

Tokyo Fiscal Forum 2018

Discussions in

Session 2: Strengthening infrastructure

governance

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Enhancing capacity development to strengthen fiscal management and infrastructure governance

- Collaboration between bilateral and multilateral institutions - Cases of JICA with Public Expenditure and Financial Accountability (PEFA)
- Collaboration between economists and planners and engineers

Public Investment Management
- Lao, Malawi

Performance Based Budgeting
- Indonesia

Public Asset Management
- Ghana

Tax Administration
- Cambodia, Vietnam, Mongolia, Indonesia, Tanzania others

Internal Audit
- Mongolia, Tanzania

Local Finance
- South Africa

Public Debt Management
- Bhutan, Philippines



Enhancing public debt management for infrastructure governance

- Communiqué, G20 Finance Ministers and Central bank Governors Meeting, Buenos Aires (19-20 March, 2018)

Rising debt levels in Low Income Countries (LICs) have led to concerns about debt vulnerabilities in these economies. We agree that building capacity in public financial management, strengthening domestic policy frameworks, and enhancing information sharing could help avoid new episodes of debt distress in LICs. We call for greater transparency, both on the side of debtors and creditors. We reaffirm our support to the ongoing work of the Paris Club, as the principal international forum for restructuring official bilateral debt, towards the broader inclusion of emerging creditors. We support the provision of technical assistance by the IMF and the World Bank Group (WBG) in debt recording and reporting in LICs, where needed, and look forward to the work of these institutions on debt transparency.

Table 4. Total Public and Publicly Guaranteed Debt by Creditor, 2007–16

(in percent of GDP)

| All LIDCs 1/ (in percent of GDP) | | | |
|--|-------------|-------------|-------------|
| | 2007 | 2013 | 2016 |
| Total | 47.1 | 39.8 | 52.7 |
| External | 36.5 | 28.7 | 37.3 |
| Multilateral, o/w | 19.6 | 14.4 | 15.7 |
| <i>WB, IDB, IMF, AfDB, AsDB</i> | 16.8 | 9.4 | 9.9 |
| <i>Other</i> | 2.8 | 5.1 | 5.8 |
| Bilateral, o/w | 14.2 | 11.4 | 16.0 |
| <i>Paris Club</i> | 7.4 | 2.3 | 2.2 |
| <i>Non-Paris Club, o/w</i> | 6.8 | 9.1 | 13.8 |
| <i>China</i> | 0.3 | 2.5 | 4.2 |
| Commercial, o/w | 2.7 | 2.9 | 5.6 |
| <i>Bonds</i> | 0.5 | 0.6 | 1.4 |
| <i>Commercial banks</i> | 1.1 | 0.8 | 1.1 |
| <i>Other</i> | 1.1 | 1.5 | 3.2 |
| Domestic, o/w | 10.5 | 11.1 | 15.3 |
| <i>Central bank claim (net)</i> | -0.8 | 0.3 | 2.8 |
| <i>Deposit money banks</i> | 0.6 | 2.6 | 6.2 |
| <i>Non-banks</i> | 10.7 | 8.2 | 6.3 |
| <i>Memorandum:</i> | | | |
| Domestic, o/w by instrument | | | |
| <i>Marketable</i> | 3.1 | 5.9 | 7.0 |
| <i>Non-marketable</i> | 7.4 | 5.2 | 8.3 |

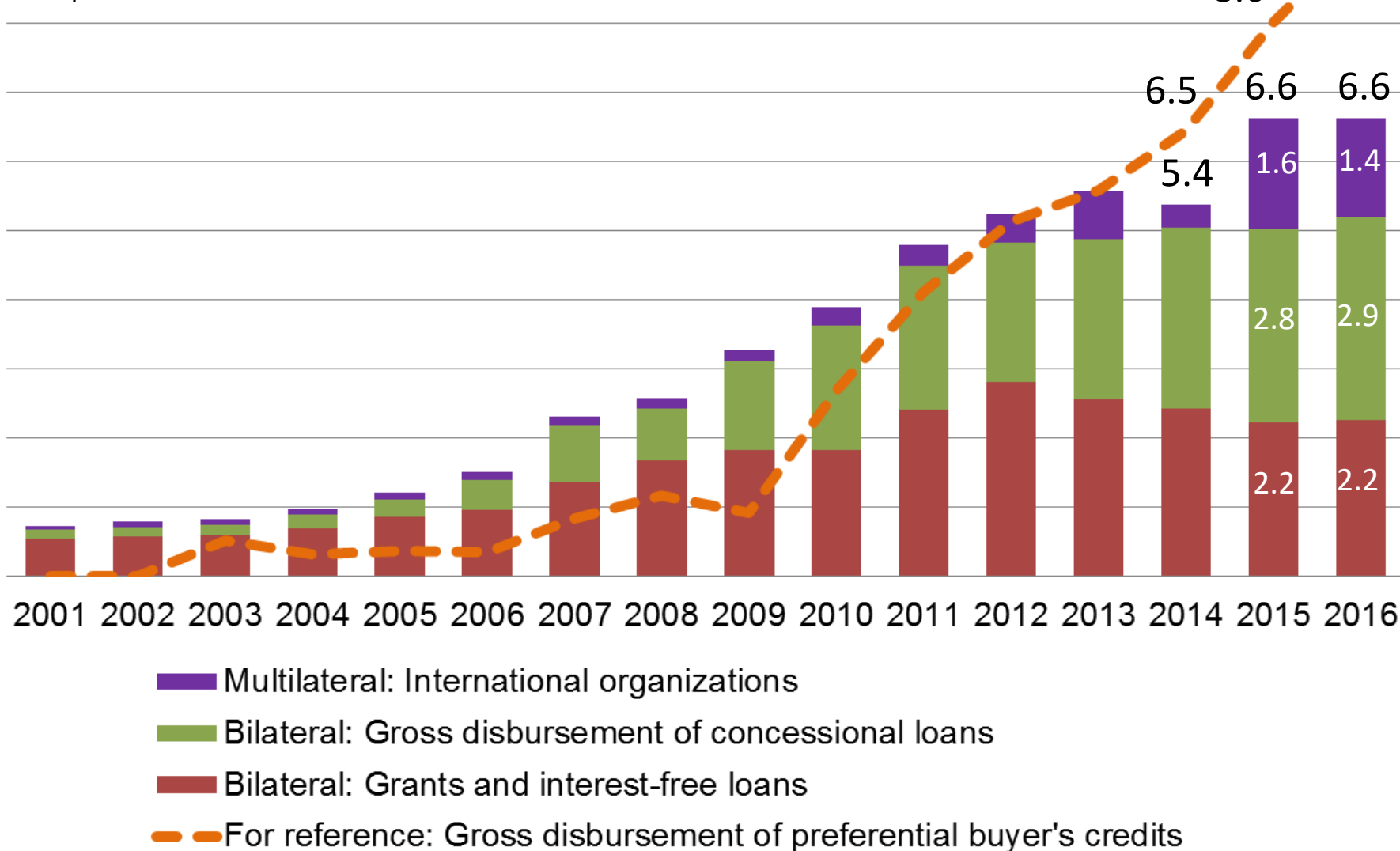
1/ Based on 37 LIDCs where continuous data is available from 2007 to 2016.

| Post-HIPC LIDCs in Debt Difficulties 1/ (in percent of GDP) | | | |
|---|-------------|-------------|-------------|
| | 2007 | 2013 | 2016 |
| Total | 44.7 | 41.2 | 72.1 |
| External | 32.8 | 30.3 | 53.4 |
| Multilateral, o/w | 10.5 | 12.1 | 15.9 |
| <i>WB, IDB, IMF, AfDB, AsDB</i> | 6.6 | 6.4 | 8.2 |
| <i>Other</i> | 4.0 | 5.7 | 7.7 |
| Bilateral, o/w | 17.3 | 12.9 | 22.2 |
| <i>Paris Club</i> | 8.0 | 1.8 | 2.8 |
| <i>Non-Paris Club, o/w</i> | 9.3 | 11.1 | 19.4 |
| <i>China</i> | 0.2 | 6.2 | 11.6 |
| Commercial, o/w | 4.9 | 5.2 | 15.3 |
| <i>Bonds</i> | 1.0 | 1.6 | 4.2 |
| <i>Commercial banks</i> | 0.9 | 1.4 | 2.9 |
| <i>Other</i> | 2.9 | 2.3 | 8.2 |
| Domestic, o/w | 12.0 | 11.0 | 18.7 |
| <i>Central bank claim (net)</i> | -1.1 | 0.4 | 4.3 |
| <i>Deposit money banks</i> | 0.0 | 2.7 | 6.9 |
| <i>Non-banks</i> | 13.0 | 7.9 | 7.6 |
| <i>Memorandum:</i> | | | |
| Domestic, o/w by instrument | | | |
| <i>Marketable</i> | 5.9 | 7.2 | 9.1 |
| <i>Non-marketable</i> | 6.1 | 3.8 | 9.6 |

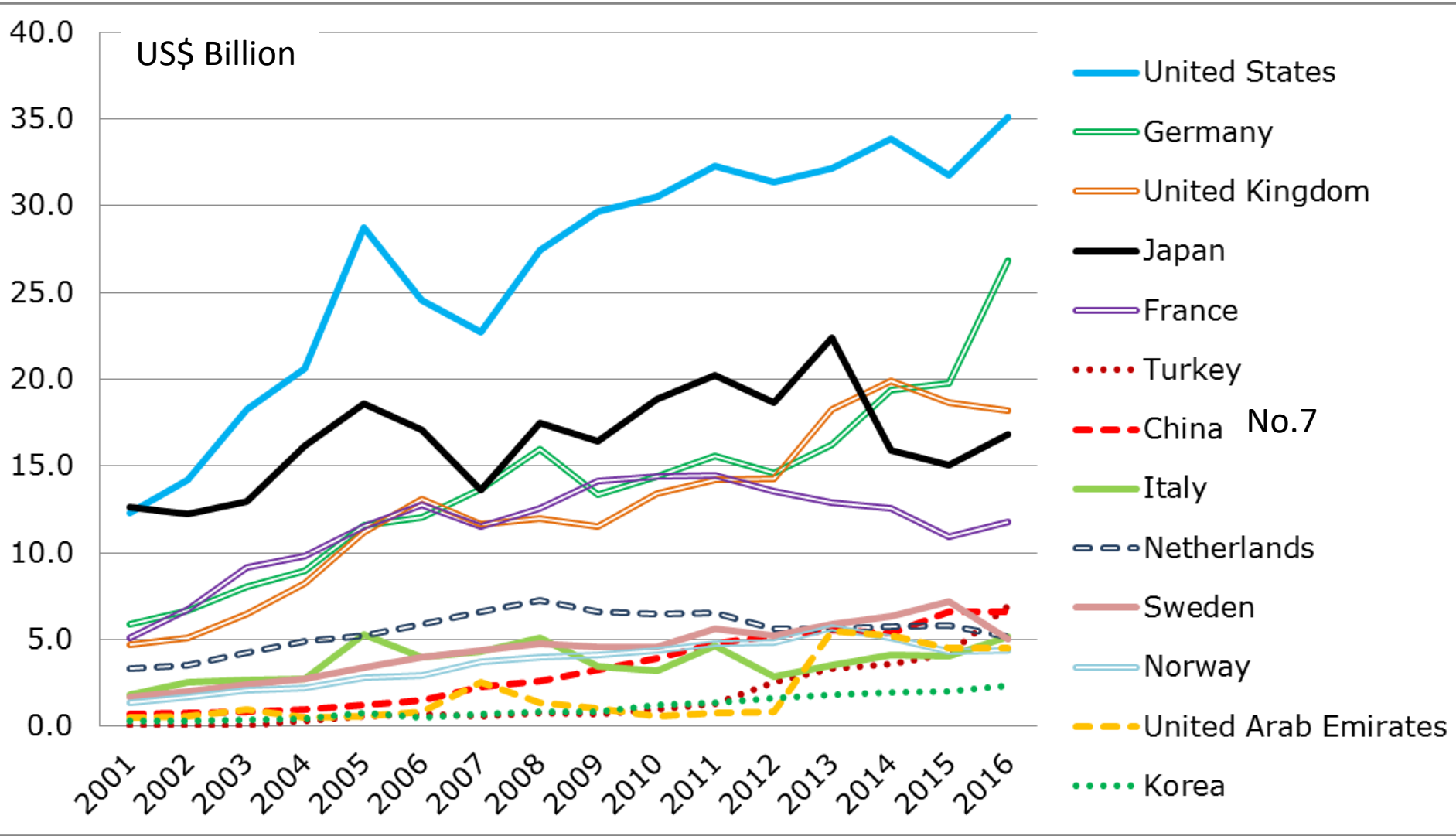
1/ Countries included are: Cameroon, Chad, Congo, Ethiopia, Ghana, Mauritania, Mozambique, and Zambia.

Gross disbursement of China's foreign aid (including paid-in capital for AIIB in 2015 and 2016 (1.0))

US\$ Billion



Comparison of gross ODA flows of DAC member countries and emerging providers and China's gross foreign aid



Source: Kitano (2018)