



Panel session #1 – Debt Transparency and information sharing

The Covid-19 pandemic has highlighted the central role of debt transparency in better assessing debt sustainability, addressing vulnerabilities, and facilitating debt restructuring. Creditors and borrowers have a major role to play in implementing transparent and sustainable financing practices.

Increased access to markets together with a more diversified creditor base has not been accompanied by the corresponding upgrade in the legal, institutional and operational frameworks for public debt management in Low Income Countries (LICs). In this regard, Paris Club members strongly support the key role played by the IMF and the World Bank in promoting reforms in national legal and operational frameworks.

As shown by recent cases of undisclosed debt, the lack of transparency can impede long-term development. In some countries, debt difficulties have been triggered by the unveiling of previously undisclosed commitments, mostly off-balance sheet liabilities. Once brought to the attention of the international financial community, it entails adverse consequences on trust and a significant impact on foreign capital inflows. In response, supporting reforms and capacity building is paramount to help developing countries enhancing debt transparency.

Promotion of transparency of debt data has been fostered by several major initiatives. Borrowers have an important role in fostering debt transparency, but creditors also bear responsibility in debt disclosure and can complement debtor countries' efforts. The OECD, is working to support the operationalization of the Institute of International Finance's (IIF) Voluntary Principles for Debt Transparency through the OECD Debt Transparency Initiative. The Initiative seeks to develop a repository to make public, and to clarify currently opaque, data on financing provided by the private sector to developing economies. A broad participation from private creditors is crucial to ensure the effectiveness of this repository. The 'G20 operational guidelines for sustainable financing' emphasize the need for official bilateral creditors to improve debt transparency and share information.

Issues to be discussed:

- What are the incentives and factors that influence confidentiality and disclosure practices?
- What concrete measures should be undertaken to enhance greater debt transparency and sustainable practices on the side of borrowers, with the support of international financial institutions?
- How can we improve information sharing?
- How can we foster the implementation of best financing practices by official bilateral creditors and private creditors?