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PROGRESS REPORT ON

THE CREATION OF A DATABASE IN UNECA

ON AFRICA'S EXTERNAL DEBT PROFILE .

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I.   Statement of the Problem

1.   The search for solutions to the African external debt crisis remains one of the highest priorities in the development efforts of the region.   One of the immediate concerns of African countries is to ensure an accurate assessment and proper recording of their external debts. The lack of these has often had a negative impact on the management of external debt by African countries and put them in an unfavourable bargaining position vis-a-vis creditors.   It has been difficult in some cases to even ascertain the legitimacy of creditors' claims because of deficiencies in national debt recording and monitoring systems.

2.   As the strategies for managing the debt problem differ considerably depending on the type and source of debt, the assessment of the African debt problem should consider not only debt levels but also the sources, composition 1/ and repayment capacity of the region.   To analyze the latter, wide-ranging series of indicators relating to the productive structure and

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1/ (i.e. from the creditor side: type of creditor, terms and currency of the loans; and from the borrower side: the sectoral recipients and purposes)

capacity of a country are also necessary. Furthermore, for the formulation of efficient negotiating strategies, recorded "raw" debt data should be analyzed to detail through structural ratios such as the ratio of total debt to Gross National Product (GNP), the ratio of debt services to exports and debt arrears to total stock of debt, to name a few. UNECA's assistance to member countries has focused in the past on analyzing debt management systems of some African governments with a view to increasing their awareness of the need to set-up and/or improve debt recording and management units within their ministries of finance.

3. Though, the Commission's efforts to provide countries of the region with adequate bibliographic and numeric data is being relentlessly pursued through the Pan African Documentation and Information System (PADIS) and its various databases. It was found that for UNECA to efficiently backstop individual and joint efforts of African countries in the area of debt management, there is an urgent need to build up a coherent and easily accessible database on the region's indebtedness and payment capacity, for the whole continent and particularly for individual countries. Thus the creation of a database on Africa's external debt profile (DAEDP) in UNECA has been initiated as a matter of priority.

4.   An effective database to analyze Africa's external debt profile should not only include all essential indicators necessary for analysis but it should also be easy to operate and be accessible to users throughout the UNECA.   A "user friendly" database would encourage specialists, outside of Economics, to participate in multidisciplinary efforts intended to search for solutions to the African debt problem and the economic and social challenges confronting the region.   As such, the DAEDP would increase the scope for cross-fertilization of ideas and provide the common statistical framework to strengthen the consistency and comparability of UNECA's analysis of the topic.   To enhance exposure and facilitate accessibility of the DAEDP to users, the database should be made available on a wide basis, preferably through the use of a Local Area Network.   It should also be, in the medium and long run, accessible to end-users out of the Commission through the transfer arrangements.

II.   Progress on Project Development

A.   Planned Goals

5.   To address the above mentioned issues and necessities for analysis, the project to develop the DAEDP was designed to be implemented in two stages:

        i) data collection, assembly and maintenance;

        ii) physical installation of the database.

6. During the first stage, an evaluation of data availability from various sources such as the World Bank (IBRD), the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD), and the United Nations Conference for Trade and Development (UNCTAD) was to be undertaken. The objective of this stage was to avoid unnecessary duplications in recreating data and/or the methodologies used for its compilation, already available elsewhere and thus maximize the use of resources. During this Phase, maintaining datastocks and updating them will also be an important task.

7. During the second stage, the physical installation of the DAEDP and its linking to the ECA on a local area network was envisaged. The ultimate objective being to facilitate access of the database to the widest possible audience.

a) Work Plan

8. The work plan for the first stage called for a number of missions to the organizations mentioned earlier for the collection of data and relevant software packages, as well as

information on physical outfits of similar databases. An initial

mission to Washington D.C., USA, was intended to collect

computerized data from the World Bank's Debtor Reporting System,

and IMF's data on finance and direction of trade statistics.

9. High on the agenda of Phase I of the Project were missions

to UNCTAD and OECD for collection, inter-alia, of statistics on

commodity trade (volume and value at the 5 digit SITC level) and

commodity price trends, available on the one side and data on

foreign direct investment and official development assistance

flows available on the other. Another objective of the

programmed missions was to familiarize the project officers with

methodologies and software packages used by both institutions.

10. Additionally, it was expected that specialized training in

the methodologies for data compilation, analysis and manipulation

could be secured from the World Bank Training Institute, the OECD

and UNCTAD, so as to ensure effective harmonization between UNECA

and traditional sources of data right from the inception of

D.A.E.D.P.

b)   Expected Outputs

11. The first phase of the project was expected to yield a

comprehensive, "user friendly," and easily updateable database

incorporating such series of indicators that could help arrive

at a clear profile of the African debt situation.   Moreover, it was expected that an increased understanding of software platforms and methodologies being used by other institutions, would help harmonize economic analysis and assessments by bridging the data gap between UNECA and institutions such as the World Bank, IMF and UNCTAD.

12. Physical installation of the DAEDP was expected to take place during phase II of the project.   This will start with ensuring accessibility of the data base for staff members of UNECA through LAN's.

B.   Achievements To-Date

13.   Progress has been made in both stages of the project: in the data collection; and in the installation of the database.   The data collection stage was launched with a mission to the Headquarters of the World Bank in Washington, D.C.   During the mission an expanded version of a subset for Africa from the World Bank's World Debt Tables (WDT) database was secured and so was a preliminary version of the software platform (i.e. the Data Extracts (DX)) developed by the World Bank with the specific purpose of assisting World Bank staff to access the WDT database.

14. The DX allows access to the WDT database quickly and efficiently.   The DX software platform is PC based, user-

friendly and very mobile. Software and data can be loaded onto a personal computer. The DX database includes 30 years of data series for reporting and extraction. It is built to contain 21 years of historical data and 10 years of pipeline projections and estimated data. Data is available for 116 countries reporting to the World Bank through the Debtor Reporting System. Available series include 120 basic series and a large number of derived series. The derived series are calculated by the DX as needed by the user, thus keeping the size of the database within a manageable size. (a representative list of indicators is included in the ANNEX)

15. The DX software platform has various facilities allowing for the manipulation of data included in the database; the preparation of pre-formatted or user-defined reports; the preparation of data extracts in ASCII, LOTUS 123, or JAVALIN formats; the creation or update of user-defined country groups; and a file administration facility. More recently, the World Bank has developed additional expansions to the DX software platform. These include:

DX2: which reports data across accounts, across creditor types and across creditor countries;

DX3: which reports data on OECD financial resource flows;

DX4: which estimates capital flight utilizing a number of different methodologies;

DX6: which contains a database on Paris Club Negotiations, including facilities for reporting on: a) the composition of levels of debt across types; b) the composition of shares of debt;

c) the preparation of present value analysis of eligible Paris Club debt.

16. So far only the DX and DX2 software and database have been acquired and installed in UNECA while the other software platforms are still in the development process. Training of the UNECA database assistant consisted in practical hands-on experience in the utilization of the DX and DX2 software platforms as well as training in the utilization of a recently developed World Bank software entitled Debt Strategy Module (DSM). This latter program is intended to perform simulations on Paris Club negotiations.

17. The DX software platform available to UNECA (DX and DX2) has already been installed in various computers in the Commission. Further dissemination and coordination could be obtained through the installation when the ongoing Local Area Network is completed.

III.   NECESSARY FOLLOW-UP

A.   COMPLETION OF DATA COLLECTION

18.   The data collection process during the first stage of the project was seriously hampered by the shortage of resources to undertake the necessary missions. These missions were needed to identify, collect and select the required software platforms for incorporation into the DAEDP.

19.   We intend to undertake missions to the OECD, to collect data on official development assistance and foreign direct investment flows, and to UNCTAD, to collect data on composition and direction of trade statistics as well as commodity price data. Likewise, specialized software platforms exist at UNCTAD for a) manipulation and analysis of trade statistics (the Software for Market Analysis and Restrictions on Trade, SMART); and b) manipulation and analysis of external debt statistics (the Debt Management and Financial Analysis System, DMFS). The acquisition of these software, and the technical expertise for its utilization, would greatly enhance the capacity of UNECA to undertake in-depth analysis of the African external debt problems and provide adequate backstopping to member-countries from the region.

20. The DMFS software has already been installed in various African countries and has proven its value in assisting the debt management process and enhancing the country's financial analysis capability.   Particularly,   the   DMFS   assists   countries   in accessing accurate and detailed data regarding:

- detailed information on signed contracts;
- past and future disbursements;
- past and future debt service payments.

B.   **PHYSICAL INSTALLATION**

21. As stated earlier, the partial structure of the DAEDP has been installed in individual computers in various offices in the UNECA.   However,   one   serious   limitation   restricting   the potential   usage   of   the   DAEDP   resides   in   the   small   storage capacity and computing power of the installed base.   To maximize the   DAEDP's   potential   dissemination   and   its   capacity   for incorporating new data, we will soon equip ourselves with a computer server (with capacity for on-line communications and compact-disk-reader -CDR), which with the LAN will enhance the Commission's capacity to handle the DAEDP.

IV. Conclusions

22. When this project is completed, UNECA will be well equipped
to provide member-countries adequate technical backstopping in
the areas of debt recording, debt analysis and debt management.
The comparative advantage the Commission has in this areas is
to be found in its position as a regional organization playing
a pivotal role between Africa and the international community.
UNECA's deep knowledge of the continent's economic problems and
its experience will help refine the analysis and design more
realistic platforms for negotiations on Africa's external debt
burden, thus adding a qualitative touch to previous assessments
of the situation.

23. the DAEDP is also expected to be a landmark in the
establishment and strengthening of the Pan African Documentation
and Information System (PADIS) and will also provide individual
member countries and organizations with tools for comparative
analysis and replication of country experiences.   DAEDP is a
concrete example of cooperation between UNECA and various other
organizations such as the World Bank, IMF, UNCTAD, OECD and the
Commonwealth Secretariat, whose Debt Management Software Package
will be integrated into DAEDP.   Finally, DAEDP will be the only
database and system integrating features of all existing debt
databases and thus helping offset the deficiencies noted here and
there.

ANNEX

List of Indicators Available in DX

Totals, sub-total, or ratios can be calculated using the DX based or existing indicators. Thus, this list is only indicative as many more indicators could be derived.

Indicator Name	Type
Debt Outstanding and Disbursed	
- Total Debt	D
- Long Term (LT) Debt	D
- Public and Publicly Guaranteed (PPG), Total	D
- Total Official	D
- Total Multilateral	D
- IBRD	B
- IDA	B
- Other Multilateral	B
- Total Private	D
- Commercial Banks	B
- Bonds	B
- Suppliers	B
- Other Private	B
- Private nonguaranteed	B
- IMF Credit	B
- Short Term Debt	B
- Total Concessional	D
- Bilateral Concessional	B
- Multilateral Concessional	B
- Variable Rate Debt	B
- Export Credits (OECD Data)	B
Undisbursed Debt	
- PPG Total	D
- Total Official	D
- Total Multilateral	D
- IBRD	B
- IDA	B
- Other Multilateral	B
- Total Private	D
- Commercial Banks	B
- Bonds	B
- Suppliers	B
- Other Private	B

Commitments

- PPG Total	D
- Total Official	D
- Total Multilateral	D
- IBRD	B
- IDA	B
- Other Multilateral	B
	B
- Total Private	D
- Commercial Banks	B
- Bonds	B
- Suppliers	B
- Other Private	B

Disbursements

- Total Debt	D
- Lt Debt	D
- PPG Total	D
- Total Official	D
- Total Multilateral	D
- IBRD	B
- IDA	B
- Other Multilateral	B
- Total Private	D
- Commercial Banks	B
- Bonds	B
- Suppliers	B
- Other Private	B
- Private nonguaranteed	B
- IMF Purchases	B
- Short Term Debt	B
- Total Concessional	D
- Bilateral Concessional	B
- Multilateral Concessional	B

Principal Repayments

- Total Debt	D
- LT Debt	D
- PPG Total	D
- Total Official	D
- Total Multilateral	D
- IBRD	B
- IDA	B
- Other Multilateral	B
- Total Private	D
- Commercial Banks	B
- Bonds	B

- Suppliers	B
- Other Private	B
- Private nonguaranteed	B
- IMF Repurchases	B
- Short Term Debt	B
- Total Concessional	D
- Bilateral Concessional	B
- Multilateral Concessional	

-Interest payments

- Total Debt	D
- LT Debt	D
- PPG Total	D
- Total Official	D
- Total Multilateral	D
- IBRD	B
- IDA	B
- Other Multilateral	B
- Total Private	D
- Commercial Banks	B
- Bonds	B
- Suppliers	B
- Other Private	B
- Private nonguaranteed	B
- IMF Repurchases	B
- Short Term Debt	B
- Total Concessional	D
- Bilateral Concessional	B
- INT-Multilateral Concessional	B

Total Debt Service

- Total Debt	D
- LT Debt	D
- PPG Total	D
- Total Official	D
- Total Multilateral	D
- IBRD	D
- IDA	D
- Other Multilateral	D
- Total Private	D
- Commercial Banks	D
- Bonds	D
- Suppliers	D
- Other Private	D
- Private nonguaranteed	D
- IMF Repurchases	D
- Short Term Debt	D

- Total Concessional   D
- Bilateral Concessional   D
- Multilateral Concessional   D

Net Flows

- Total Debt   D
- LT Debt   D
- PPG Total   D
- Total Official   D
- Total Multilateral   D
- IBRD   D
- IDA   D
- Other Multilateral   D
- Total Private   D
- Commercial Banks   D
- Bonds   D
- Suppliers   D
- Other Private   D
- Private nonguaranteed   D
- IMF Repurchases   D
- Short Term Debt   D
- Total Concessional   D
- Bilateral Concessional   D
- Multilateral Concessional   D

Net Transfers

- Total Debt   D
- LT Debt   D
- PPG Total   D
- Total Official   D
- Total Multilateral   D
- IBRD   D
- IDA   D
- Other Multilateral   D
- Total Private   D
- Commercial Banks   D
- Bonds   D
- Suppliers   D
- Other Private   D
- Private nonguaranteed   D
- IMF Repurchases   D
- Short Term Debt   D
- Total Concessional   D
- Bilateral Concessional   D
- Multilateral Concessional

Principal Arrears

- LT Total   D

Interest Arrears

- LT Total	D

Debt Restructuring

- Total Principal Forgiven	D
- Total Interest Forgiven	D
- Official Principal Rescheduled	D
- Private Principal Rescheduled	D
- Official Interest Rescheduled	D
- Private Interest Rescheduled	D
- Debt Stock Reductions	D
- Debt Stock Rescheduled	D
- Total Amount Rescheduled	D

Economic Indicators

- Gross National Product	B
- Exports of Goods and Services	B
- Imports of Goods and Services	B
- International Reserves	B
- Current Account Balance	B

Resource Flows and Transfers

- Aggregate Net Flows	D
- Aggregate Net Transfers	D
- Grants Excluding Technical Cooperation	B
- Technical Cooperation Grants	B
- Grants Including Technical Coop.	D
- Net Foreign Direct Investment (IMF)	B
- Profit Remittances on FDI (IMF)	B