

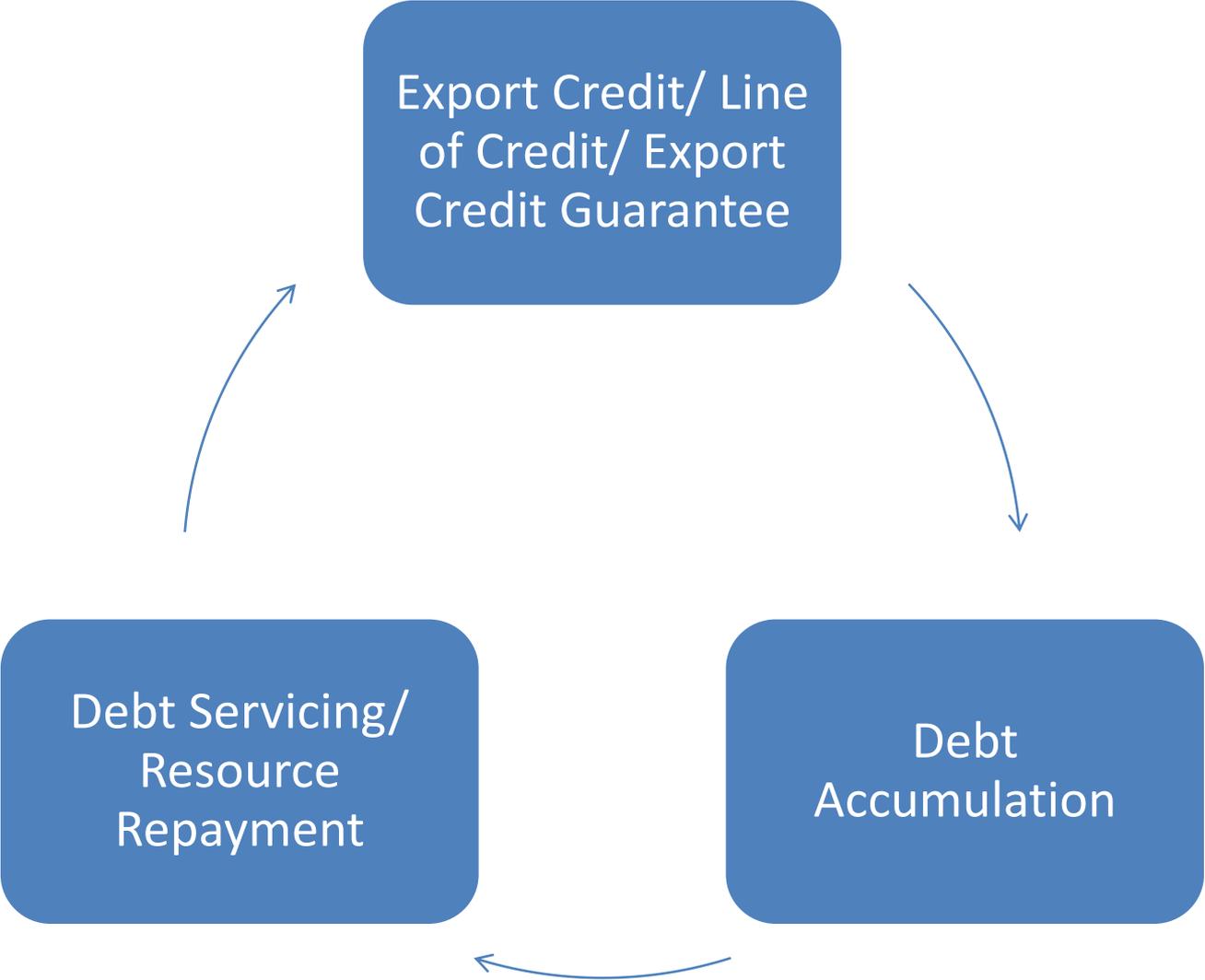
DAC and Non-DAC Donors at the Crossroads: The problem of Export Credits

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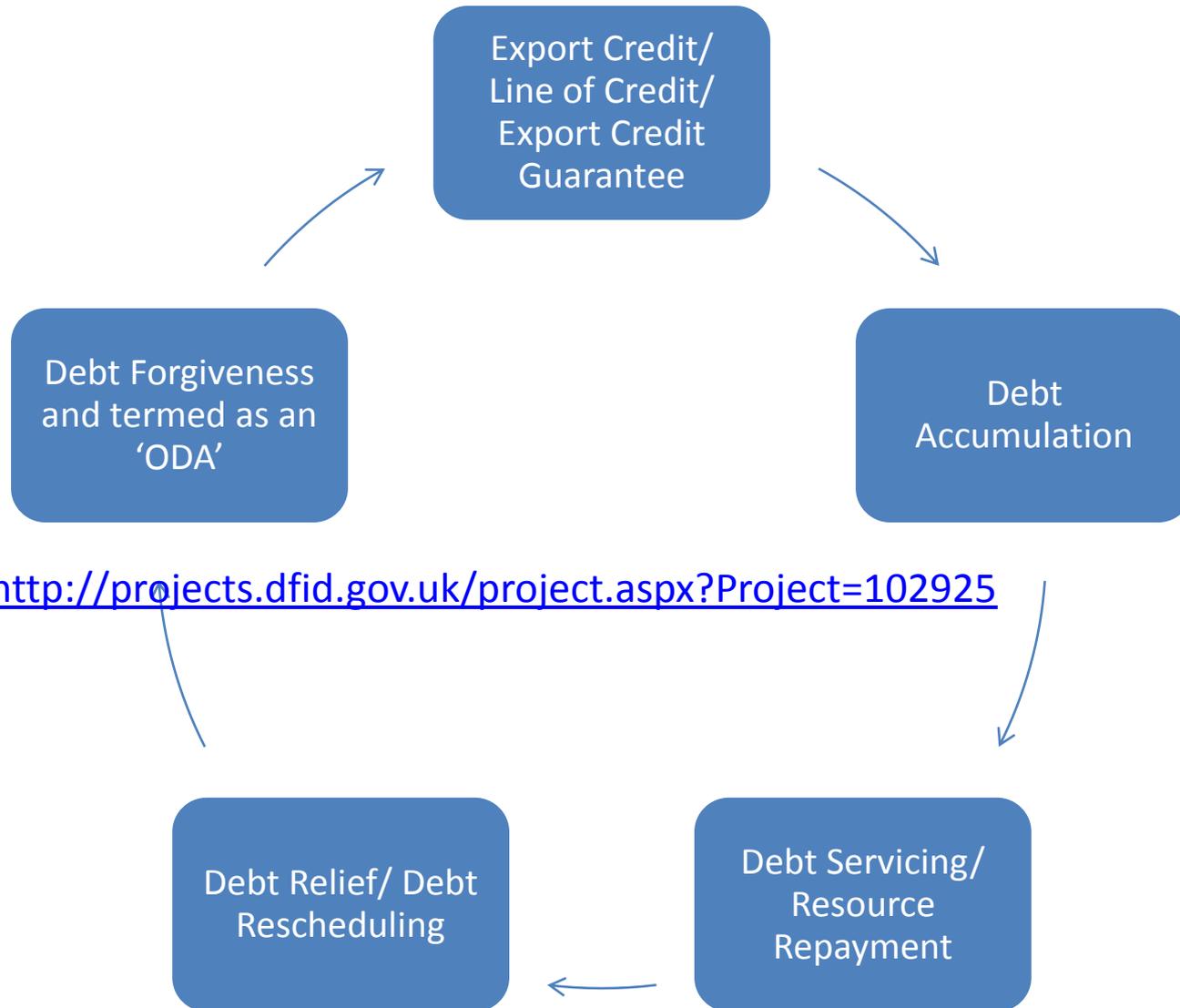
Context

- Non DAC donors growing development financing without transparent information sharing
- How to engage them with International Aid Transparency Initiative? (post Accra Aid Transparency Regime)
- Around 1/3rd of the total official external debt of developing countries is export credit originated debt (Euro DAD)
- G20 decision to boost trade finance by \$250 billion (Apr, 2009)
 - Chinese Development Bank & Export-Import Bank has surpassed the World Bank and has loaned at least 110 billion dollars in 2009 and 2010 (FT, January 2011)
 - U.S. Export-Import Bank breaks record for loan authorisations topping \$24.5 billion this fiscal year (Business Times, Aug 2011)

Development Finance Cycle in Export Credit



Development Finance Cycle in Export Credit (when termed as an ODA)

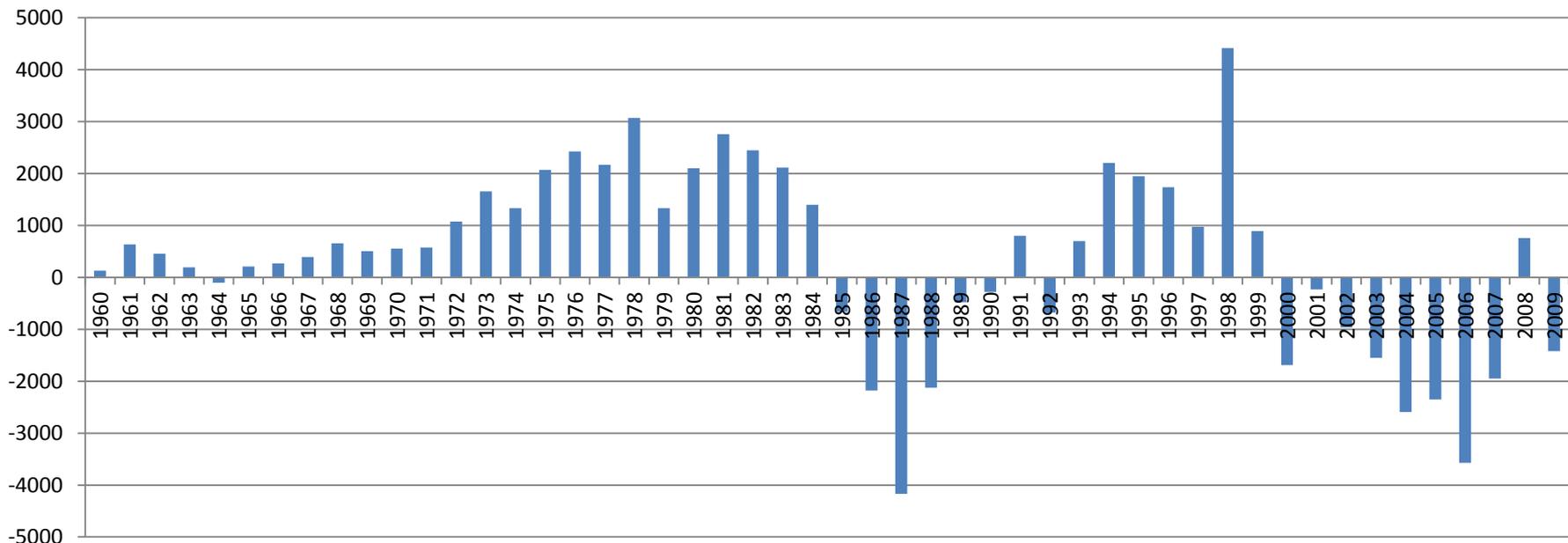


Export Credit Agencies of Non DAC Donors and their use in Development Finance

- Operate in two distinct ways in extending official aid programmes
 - either directly extend official support (through EXIM agency)
 - complement, synergize or co-finance with their other official financial flows (through development cooperation agency)
- Export insurance, credit and guarantee services and relending facilities (Taiwan), concessional loans through lines of credit window (India), line of credit (China) machinery or raw materials, engaging contractors, producing raw materials or energy for sale (Thailand)

Official Export Credits Data of DAC Donors

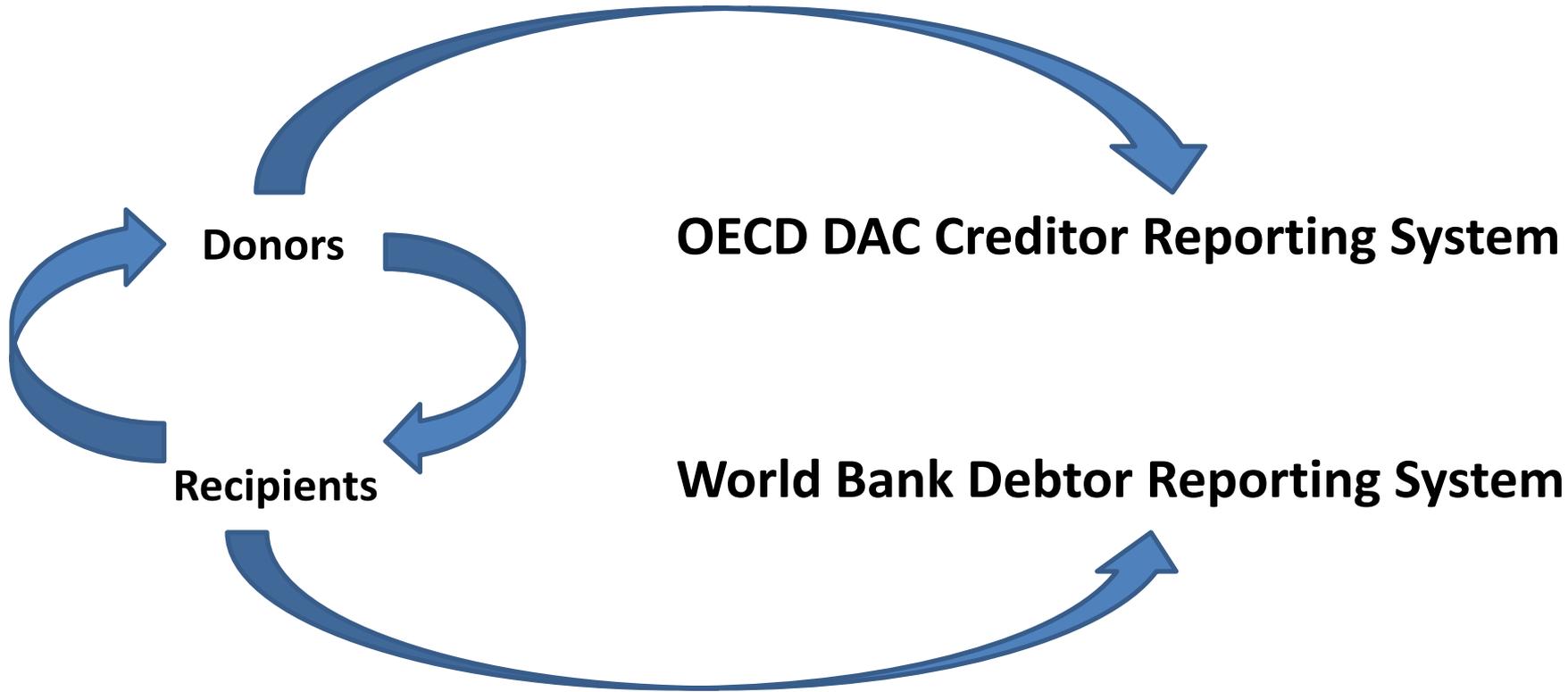
All OECD Donors Total Disbursement (Current Prices USD Million)



- But no breakdown on 'repayments' thus present asymmetrical picture
- Lack of data/project details on 'repayment' of which export credit project is converted as 'ODA' under debt relief measure

Source: OECD Query Wizard for International Development Statistics

Export Credit Data Ecosystem



Inter-Agency Task Force on Finance Statistics

Export Credit Finances: What's Public and What's Restricted?

Access	Database	Flow of resources	Main uses of the data
Public	CRS/Aid	<ul style="list-style-type: none"> Official development assistance Official aid 	<ul style="list-style-type: none"> Sectoral and geographical distribution of aid External indebtedness Tying status of aid Terms and conditions of aid Relating aid inputs to policy priorities
Restricted	CRS/OOF	<ul style="list-style-type: none"> Other official flows (except export credits) 	<ul style="list-style-type: none"> Sectoral and geographical distribution of other official flows External indebtedness
	CRS/Export credits	<ul style="list-style-type: none"> Official export credits Private loans and credits under official guarantee or insurance 	<ul style="list-style-type: none"> External indebtedness Exposure and new obligations of export credits (Trade Directorate)

Source: OECD (2007)

Data on export credits are confidential and made available only in aggregate form.

World Bank Debtor Reporting System Data Dissemination and Access Policy

- **Debt data publicly available**
 - Publicly available, aggregate data include time series of stocks, disbursements, principal, and interest payments along with various breakdowns of the data
- **Debt data not publicly available:**
 - Loan-by-loan data (record level data) are not accessible publicly.

Request for access to World Bank Debtor Reporting System Data

- Submit a written proposal to the World Bank that includes the following information:
 - Describe the data and countries or regions for which access is requested.
 - Detailed project description including
 - The context of the research proposal;
 - The state of the literature on the topic;
 - Expected results, intended use, and dissemination plans.

Declaration of confidentiality.

- The data will be used only for statistical purposes.
- The results of the research must either be published or made available upon request.
- The results of the research will be published only at the aggregate level used in *Global Development Finance* unless permission has been granted to publish in greater detail. For that purpose, the version of the research to be published should be provided to the World Bank prior to publication to verify compliance.
- The calculations and documentation underlying the research will be provided to the World Bank, if requested.
- Further dissemination of the data to third parties is prohibited; however, requests from other scholars to access the data for the purposes of validating or critiquing results will be looked on favorably

Non compliance to these rules may have legal consequences

When the debt stock data for export credits was last reported?

- ‘Discussions about processing the debt stock data for export credits have not progressed since the time of the last report, in spite of the continued interest among the World Bank, IMF and many Export Credit Agencies’
- ‘In view of resource constraints and a lack of consensus amongst members of the export credit committees on the importance of collecting and maintaining data on export credit stocks, it is not likely that the stock data will be addressed in the near future’ (Inter-Agency Task Force on Finance Statistics, 2011:3)

Why transparency and data disclosure?

- We argue that greater transparency through open export credits data will help understand the debt accumulation of developing countries and help determine the level of sovereign debt due to export credits flow.

What's the Current Policy Thinking?

- [Export Credits Guarantee Department \(Regulation and Reporting\) bill](#) going to the UK parliament in November 2011 contains transparency requirements. It calls for 'the publication of an audit of all sums owed to the department, an annual impact assessment and a real-time disclosure policy on all supported projects