Development Finance Assessment Snapshot

Brunei Darussalam

Financing the future with an integrated national financing framework

Funded by Government of China as input into the 2017 ASEAN-China-UNDP Symposium on Financing the Sustainable Development Goals in ASEAN.
Brunei Darussalam: Financing the future with an integrated national financing framework

This report was commissioned by UNDP’s Regional Bureau for Asia and the Pacific as part of the preparations for the China-UNDP ASEAN Symposium on Financing the Implementation of the SDGs in ASEAN, held in Chang Rai, Thailand in August 2017. This report also fed into a regional report on Financing the Implementation of the Sustainable Development Goals in ASEAN. All studies were overseen and supported by UNDP, with generous support from China.

Disclaimer: The views presented in this report do not necessarily represent the views of UNDP or the Government of Brunei Darussalam.
Table of Contents

Executive summary ii
1. Introduction 1
2. Context 2
   2.1 Sustainable development 2
   2.2 Policy objectives 6
3. Financing landscape 7
4. Using fiscal surplus to strengthen foreign exchange reserves 9
5. Conclusions 11
Annex: Data notes 12

List of tables
Table 1 Key economic and government finance indicators, 2011–2020 10

List of figures
Figure 1 GDP breakdown by sector, 2016 2
Figure 2 Population trends by age categories, 2000–2050 5
Figure 3 The mix of resources in Brunei Darussalam, 2011–2015 7
Figure 4 Government revenue, 2005–2015 7
Figure 5 Foreign direct investment 8
Executive summary

Across Brunei Darussalam and the Association of Southeast Asian Nations (ASEAN) region as a whole, ambitions for the sustainable development progress that can be achieved in the Sustainable Development Goal (SDG) era are high. This paper forms part of a project to assess the financing challenges and opportunities that ASEAN countries face, and the policies and institutional frameworks that governments can use to address them in implementing the SDGs. It is one of ten country studies undertaken alongside an ASEAN regional report, to facilitate dialogue at the country and regional level about financing the SDGs. While most other country papers focus on how governments can strengthen their capacity to effectively plan for and manage the contributions of all resources—public and private, domestic and international—toward development outcomes, this paper follows a modified structure. It provides analysis of headline trends in the sustainable development context and financing outlook facing Brunei Darussalam as part of the ASEAN-wide analysis on financing sustainable development progress.

Since independence in the early 1980s, Brunei’s economy has grown substantially, driven by oil and natural gas exports. While efforts are underway to diversify the country’s economic structure, particularly into the information and technology sectors, it remains heavily dependent on oil and gas and vulnerable to fluctuations in global commodity prices.

Brunei has achieved progress in social development, with an effective 100 percent primary school completion rate and improvements in key areas of health such as maternal mortality and non-communicable diseases underpinned by the provision of free medical care for all. Brunei has high overall levels of human development and aims to reach the top 10 globally as measured by the UN Development Programme’s Human Development Index. Nevertheless challenges remain in areas such as improved availability of basic amenities, infrastructure and tackling rising emissions. Brunei’s population is also one of the most rapidly ageing in the ASEAN region, meaning an increasing dependence on a proportionally smaller workforce into the future.

The available data on financing show a decline in overall resource levels since 2013 associated with the fall in global commodity prices. Domestic public finance has fallen sharply—by 2015 receipts were less than half their 2011 levels, at a 10-year low of 24 percent of GDP. Foreign direct investment has fallen by more than two thirds from its peak in 2012, though there is evidence that levels of domestic private finance are rising.

Brunei used the years of high commodity prices to build up reserves and assets that enabled the government to cover the fiscal deficits of 2015 and 2016, and these are expected to continue providing a buffer for the medium term. Diversification of economic structures is however a key priority and a focus of the country’s vision to 2035 and the 10th National Development Plan. Reforms including improvements to the business environment are designed to help attract greater volumes of investment in non-oil sectors and boost GDP in the medium term.

This paper follows a light version of the development finance assessment methodology and has analysed headline trends in financing for sustainable development outcomes in Brunei. A number of priorities
stand out. There is a strong need to successfully diversify economic structures over the medium term in order to meet multiple challenges including the depletion of oil and gas reserves and a rapidly ageing population. This should be done in a way that reduces emissions and maximizes inclusivity to meet the country’s wider sustainable development objectives. More timely, disaggregated data on sustainable development progress and financing would help improve the understanding and effectiveness of the government’s financing structures and policies. These issues could be explored further in a full, government-led development finance assessment.
1. Introduction

Across Brunei Darussalam and the Association of Southeast Asian Nations (ASEAN) region as a whole, ambitions for the sustainable development progress that can be achieved in the Sustainable Development Goal (SDG) era are high. Realising these ambitions will require mobilising the right scale and mix of financing, incorporating all resources—public and private, domestic and international.

This paper forms part of a project to assess the financing challenges and opportunities that ASEAN countries face, and the policies and institutional frameworks that governments can use to address them in implementing the SDGs. It is one of ten country studies undertaken alongside an ASEAN regional report, to facilitate dialogue at the country and regional level about financing the SDGs. This paper follows the structure of the other country papers, but focuses on headline issues and trends, without applying the development finance assessment methodology in full.

The external economic environment has provided challenges to Brunei’s national economic growth in recent decades, yet despite this, the country has experienced a number of achievements for development. Looking forward, Brunei’s vision for sustainable development is outlined in its long-term vision (Wawasan Brunei 2035) and subsequent national development plans, the latest of which is the 10th National Development Plan 2012–2017 (‘RKN10’). Both stress the importance of improving economic growth and the latter reaffirms the need to accelerate progress by improving productivity throughout the public and private sectors. Chapters 2 and 3 of this paper provide an overview of the sustainable development context in the country and the overall financing landscape respectively; while chapter 4 provides a brief case study of Brunei’s use of fiscal surplus to strengthen foreign exchange reserves. Chapter 5 closes with some conclusions.
2. Context

This chapter outlines the key trends and outlook against the social, economic and environmental dimensions of the 2030 Agenda for Sustainable Development and presents available information on progress to date against the SDG targets.

2.1 Sustainable development

Brunei’s briefing note for countries on the 2016 Human Development Report\(^1\) provides a snapshot of the country’s human development context and an overview of recent progress using key indicators of human development. The report highlights Brunei’s improved life expectancy, which has increased from 73 years in 1990 to 77 years in 2015, and expected years of schooling, which have increased from 12.1 years in 1990 to 14.9 years in 2015. Brunei’s calculated Human Development Index value for 2015 (0.865) puts it into the high human development category and above most other ASEAN states (with the average for ASEAN being 0.720). Brunei (ranked 30th in the world) by these scores is outranked only by Singapore (0.925, ranked 5th) in the region.

Economic development

Brunei’s economy is small but wealthy, with oil and gas production accounting for approximately 60 percent of GDP in 2016 (Figure 1). Brunei is classified as a high-income country; until 2013, GNI per capita (Atlas method) had risen consistently, reaching close to four times the high-income country threshold (US$12,236). Decreasing from this peak ($45,180) in the following years, GNI per capita in 2015 was $38,520. Brunei’s government has begun to reduce the economy’s reliance on crude oil exports and diversify its economic composition—particularly into the information and technology sector. This process of diversification has been accelerated following the country’s integration in the ASEAN Economic Community, while the ratification of the Trans-Pacific Partnership (TPP) offers potential for further diversification.\(^2\) Further encouraging economic growth in this way is a central theme of Brunei’s development strategy—as emphasized in the RKN10.

---

\(^2\) Despite the US’ withdrawal from the TPP in January 2017, in May 2017 the 11 other TPP nations agreed to pursue a trade deal between themselves without the US.
Social development

Brunei has no recent official estimates of poverty rates. In 2005 the country’s Department of Economic Planning and Development stated that there was no one living below the international poverty line. This was based on an expenditure survey taken that year. Using an alternative measure of poverty, the proportion of the population who were welfare recipients was 7.4 percent in 2009.

Recent trends in primary education development are positive: according to the most recently available data for Millennium Development Goal (MDG) indicators, Brunei was on track to achieve both over 95 percent enrolment and survival to last grade in primary education by 2015. Brunei has also achieved an effective 100 percent primary completion rate. These successes may be broadly attributable to the implementation of free universal education in Brunei. However, progress in secondary-level education has been mixed with the most recent estimates indicating that enrolment has fallen since 2012, falling from 93 percent to 85 percent in 2015.

In the area of health, providing free medical care to citizens has allowed for good progress in many indicators. Maternal mortality has been significantly reduced—with rates falling by 34 percent since the beginning of the MDG era in 1990. As a result, Brunei has the third lowest maternal mortality rate (23 per 100,000) in ASEAN (which had a mean figure of 103 per 100,000) after Singapore (10 per 100,000) and Thailand (20 per 100,000). As in most other ASEAN countries, tuberculosis incidence and prevalence have also been trending downwards in Brunei. Furthermore, the country’s non-communicable disease mortality rate has decreased by over 30 percent since 2000, reaching 450 per 100,000 (below the world average of 570 per 100,000). This is the second lowest non-communicable disease mortality rate after Singapore in ASEAN.

The latest available data for nutrition record that stunting in children under five stands at 19.7 percent; wasting is at 2.9 percent and severe wasting at 0.4 percent. These figures are all below the world averages of 23.3, 4.4 and 1.5 percent respectively.

3 Currently defined as 2011 PPP $1.90/day.
8 This indicator is from SDG 3. The target is to reduce the global mortality ratio to less than 70 per 100,000 live births. Source: World Health Organization's Global Health Observatory data repository.
9 This indicator is from SDG 3. The target is to end the epidemic of tuberculosis by 2030.
10 World Health Organization's Global Health Observatory data repository 2015.
11 2009, World Bank World Development Indicators.
12 All figures sourced from World Bank World Development Indicators.
13 This indicator is from SDG 2. The target is to end all forms of malnutrition. Source: World Bank World Development Indicators.
Despite these successes, there is a lack of sufficient data in several key health areas which makes measuring overall progress difficult; for example, measuring current trends in key areas such as HIV and malaria prevalence rates, access to safe drinking water and road deaths is challenging. The available data record that HIV incidence rates are very low but slowly increasing, with 56 cumulative cases recorded by 2009 since the beginning of the MDG era. Malaria incidence is also very low, standing at 5.2 cases per 100,000 in 2009. The proportion of Brunei’s population with access to improved sanitation facilities increased from 65 percent in 1990 to 80 percent in 2010; however, in rural areas this figure has only increased from 55 to 65 percent.\(^{14}\)

Looking at gender parity, like almost all other ASEAN nations, Brunei has achieved or exceeded gender parity in primary education.\(^{15}\) Similarly at the secondary level, Brunei has consistently achieved gender parity in enrolment throughout the MDG era. However, at the tertiary level, the gender enrolment ratio has consistently exceeded parity, and currently stands at 1.65 females per individual male. Unfortunately very little data exist for Brunei on the indicators covered by SDG 5 (Achieve gender equality). One indicator currently with available data is the proportion of women in managerial positions: this has increased from 25.7 percent in 2001 to 33.8 percent in 2014.\(^{16}\)

The RKN10 highlights additional developmental progress such as the improved availability of basic amenities and infrastructure projects, as well as the growing adoption of ICT technologies throughout educational and governmental institutions.

**Demographic trends**

With one of the most rapidly ageing populations in ASEAN, changing demographics represent an increasing challenge for social and economic development in Brunei. The share of population over the age of 65 is projected to increase from 4 percent in 2015 to 11 in 2030, and to 24 percent in 2050. The national dependency ratio\(^{17}\) is therefore expected to increase sharply in the SDG era and later. The relatively smaller workforce of the future will face an increased economic burden—overcoming this challenge will rely on the needs of young people in education and health being met in the current generation and beyond.

---

14 Brunei Department of Economic Planning and Development.
15 This indicator is from SDG 5. The target is to provide women and girls with equal access to education.
16 These figures are based on the latest available data, sourced from UNESCO Statistics Division. Available from https://unstats.un.org/sdgs/indicators/database/?area=BRN (accessed 26 June 2017).
17 ‘Dependency ratio’ refers to the number of people outside working age to that of people within working age.
Environmental sustainability and vulnerability

Brunei has the lowest proportion for renewable energy share of final energy consumption in ASEAN, and the 8th lowest in the world at 0.01 percent.\(^{18}\) As a result, the country has had an increasing trend in CO\(_2\) emissions per unit\(^{19}\) of GDP since 1990.\(^{20}\) In 2014, emissions reached 0.28 kg per unit of GDP, placing it the fourth highest in ASEAN after Viet Nam (0.33 kg), Malaysia (0.32 kg) and Thailand (0.30 kg), but still below the world average of 0.33 kg per unit GDP.\(^{21}\) These increases represent a growing challenge to climate sustainability commitments. Brunei’s performance in reducing CO\(_2\) emissions has been compounded by a reduction in forest area from 78.4 percent in 1990 to 72.1 percent in 2015.\(^{22}\) Brunei is one of five ASEAN nations where forest area has decreased; these decreases may continue as Brunei diversifies away from oil and gas industries. However, despite the lack of renewable energy use at national level, 100 percent of the population\(^{23}\) has a primary reliance on clean fuels and technology\(^{24}\) in cooking at home—making Brunei one of only 40 countries in the world to achieve this and far above ASEAN’s 53 percent average.\(^{25}\)

\(^{18}\) This indicator is from SDG 7. The target is to increase substantially the share of renewable energy in the global energy mix. Source: World Bank World Development Indicators.

\(^{19}\) Units of GDP are measured in 2005 PPP$.

\(^{20}\) This indicator is from SDG 13. The target is to take urgent action to combat climate change and its impacts by regulating emissions.

\(^{21}\) World Bank World Development Indicators, 2014.

\(^{22}\) This indicator is from SDG 15. The target is, by 2020, to promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally. Source: World Bank World Development Indicators.

\(^{23}\) World Bank World Development Indicators.

\(^{24}\) “Clean fuel” is defined by emission rate targets and World Health Organization guidelines for indoor air quality; this definition generally excludes solid fuels and kerosene when paired with inefficient technologies. For a full definition of “clean fuel” in this context, see https://unstats.un.org/sdgs/metadata/files/Metadata-07-01-02.pdf

\(^{25}\) Author’s calculation based on data from World Bank World Development Indicators.
Measuring environmental vulnerability is complex and international indices disagree about Brunei’s level of exposure to natural disasters. The World Risk Index ranks Brunei as the 6th most exposed country worldwide, yet the INFORM Index for Risk Management ranks it 144th in the world for exposure to natural hazards. This may be due to higher risks from specific types of hazard, such as sea-level rises, which are only included in the World Risk Index.

2.2 Policy objectives

The government of Brunei Darussalam’s national policy objectives and priorities remain closely tied to the national vision (‘Wawasan Brunei 2035’) and are outlined in the latest medium-term national development plan: the 10th National Development Plan 2012–2017, or RKN10.

Wawasan Brunei 2035 includes high-level aims to make the people of Brunei Darussalam well-educated and highly skilled, with a greater quality of life that is among the top 10 nations in the world. The vision also includes the aim to improve the national economy, aiming for a dynamic and sustainable economy with an income per capita also in the top 10. The vision includes some more specific headline targets:

- a high quality of life: to be among the top 10 nations in the world, as measured by the Human Development Index of the UN Development Programme (UNDP)
- a dynamic and sustainable economy: with economic growth that is higher than population growth
- per capita income to be within that of the top 10 countries of the world
- average annual GDP growth rates at 5 to 6 percent.

The theme of the latest development plan (RKN10) is ‘knowledge and innovation, increase productivity, accelerate economic growth’. The RKN10 includes six strategic development thrusts:

- Produce an educated and highly skilled population
- Produce a high quality of life which encompasses economic development as well as the development of other aspects such as social, cultural, political and environment
- Conducive business environment to investors
- Knowledge and innovation will be the foundation for continuous improvement in productivity for generating economic growth and national development
- Good governance and government modernisation
- High quality and sustainable development infrastructure

---

3. Financing landscape

Brunei Darussalam is targeting accelerated and sustainable economic growth and aiming to ensure balanced social, economic and environmental development. This chapter explores trends in the financing landscape based on the available data (see Annex for an overview of how the data presented in this chapter were assembled).

The total volume of resources for which there are available data suggests a general decline in real terms since 2013, affected primarily by decreasing non-grant government revenue.

**Figure 3: The mix of resources in Brunei Darussalam, 2011–2015**

![Graph showing the mix of resources in Brunei Darussalam, 2011–2015](image)

Source: Development Initiatives’ calculations based on multiple sources

Domestic public finance (based on government revenue excluding grants) is recorded to have dropped in recent years—falling to less than half its 2011 value by 2015. Non-grant government revenue as a percentage of GDP sits at a decadal low of 24 percent.

**Figure 4: Government revenue, 2005–2015**

![Graph showing government revenue, 2005–2015](image)

Source: Development Initiatives’ calculations based on multiple sources

---

Domestic private finance (based on private borrowing) has, on the other hand, marginally increased since 2011. Domestic private finance exceeded domestic public for the first time in 2015. Foreign direct investment (FDI) has decreased by 65 percent since 2011, after peaking in 2012. As a result, recorded international private finance has the lowest volume of the recorded flows. As a proportion of GDP, FDI represents just 1.3 percent, falling from 4.5 percent in 2012.

**Figure 5: Foreign direct investment**

Source: Development Initiatives' calculations based on national and international sources (see Annex on data notes)
4. Using fiscal surplus to strengthen foreign exchange reserves

Since independence in the early 1980s Brunei’s economy has seen significant growth, predominantly fuelled by exports of oil and natural gas. While this has led to significant progress in economic development (see section 2.1), the dependence on these extractive sectors, which make up around 50 percent of GDP and 90 percent of government revenue, has left the county at a risky fiscal/monetary position due to global price fluctuations.

Like other countries that are resource rich, the continual increase in metal and mineral prices from 1999 to 2014 provided significant opportunities to build fiscal surpluses, which the government achieved. This combined with prudent use of those surpluses by the Brunei Investment Agency (see box) and other funds, has led to total reserves in months of imports increasing from 2 months in 2008 to 7.6 months in 2015, creating a significant buffer in the event of a fall in global prices for oil and gas.

The Brunei Investment Agency

The Brunei Investment Agency was established in 1983 as a government-owned organization that reports to the Ministry of Finance, with the overall mission of ‘safeguarding Brunei Darussalam’s sovereign nationhood through dynamic reserve management’.

Over time it has built up a diverse portfolio of investments across the world, including real estate in Europe, America and Asia, as well as securities and bond and gold holdings. Although the Agency has a strict policy of secrecy about its investments, the largest that have been publicly revealed are the Dorchester Collection, a group of 10 high-end hotels in Europe and the US, and two hotels operating under the Grand Hyatt brand in Singapore and Kuala Lumpur.

With fiscal surpluses going into the Agency and other funds, incomes reinvested and the increasing value of investments, it was estimated that in 2012 the sovereign wealth fund amounted to around $39.3bn.

The accumulation of these reserves enabled the government to use them to cover the substantial fiscal deficits in 2015 and 2016 due to the fall in oil and gas prices in mid-2014 and disrupted oil production (see Table 1), deficits which are expected to continue in the medium term, although reserves will remain relatively stable and buffer these.

29 World Bank databank.
Table 1. Key economic and government finance indicators, 2011–2020

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP growth (% change)</td>
<td>4</td>
<td>1</td>
<td>-2</td>
<td>-3</td>
<td>0</td>
<td>-3</td>
<td>-1</td>
<td>1</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Oil production ('000 barrels/day)</td>
<td>165</td>
<td>159</td>
<td>135</td>
<td>126</td>
<td>127</td>
<td>121</td>
<td>115</td>
<td>120</td>
<td>125</td>
<td>130</td>
</tr>
<tr>
<td>Total revenue (% GDP)</td>
<td>55</td>
<td>47</td>
<td>47</td>
<td>38</td>
<td>24</td>
<td>18</td>
<td>21</td>
<td>21</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Total expenditure (% GDP)</td>
<td>30</td>
<td>31</td>
<td>34</td>
<td>34</td>
<td>39</td>
<td>40</td>
<td>32</td>
<td>30</td>
<td>27</td>
<td>25</td>
</tr>
</tbody>
</table>

Source: International Monetary Fund (IMF) article IV reports (various) and IMF World Economic Outlook April 2017
Notes: Data are based on actuals up to 2015; 2016 onwards are projections.

The government is using the shock of falling commodity prices as an opportunity to diversify the economy in line with its vision, Wawasan Brunei 2035 and RKN10 and reduce the role of the state in financing development. For example, as revenues are not expected to increase substantively up to 2020, government spending is due to be reduced from 40 percent of GDP in 2016 to 25 percent in 2020. These cuts in spending will be made across government through efficiency gains, but there will also be significant falls in the capital budget, with private sector investment hoped to fill the gap. To encourage private sector development, the government is working to improve the business environment; and a significant number of reforms in recent years have increased the country’s World Bank ‘Doing Business’ ranking from 94th in 2016 to 72nd in 2017. This increased investment in non-oil sectors, combined with downstream oil and gas facilities expected to come on-line in the medium term, is projected to significantly boost GDP growth from 2019 onwards (Table 1). This approach aims to prevent monetary reserves being depleted, and allow for those resources to be used sustainably for future generations, when oil and gas reserves are depleted in 25 years time.  

---


5. Conclusions

Brunei’s financing landscape is one currently dominated by the oil and gas sectors—a feature that enabled the building-up of significant reserves during the years of high commodity prices but leaves the country vulnerable during periods of lower prices. The resources Brunei has had available have helped drive progress across many aspects of human and social development, for example in funding free medical services for all citizens. Yet challenges remain and further progress is needed in areas such as basic amenities and infrastructure.

This paper follows a light version of the development finance assessment methodology and has analysed headline issues related to sustainable development trends and the financing outlook. Nevertheless a number of recommendations and priorities stand out. Notably, there is an urgent need to diversify economic structures beyond oil and gas, in preparation for the time when oil and gas reserves have been depleted, and to meet the needs of an ageing population. This is a focus of national plans and steps are being taken, for example to improve the business environment to help diversification. More timely, disaggregated data on sustainable development progress and financing would help improve the understanding and effectiveness of the government’s financing structures and policies.

These issues could be explored further in a full government-led development finance assessment that assesses the financing challenges and opportunities as well as the government’s policy and institutional structures for managing them and proposes tangible integrated financing solutions.
Annex: Data notes

Analysis of financing flows has been undertaken from the country perspective, thus national data sources were preferred over international datasets, where adequate coverage and metadata were provided. Across the 10 country papers and regional report included in the project, all financing data and analysis are in constant 2015 US dollars unless otherwise specified. Data from national sources reported in national currencies were converted into constant US dollars using exchange rates and GDP-based deflators following normal practice.

Domestic public finance

Domestic public finance refers to government resources that originate domestically. It covers government revenue (excluding any grants received, to avoid double counting with international resources) and government borrowing from domestic sources (i.e. domestic financing). Both series were sourced from national budget documents where available, with data from IMF Article IV Reports used to fill gaps, where needed.

Domestic private finance

Domestic private finance refers to investment by the domestic private sector in the country. Few countries produce data on domestic commercial investments directly so gross fixed capital formation is used as a proxy, with capital expenditure and FDI deducted to obtain a figure for domestic private investment alone. Gross fixed capital formation data exclude certain types of investments such as land sales and purchases and all kinds of financial assets, and they do not make any deductions for depreciation of fixed assets. These estimates should therefore be treated as estimates of the general trends and scale of this financing.

International public finance

International public finance includes official development assistance (ODA), other official flows (OOF) and government borrowing from international sources. ODA is sourced from Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) data. OOF data are sourced from OECD DAC Table 2B for all countries as comprehensive data on this type of finance is not readily available from national sources. Government borrowing refers to lending from bilateral and multilateral institutions and private entities received or guaranteed by the state. For consistency across country papers and to ensure that overlaps with ODA loans and OOF could be accounted for, data for this flow were also sourced from international datasets for all countries.

International private finance

International private finance includes FDI, portfolio equity, private borrowing from international sources and remittances. FDI data are based on national sources for all countries. Portfolio equity and remittances were based on national sources for countries with enough coverage, or World Bank data otherwise. Portfolio equity data based on national sources were sourced from the liabilities line of portfolio investments (equity component) in balance of payments tables. Private borrowing from international sources refers to commercial debt (both long- and short-term) and is based on international data from the World Bank International Debt Statistics for all countries; this was done for consistency across the country papers and due to patchy coverage and availability of data on this type of finance in national sources.