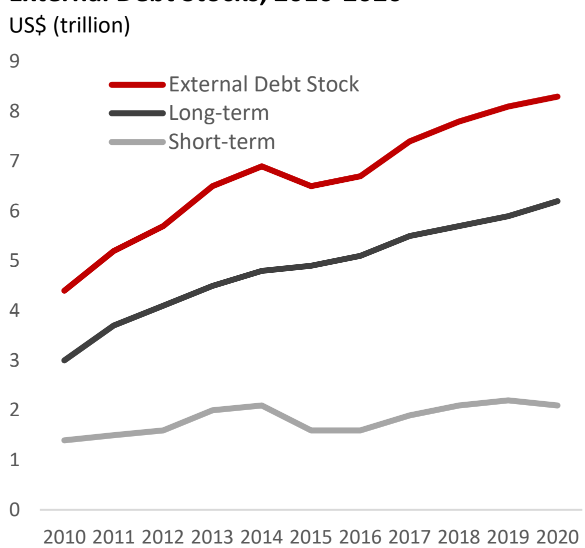
- Provide users with information briefs on current issues and ongoing initiatives aimed at improving external and public debt measurement and monitoring, filling data gaps, and enhancing the coverage and harmonization of international datasets and related data dissemination.

Debt Report 2021 Edition II is focused on the preliminary estimates of external debt stocks at end-2020 for 120 low- and middle-income countries, and information on low- and middle-income countries' bond issuance in international capital markets in 2020. It also provides an update on the Debt Service Suspension Initiative (DSSI) as well as an overview of a new initiative aimed at creating a comprehensive dataset of domestic debt obligations of low- and middle-income countries.

## I. Low- and Middle-Income Countries - External Debt Estimates for 2020

**Preliminary estimates indicate the combined external debt stock of 120 low- and middle-income countries for which data was presented in International Debt Statistics 2021 (IDS 2021) rose to $8.4 trillion at end-2020.** External borrowing by low- and middle-income countries in 2020 took place against the backdrop of the COVID-19 pandemic that caused a global recession whose depth was only surpassed in the past century by the two World Wars and the Great Depression. It followed a decade in which external debt levels had already risen sharply in many low- and middle-income countries leaving borrowers vulnerable to sudden changes in investor risk appetite and compounding the debt problems of the world's poorest countries, many of which were already assessed at high risk of debt distress. Preliminary estimates indicate that low- and middle-income countries added around $220 billion to their combined external debt obligations in 2020. This figure is based on actual outcomes through the third quarter (end-September) of 2020 for 67 countries reporting to the Quarterly External Debt Statistics (QEDS) and information from creditor sources, both official and private. On average the external debt stock of low- and middle-income countries is estimated to have risen by around 2.8 percent in 2020, close to half the average 5.5 percent increase recorded in 2018 and 2019.

**Figure 1: Low- and Middle-Income Countries - External Debt Stocks, 2010-2020**




*Sources:* World Bank Debtor Reporting System, Quarterly External Debt Statistics and staff estimates.

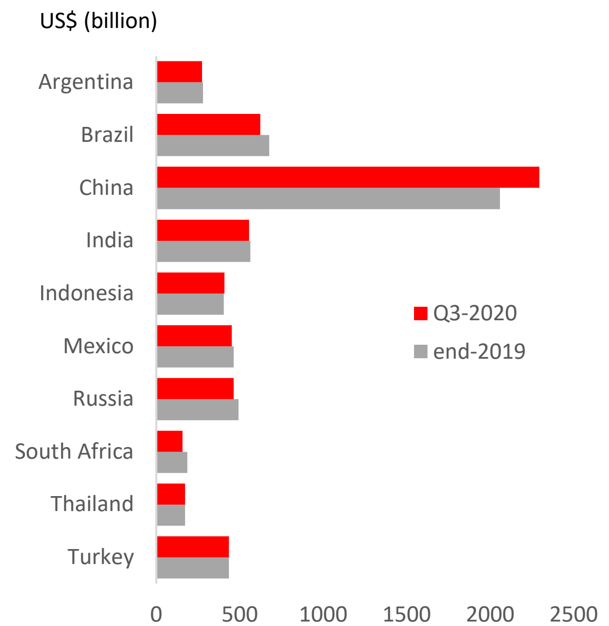
**Outcomes in 2020 were driven by the top ten borrowers and, specifically, developments in China.** In aggregate the ten most important borrowers, defined on the basis of end-2019 external debt stock, recorded a 1.8 percent increase in external debt in the first three quarters of 2021 to $5.8 trillion, with a 2.6 percent rise in short-term debt partially offset by a small, 0.75 percent contraction in long-term debt stocks. But there was wide divergence in outcomes between China and the other nine major borrowers. China, which accounts for around 28 percent of combined external debt stock of low- and middle-income countries and close to 50 percent of their combined GDP, drove the trend. China recorded an 11 percent rise in external debt stock in the first three quarters of 2020 to $2.3 trillion at end-September 2020 propelled by a 16.4 percent increase in long-term debt and 7.6 percent rise in short-term obligations. In marked contrast the other the nine largest borrowers recorded, on average, a 3.6 percent contraction in external debt stocks at end-September 2020 from the end-2019 level. Over this nine-month period their combined long-term external debt stocks fell 3 percent and short-term debt stocks contracted 6.6 percent.

**After a sharp contraction the first quarter of 2020 China's economy rebounded as post-pandemic opening-up efforts accelerated.** The Chinese economy grew at an estimated 4.9 percent in the third quarter of 2020 leading to increased imports and exports and a parallel rise in trade credit. Chinese borrowers also reaped the rewards of measures taken in recent years to open up China's financial markets, facilitating access to external financing by China's small and medium-sized private sector entities and exchange rate and related policies that have resulted in the inclusion of renminbi-denominated bonds on global benchmark indices. Bond issuance by Chinese entities rose 24 percent in 2020 to $178 billion and investor appetite enabled China to issue a €750 million 5-year zero coupon bond as part of the €4 billion Eurobond issue in November 2020. External debt stock accumulation in 2020 was also attributable to the increased holding of domestically issued renminbi-denominated Chinese bonds by international investors, primarily central banks, and large financial institutions.

**Major borrowers, other than China, saw external debt stocks contract in 2020.** As a group, the nine largest borrowers after China recorded, on average a 3.6 percent contraction in external debt stocks at end-September 2020 from the end-2019 level. Over this nine-month period their combined long-term external debt stocks fell 3 percent and short-term debt stocks contracted 6.6 percent. These outcomes reflected the global slowdown in economic activity and cross-border trade brought on by the COVID-19 pandemic and deteriorating global financial conditions that triggered portfolio outflows particularly at the start of the pandemic. South Africa was especially hard hit by non-residents' sell-off of rand-denominated bonds resulting in a 15 percent contraction in external debt stock by end-September 2020 from the end-2019 level. Similar sell-offs reduced Brazil's external debt stock by 8 percent and that of the Russian Federation by 6 percent over the first three quarters of 2020 with shortfalls made up by increased borrowing on domestic markets. Indonesia recorded the largest increase in debt stock accumulation amongst the group, but it was marginal at 1 percent.

**External debt stock accumulation in 2020 varied widely at the regional level.** Countries in the Middle East and North Africa recorded the fastest pace of debt accumulation. Their combined external debt stock rose to an estimated $360 billion at end-2020, an increase of 8.9 percent over the comparable figure at end-2019. The dominant factor was the estimated 11 percent rise in the external debt stock of Egypt, the region's largest borrower, but external debt stocks also rose an estimated 13 percent in both Jordan and Morocco. Most of the financing to all three countries came from bond issuance in international capital markets and the International Monetary Fund (IMF).

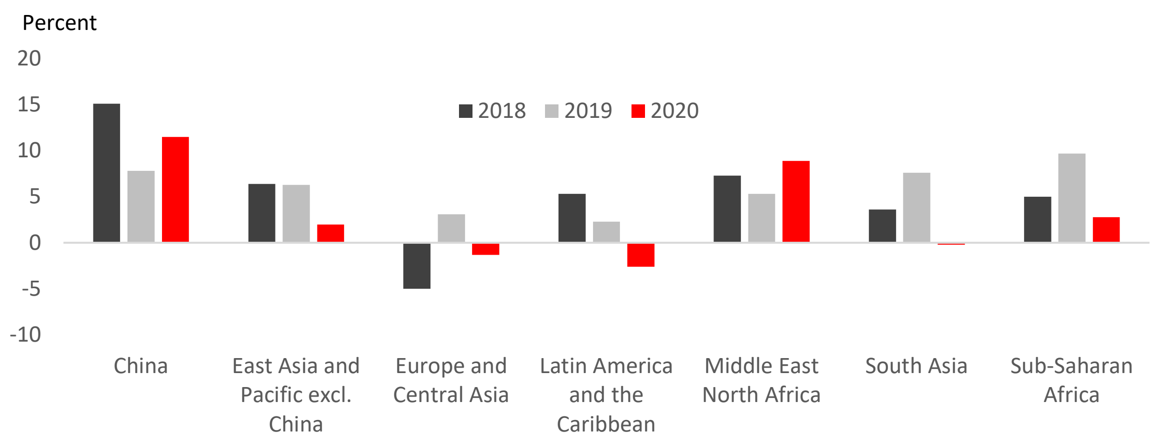
**Figure 2: Top Ten Borrowers - External Debt Stocks, end-2019 and Q3-2020**




*Source:* Quarterly External Debt Statistics.

Together they issued a total of $11.7 billion in Eurobonds in 2020 and received around $9 billion from the IMF. In contrast, external debt stocks in the Europe and Central Asia region contracted by 1.3 percent and at twice that rate, 2.6 percent, in Latin America and the Caribbean, reflecting a downturn in short-term debt paralleling reduced trade flows and sell-off of domestically issued bonds held by non-residents. Countries in these regions typically increased borrowing in domestic markets to meet COVID-related expenditures. The external debt stock of countries in South Asia fell marginally, a marked contrast from the 7.6 percent increase recorded in 2019 driven by outcomes in India which accounts for 70 percent of the external debt stock of the region, but external

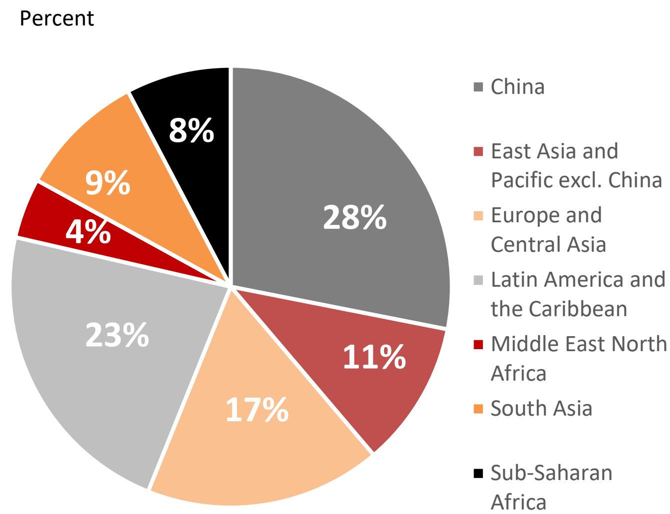
**Figure 3: External Debt Stock by Region - Percent Change, 2018-2020**




*Sources:* World Bank Debtor Reporting System, Quarterly External Debt Statistics and staff estimates.

debt stocks rose 10 percent in Bangladesh and Nepal and by a more moderate 3 percent in Pakistan. It was as similar story in Sub-Saharan Africa where external debt stocks rose only 2.8 percent in 2020 as compared to the prior year increase of 9.7 percent, but this downturn was driven principally by the sharp contraction in the external debt stock of South Africa, again primarily due to non-resident retreat from rand-denominated bonds. For other Sub-Saharan African countries external debt stocks are estimated to have risen on average 11 percent in 2020, slightly faster than the 10 percent rise recorded in 2019. For some countries in the region the increase was much larger according to third quarter data reported to QEDS or information released in national debt bulletins. These sources indicate external debt stocks rose in Burkina Faso by 16 percent, Nigeria 20 percent, Rwanda 19 percent and Uganda 14 percent. These countries all reported a sharp rise in inflows from official creditors.

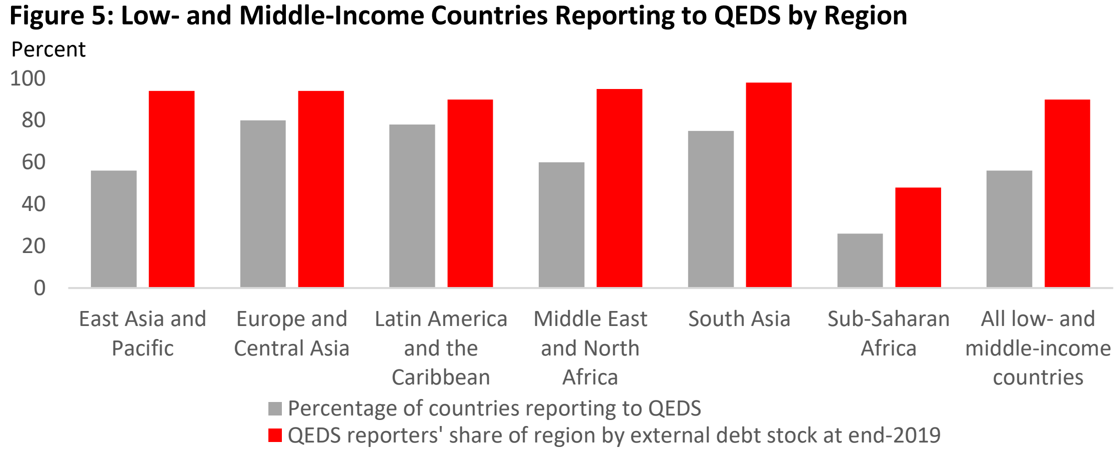
**Figure 4: External Debt Stock Regional Share, end-2020**




*Sources:* Quarterly External Debt Statistics, creditor sources and staff estimates.

**How robust are preliminary 2020 estimates of low- and middle-income countries external debt?** The high-frequency QEDS are a strong indicator of how low- and middle-income external debt stocks evolved in 2020. Currently 120 low- and middle-income countries report to DRS and, of these, 67 countries (55 percent) report on a regular basis to QEDS. Reporting to the DRS is mandatory for all World Bank borrowers whereas reporting to QEDS, while strongly encouraged, is voluntary where new countries opt in on a continuous basis. Low- and middle-income countries that do not yet report to QEDS include many of the poorest countries including those classified as fragile states, where debt management capacity is often weak. Over half of them are in Sub-Saharan Africa where only 11 of the 43 countries reporting to the DRS, or 26 percent, actively participate in QEDS at present. In contrast 80 percent of DRS reporting countries in Europe and Central Asia and 75 percent of those in Latin America and the Caribbean provide comprehensive quarterly information to QEDS. Although a large number of low- and middle-income countries do not yet subscribe to QEDS, this does not impede the use of QEDS data for assessing the current volume and composition of low- and middle-income countries external debt or compromise the results to any significant degree. This is because QEDS reporters include all ten of low- and middle-income countries largest borrowers and most of the other important borrowers in each region. Together countries reporting to QEDS accounted for around 90 percent of low- and middle-income countries estimated $8.4 billion external debt stock at end-2020. At the regional level QEDS reporters share of the combined external debt stock ranged from 98 percent in South Asia to 48 percent for Sub-Saharan Africa where several large borrowers, including Angola and Nigeria, do not report to QEDS.

**Figure 5: Low- and Middle-Income Countries Reporting to QEDS by Region**

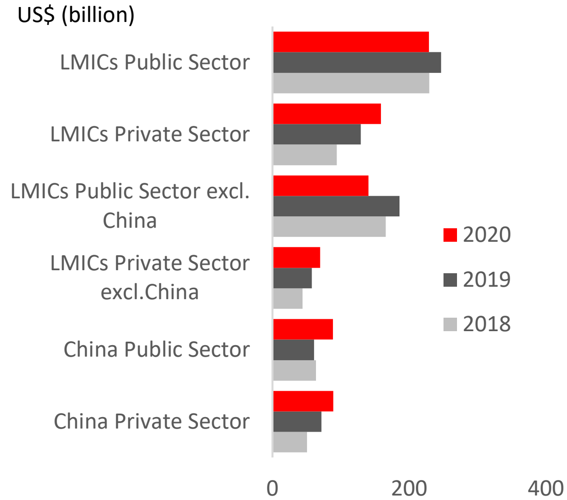



*Sources:* World Bank Debtor Reporting System and Quarterly External Debt Statistics.

## II. Bond Issuance by Low- and Middle-Income Countries in 2020

**Bond issuance in international capital markets by low- and middle-income countries rose 3 percent in 2020 driven by a surge in issuance by Chinese entities.** Data compiled by the private data collection service Dealogic, from creditor and other market-based sources, report bond issuance by low- and middle-income countries in international capital markets totaled $388 billion in 2020, an increase of 3 percent over the prior year. The outcome for 2020 was characterized by a surge in bond issuance by private sector entities which rose 23 percent to $159 billion. In contrast, new issuance by sovereign governments and other public sector entities contracted by 7 percent, falling to $229 billion from $247 billion in 2019. Chinese public and private sector entities dominated bond issuance by low- and middle-income countries in 2020. They issued bonds totaling $178 billion, an increase of 24 percent over the comparable figure for 2019 and accounted for 46 percent of bond issuance by all low- and middle-income countries combined, up from a comparable 35 percent share in 2019. Issuance by public sector entities in China, including the Export-Import Bank of China, rose 46 percent in 2020 to $89 billion. New issuance by private sector entities rose 24 percent, but from a higher base and they also totaled $89 billion in 2020. Bond issuance by low- and middle-income countries, other than China, fell on average 14 percent in 2020 to $210 billion but like China were characterized by increased issuance by private sector entities, up 21 percent over the 2019 level. In contrast, new issues by sovereigns and other public sector entities contracted by 25 percent in 2020.

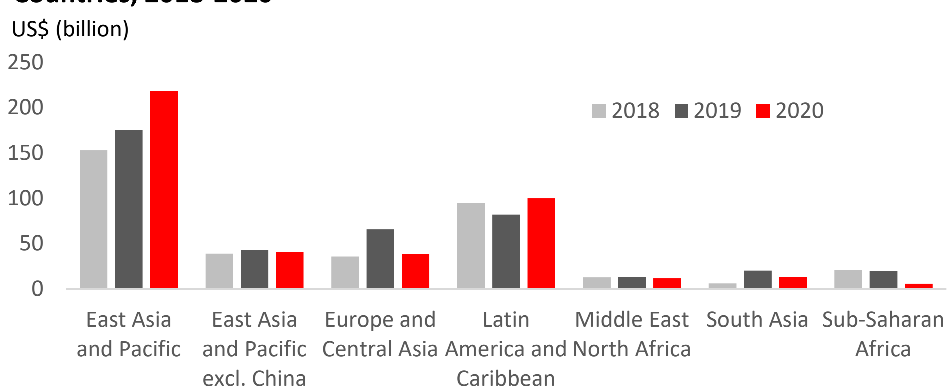
**Figure 6: Bond Issuance by Low- and Middle-Income Countries (LMICs) by Debtor Type**




*Sources:* World Bank Debtor Reporting System and Dealogic.

**Outcomes at the regional level in 2020 were mixed but bond issuance fell in all regions except Latin America and the Caribbean.** Countries in Latin America and the Caribbean issued $100 billion in bonds in 2020, a 22 percent increase over the comparable figure for 2019. The increase was propelled by a 9 percent rise in issues by public sector borrowers and 57 percent jump in those by private sector entities. Mexico accounted for 42 percent of the issuance by public sector borrowers and became the first country in the world to issue a sovereign Sustainable Development Goals (SDGs) bond in September 2020 with a €750 million 7-year offering. Bond issuance by private sector entities in the region in 2020 was dominated by those in Brazil and Mexico. Private corporations in both countries issued bonds totaling around $14.5

**Figure 7: Regional Distribution of Bond Issuance by Low- and Middle-Income Countries, 2018-2020**



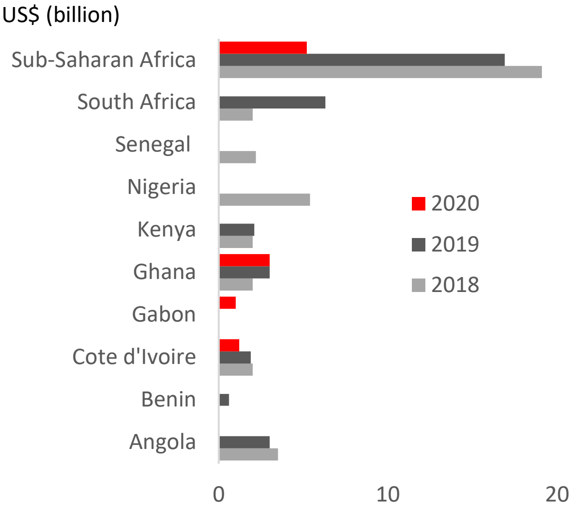

*Sources:* World Bank Debtor Reporting System and Dealogic.

billion in 2020 across multiple sectors. Together they accounted for 80 percent of the $36 billion in private sector bond issuance by the region in 2020. Countries in Europe and Central Asia recorded the sharpest fall in bond issuance in 2020. It fell 42 percent to $39 billion from $66 billion in 2019 with issuances by public and private sector entities contracting at much the same rate, by 43 percent and 38 percent, respectively. A sharp downturn in non-resident purchase of the Russian Federation's domestically issued bonds and steep reduction in bond issuance by the country's private sector entities drove the regional trend.

**New bond issuance by countries in Sub-Saharan Africa stalled after the onset of the pandemic but staged a comeback by end-2020.** Bond issuance by countries in Sub-Saharan Africa fell to $5.9 billion in 2020, 70 percent below the 2019 level. Only Gabon and Ghana issued sovereign Eurobonds, $1 billion and $3 billion, respectively, before the onset of the COVID-19 pandemic. Other countries in the region scheduled to tap international capital markets countries in 2020 including Angola, Cote d'Ivoire, Gabon, Kenya, Nigeria, and South Africa cancelled issuance plans as markets effectively closed in the wake of the pandemic. Investor aversion to the region stemmed from the economic disruption caused by the health crisis and sharp worsening in growth prospects and public and external debt indicators. This was reflected in the JP Morgan Emerging Market Bond Index (EMBI) which saw the global spread for African issuers spike to more than 1,000bp by end-March 2020, from an average of 469bp in February, making new issuance prohibitively expensive. However, market conditions eased as the year progressed, helped in part by large-scale support to countries in the region from official creditors. The EMBI index for African issuers fell back below 600bp by the fourth quarter, paving the way for Cote d'Ivoire's €1 billion ($1.2 billion) sovereign 12-year, 4.875 percent Eurobond issue in November. It was five times oversubscribed. The proceeds were used for budgetary support and partial refinancing of previous bond issues: the 5.125 percent notes due 2025, U.S. dollar-denominated step-up bonds due 2032, and the 6.75 percent notes due 2028.

**Figure 8: Bond Issuance by Sovereigns and Public Sector Entities in Sub-Saharan Africa, 2018-2020**

US$ (billion)




*Sources:* World Bank Debtor Reporting System and Dealogic.

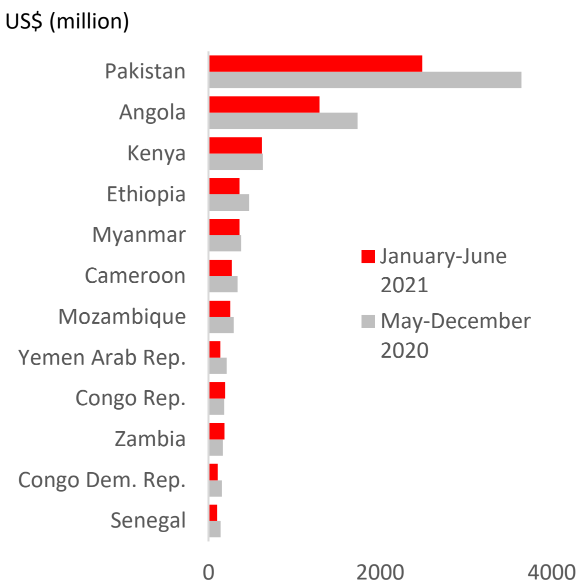
## III. The Debt Service Suspension Initiative (DSSI) – An Update

**The COVID-19 DSSI endorsed by the G-20 and the Paris Club on April 15, 2020[1] responded to calls by the World Bank and the IMF (March 25, 2020) on official bilateral creditors to provide a time-bound suspension on debt service to countries that request forbearance[2].** All IDA eligible countries and those classified by the UN as Least Developed Countries with the exception of countries with protracted arrears to official and private creditors, are eligible for DSSI – a total of 73 countries. Initially bilateral official creditors from G-20 countries agree to reprofile principal and interest payments falling due between May 1 and December 31, 2020 but this was subsequently extended to debt service payments falling due in the first half of 2021 and consideration is being given to a further extension covering the second half of 2021. Commercial creditors are called upon to participate in the initiative on comparable terms[3]. Countries that benefit from DSSI are required to use fiscal space created for expenditures related to crisis response; to disclose all public sector debt; and refrain from contracting new non-concessional debt during the suspension period, other than agreements in the context of DSSI, or in compliance with limits agreed under the IMF Debt Limit Policy (DLP) or World Bank Sustainable Development Finance Policy (SDFP).

[1] See "G20 Finance Ministers and Central Bank Governors Meeting Communiqué," April 15, 2020.
[2] See "Joint Statement from the World Bank Group and the International Monetary Fund Regarding A Call to Action on the Debt of IDA Countries," March 25, 2020.
[3] In a letter to the IMF, the World Bank, the OECD and the Paris Club (April 9, 2020), the IIF confirmed the willingness of private sector creditors to participate in the DSSI on a voluntary basis.

**More than $5.7 billion in 2020 debt service payments to G-20 bilateral creditors have already been suspended.** Since the inception of DSSI, 46 countries, 63 percent of those eligible for the initiative, have requested to benefit from the initiative with most of these countries assessed at high risk of debt distress. Based on the loan-by-loan information reported by borrowers to the World Bank Debtor Reporting System (DRS) the combined debt service obligations to G-20 bilateral creditors of countries participating in the initiative was $9.8 billion in 2020 (May-December) and a further $7.3 billion in the first half of 2021. At the individual country level debt service eligible for suspension typically ranges from 0.5 to 2 percent of GDP. Debt service payments are heavily concentrated with the 12 largest borrowers accounting for on average around 85 percent of the total in both 2020 and 2021. In 2020, 43 countries are estimated to have already benefitted from $5.7 billion in debt service suspension of which $2.5 billion has been delivered by Paris Club creditors to 36 countries.

**Figure 9: Debt Service Payment to G-20 Bilateral Creditors from Largest DSSI Participants**



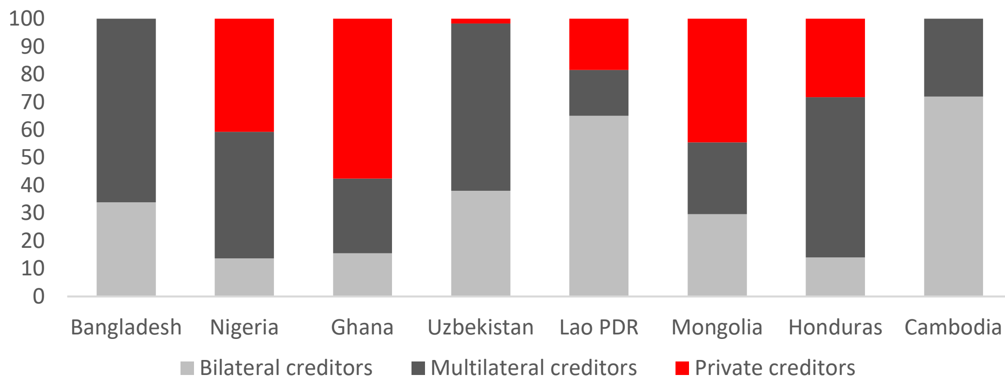

*Source:* World Bank Debtor Reporting System.

**An important element of the World Bank's focus on debt transparency is an accurate assessment of DSSI outcomes and the terms and conditions of any other bilateral debt restructuring arrangements.** The World Bank Development Data Group has already released a highly disaggregated dataset that provides for each DSSI-eligible country the creditor country breakdown of debt outstanding and future debt service payments for debt owed to each bilateral creditor and multilateral entity. Projected debt service payments are disaggregated by principal and interest and presented on a monthly and annual basis. An exercise to reconcile the loan-by-loan data reported to the DRS by borrower with the comparable creditor record of G-20 creditors is ongoing and has already been completed for all G-7 countries. Separately, staff of the Development Data Group responsible for maintaining the DRS have drafted guidelines for national compilers on how to report on the debt service suspension for the 2020 reporting round and are working with them directly to facilitate the process. The twofold aim is to ensure that all debt suspensions are accurately captured and that the fiscal space created can be identified in aggregate and for each DSSI participant country. Additionally, measures have been put in place to identify all new COVID-related financing to low- and middle-income countries in 2020. These data will be presented in International Debt Statistics 2022 as part of the commitment to debt transparency through the continuous expansion of the external debt dataset disseminated by the World Bank.

**Some DSSI-eligible countries have thus far elected not to participate.** Currently, 27 DSSI-eligible countries, 37 percent of eligible countries, are not participating in the initiative for a variety of reasons. Some fear participation may convey the wrong signal to bondholders and other private creditors while others note the amount of eligible bilateral debt service is negligible, and savings do not justify the administrative expenses incurred by deferral. Because the DSSI only defers payment to a later date, some policymakers worry longer term debt sustainability may be sacrificed for short-term financial flexibility. The public and publicly guaranteed long-term debt of non-DSSI participant countries totaled $163 billion at end-2019, equivalent to 31 percent of the comparable external debt stock of all DSSI-eligible countries combined at that date. Debt stock is highly concentrated with 83 percent accounted for by just 8 of the 37 countries in the group and the creditor composition is divergent. Bangladesh and Cambodia have no obligations to private creditors, and they are minimal, 2 percent, for Uzbekistan. Bangladesh and Uzbekistan owe 66 percent and 60 percent respectively of their debt to multilateral creditors while Cambodia and the Lao People's Democratic Republic owe 72 percent and 65 percent, respectively, to bilateral creditors. In contrast 58 percent of Ghana's public and public guaranteed external debt, and 44 percent and 41 percent, respectively for Mongolia and Nigeria is owed to private creditors, largely bondholders.

**Figure 10: Creditor Composition of Public and Publicly Guaranteed Debt of Select Non-DSSI Participant Countries**

Percent




*Source:* World Bank Debtor Reporting System.

**Bond issuance in international capital markets by DSSI-eligible countries contracted sharply in 2020.** Over the past decade 40 percent of countries eligible for the DSSI initiative have issued bonds in international capital market with a combined value of $87 billion of which the majority, 85 percent, were issues by sovereign governments and public sector entities. But, following an all-time high of $19 billion in 2018 bond issues by DSSI-eligible countries fell 23 percent in 2019 to $15 billion and contracted by a further 57 percent in 2020 to $6.5 billion. Ghana was the only DSSI-eligible country to issue a bond in 2020 prior to the onset of the pandemic and during the rest of the year only four other countries returned to the market. These included a $600 million sovereign issue by Honduras used to pay down the debt of the national electricity company, Mongolia's $600 million sovereign issue in September 2020 to cover payments falling due on prior bond issues and a $750 million sovereign issue by Uzbekistan as well as a $300 million debut issue by the National Bank of Uzbekistan. Cote d'Ivoire's €1 billion ($1.2 billion) sovereign 12-year issue in November signaled a return to international markets by Sub-Saharan African borrowers and was followed in January 2021 by Benin with a €1 billion sovereign issue with an 11-year and 31-year tranche.

**Table 1: Bond Issuance by DSSI-Eligible Countries in 2020-2021**

US$ (billion)

| *Country* | *Issue Date* | *Amount* | *Tenor (Years)* | *Coupon* |
|---|---|---|---|---|
| Ghana | Feb-20 | 1,250 | 7 | 6.375 |
| Ghana | Feb-20 | 1,000 | 15 | 7.875 |
| Ghana | Feb-20 | 750 | 41 | 8.875 |
| Honduras | Jun-20 | 600 | 10 | 5.625 |
| Mongolia | Sep-20 | 600 | 5.5 | 5.125 |
| Uzbekistan | Oct-20 | 300 | 5 | 4.85 |
| Uzbekistan | Nov-20 | 750 | 10 | 3.7 |
| Cote d'Ivoire | Nov-20 | 1,200 | 11 | 4.875 |
| Benin | Jan-21 | 840 | 11 | 4.8 |
| Benin | Jan-21 | 360 | 31 | 6.8 |

Sources: Dealogic and Bond Prospectus.

## IV. A New Initiative – Compilation of Domestic Public Debt Data for Low- and Middle-Income Countries

**Rising levels of domestic public debt have prompted calls for a comprehensive public debt database.** Over the past decade, many low- and middle-income countries have developed local public debt markets and domestic debt has become an increasingly important part of the financing mix to fund development projects and finance budget deficits. As a result, the composition of public debt portfolios has changed with the overall increase in domestic public debt broadly paralleling the rise in external debt. On average domestic debt as a share of total public debt is estimated to be around 30 percent for low- and middle-income countries although with wide divergence at the individual country level. Non-resident holdings of local currency debt have also gained in importance including in some of the poorer IDA-only countries. Deeper debt markets and a broader investor base have helped address currency mismatches but have also increased exposure to shorter maturities and raised vulnerability to capital outflows. These developments, and rising levels of domestic public debt have attracted the attention of the international financial community and raised awareness of a growing data gap. It has underscored the need for a mechanism that provides a comprehensive picture of low- and middle-income countries public debt, domestic as well as external, in a coherent and timely manner, in accordance with internationally agreed standards and definitions.

**At present there is no comprehensive cross-country comparable dataset that captures the public debt of low- and middle-income countries.** In recent years there has been considerable improvement in the availability and quality of data on the external debt obligations of low- and middle-income countries but this has not been matched by a comparable development in information on domestic debt levels and composition. Country practices among low- and middle-income countries for defining and monitoring domestic debt vary considerably, leading to incompatibilities in composition and coverage and thus impeding coherent global comparisons. The Quarterly Public Sector Debt (QPSD) database, developed jointly by the World Bank and the International Monetary Fund in 2010, in the aftermath of the 2008 global and economic crisis, aims to facilitate the timely dissemination of public sector debt data on a quarterly basis. However, while reporting into the system is strongly encouraged it is voluntary and currently less than 40 percent of the 120 low- and middle-income countries reporting to the World Bank DRS subscribe to QPSD.

**The World Bank has launched an initiative to close the gap in international public debt data and extend its reporting requirement to domestic debt.** As a first step, a survey was launched among DRS member countries to assess: the legal framework that mandates domestic borrowing and the compilation and dissemination of domestic debt statistics; the institutional capacity of the governments to define, collect, record domestic debt; the adherence to international standards; and the mechanisms in place that would enable a possible expansion of the World Bank DRS reporting requirements to the domestic debt component of public debt. A total of 70 countries responded to the survey questionnaire including 18 low-income, 21 lower-middle-income and 31 upper-middle-income countries. The survey found that (i) residency is the most commonly used criteria to define domestic and external debt; (ii) the majority of respondents had a legislative framework in place to govern domestic borrowing; (iii) over 40 percent of countries used the Public Sector Debt Statistics: Guide for Compilers and Users (IMF, 2011) to define and collate domestic debt data; and (iv) all respondents compiled data on the domestic obligations of the central government. The survey also revealed that (i) sectoral coverage of domestic public debt varied and was most often only partial; (ii) consolidation of obligations across and within sub-sectors, essential to avoid double-counting, took place in less than half of the respondents; (iii) payments of arrears are relatively common but not always included in domestic debt statistics and (iv) the responsibility for managing and monitoring domestic debt was centralized in a single entity in only slightly more than half of respondents. In the next step, the World Bank will draw on these findings to develop a template and set of instructions for reporting domestic public debt that will be tested in a select group of low- and middle-income countries. This process and the survey that proceeded it are part of a roadmap towards incorporation of a standardized reporting requirement for domestic public debt within the framework of the World Bank DRS.