

FISCAL TRANSPARENCY CODE

(Working Draft for Initial Fiscal Transparency Assessment Pilots)

FISCAL TRANSPARENCY PRINCIPLES

I. FISCAL REPORTING:

Fiscal reports should provide a comprehensive, relevant, timely, and reliable overview of the government's financial position and performance

1.1. Coverage: Fiscal reports should provide a comprehensive overview of the fiscal activities of the public sector.

1.1.1. Coverage of Institutions: Fiscal reports cover all entities engaged in public activity that are delineated according to international standards.

1.1.2. Coverage of Stocks: Fiscal reports include a balance sheet of government assets, liabilities, and net worth.

1.1.3. Coverage of Flows: Fiscal reports cover all government revenues, expenditures, and financing..

1.1.4. Tax Expenditures: The government regularly discloses all revenue loss from tax expenditures.

1.2. Frequency and Timeliness: Fiscal reports should be published in a frequent, regular and timely manner.

1.2.1. Frequency of In-Year Fiscal Reports: In-year fiscal reports are published on a frequent and regular basis.

1.2.2. Timeliness of Annual Financial Statements: Final year-end financial statements are published in a timely manner.

1.3: Quality: Information in fiscal reports should be relevant, internationally comparable, and internally and historically consistent.

1.3.1. Classification: Fiscal reports classify information in ways that make clear the government's use of public resources and facilitates international comparisons.

1.3.2. Internal Consistency: Fiscal reports are internally consistent and include reconciliations between alternative measures of summary fiscal aggregates.

1.3.3. Historical Consistency: Material revisions to historical fiscal data in fiscal reports are disclosed and explained.

1.4. Integrity: *Fiscal statistics and financial statements should be reliable and subject to external scrutiny.*

1.4.1. Statistical Independence: Responsibility for preparing and disseminating fiscal statistics is vested in a specific body that is independent and ensures consistency with international statistics standards.

1.4.2. External Audit: Governments' annual financial statements are audited by the supreme audit institution and an audit opinion issued according to international audit standards.

1.4.3. Reliability: The reliability of the government's fiscal reports is confirmed by an independent assessment.

II. FISCAL FORECASTING AND BUDGETING:

Budgets and their underlying fiscal forecasts should provide a clear statement of the central government's budgetary objectives and policy intentions and comprehensive, timely, and credible projections of the evolution of the public finances.

2.1. Comprehensiveness: *Fiscal forecasts and budgets should provide a comprehensive overview of fiscal prospects.*

2.1.1. Unity: Revenues, expenditures, and financing of central government are authorized by the legislature.

2.1.2. Gross Budgeting: Revenues and expenditures are presented on a gross basis in budget documentation.

2.1.3. Macroeconomic Forecasts: The macroeconomic forecasts on which the budget projections are based are disclosed and explained.

2.1.4. Medium-term Budget Framework. Budget documentation includes projections of revenues, expenditures and financing over the medium-term.

2.2. Timeliness: *The government should provide timely updates on fiscal prospects.*

2.2.1. Fiscal Strategy Report: The government provides a mid-year report summarizing macroeconomic and fiscal developments since the last budget and the macroeconomic and fiscal framework for the preparation of the upcoming budget.

2.2.2. Budget Submission: The legislature and the public are consistently given adequate time to scrutinize and approve the annual budget before the start of the financial year.

2.2.3. Budget Approval: The approval and publication of the budget consistently provides adequate time for its effective execution.

2.3. Policy Orientation: *Fiscal forecasts and budgets should be presented in a way that facilitates policy analysis and accountability.*

2.3.1. Fiscal Policy Objectives: The government states and reports on clear and measurable objectives for the public finances.

2.3.2. Separation of Existing and New Policies: The fiscal forecast and budget documentation distinguish the yield or cost of existing policies from the fiscal impact of any new policy measures.

2.3.3. Performance Information: Budget documentation provides information regarding the objectives and results achieved and intended under each major government policy area.

2.3.4. Distributional Analysis: Government provides a clear, accessible, and useful summary of the financial implications of its policies for citizens.

2.3.5. Fiscal Sustainability Analysis: The government regularly publishes the projected evolution of the public finances over the long-term.

2.4. Credibility: *Fiscal forecasts and budgets should be credible.*

2.4.1. Independent Evaluation: The government's fiscal forecasts are subject to independent evaluation, where available.

2.4.2. Supplementary Budget: Any material changes to the approved budget are authorized by the legislature.

2.4.3. Forecast Reconciliation: Budget documentation and any subsequent updates explain any material changes to the government's previous revenue, expenditure, and financing forecasts.

III. FISCAL RISK ANALYSIS AND MANAGEMENT:

Governments should analyze and manage risks to the public finances and ensure effective coordination of fiscal decision-making across the public sector

3.1. Risk Analysis: *Governments should publish regular reports on risks to their fiscal prospects.*

3.1.1. Macroeconomic Risks: The government reports on how fiscal outcomes might differ from forecasts as a result of macroeconomic shocks.

3.1.2. Specific Fiscal Risks: The government regularly reports on the main sources of specific risks to its fiscal forecasts, such as contingent liabilities.

3.1.3. Comparability of Fiscal Reports: Fiscal forecasts, budgets, and fiscal reports are presented on a comparable basis, with any deviations explained.

3.2. Risk Management: *Specific risks to the public finances should be regularly monitored and managed.*

3.2.1. Contingency Reserves: The budget has adequate and transparent provision for contingencies that arise during budget execution

3.2.2. Asset and Liability Management: Risks relating to major assets and liabilities should be disclosed and managed.

3.2.3. Guarantees: Government guarantees are regularly disclosed and actively managed.

3.2.4. Financial sector exposure: The government's potential fiscal exposure to financial sector is analyzed and managed.

3.2.5. Long-term Contracts: Government obligations under long-term contracts, including public-private partnerships, are regularly disclosed and actively managed.

3.2.6. Financial Derivatives: The government's derivative positions are regularly disclosed, assessed, and managed in the context of the overall balance sheet.

3.3. Fiscal Coordination: *Fiscal relations across the public sector should be clear and coordinated.*

3.3.1. Sub-National Governments: Consolidated and comprehensive information on the fiscal condition of sub-national government is collected and published.

3.3.2. Public Corporations: Government oversees and regularly publishes comprehensive information on the fiscal performance of public corporations.

DESCRIPTION OF BASIC, GOOD, AND ADVANCED PRACTICES BY PRINCIPLE

#	DIMENSION	PRINCIPLE	PRACTICES		
			BASIC	GOOD	ADVANCED
1	FISCAL REPORTING	Fiscal reports should provide a comprehensive, relevant, timely, and reliable overview of the government's financial position and performance			
<i>1.1</i>	<i>Coverage</i>	<i>Fiscal reports should provide a comprehensive overview of the fiscal activities of the public sector</i>			
1.1.1	Coverage of Institutions	Fiscal reports cover all entities engaged in public activity that are delineated according to international standards.	Fiscal reports consolidate all central government entities.	Fiscal reports consolidate all general government entities.	Fiscal reports consolidate all public sector entities.
1.1.2	Coverage of Stocks	Fiscal reports include a balance sheet of government assets, liabilities, and net worth.	Fiscal reports cover cash and all debt	Fiscal reports cover all financial assets and liabilities.	Fiscal reports cover all financial and non-financial assets and liabilities, and net worth.
1.1.3	Coverage of Flows	Fiscal reports cover all government revenues, expenditures, and financing.	Fiscal reports cover all cash revenues and expenditures.	Fiscal reports cover cash flows and all accrued revenues and expenditures.	Fiscal reports cover cash flows and all accrued revenues and expenditures and other economic flows.
1.1.4	Tax Expenditures	The government regularly discloses all revenue loss from tax expenditure.	The estimated revenue loss from tax expenditures is published at least annually.	The estimated revenue loss from tax expenditures is estimated by sector or policy area, and is published at least annually.	The estimated revenue loss from tax expenditures is estimated by sector or policy area, and is published at least annually. There is control on, or budgetary objectives for, the size of tax expenditures.
<i>1.2</i>	<i>Frequency and Timeliness</i>	<i>Fiscal reports should be published in a frequent, regular, and timely manner</i>			
1.2.1	Frequency of In-year Fiscal Reports	In-year fiscal reports are published on a frequent and regular basis.	In-year fiscal reports are published on a semi-annual basis.	In-year fiscal reports are published on a quarterly basis.	In-year fiscal reports are published on a monthly basis.

1.2.2	Timeliness of Annual Financial Statements	Final year-end financial statements are published in a timely manner.	Audited or final annual financial statements are published within 12 months of the end of the financial year.	Audited or final annual financial statements are published within 9 months of the end of the financial year.	Audited or final annual financial statements are published within 6 months of the end of the financial year.
1.3	Quality	<i>Information in fiscal reports should be relevant, internationally comparable, and internally and historically consistent</i>			
1.3.1	Classification	Fiscal reports classify information in ways that make clear the government's use of public resources, and facilitates international comparisons.	Fiscal reports include an administrative and economic classification consistent with international standards, as well as information on receipts from all major revenue sources, including resource related activities.	Fiscal reports include an administrative, economic, and functional classification consistent with international standards as well as information on receipts from all major revenue sources, including resource related activities.	Fiscal reports include an administrative, economic, functional, and program classification consistent with international standards, where applicable as well as information on receipts from all major revenue sources, including resource related activities.
1.3.2	Internal Consistency	Fiscal reports are internally consistent and include reconciliations between alternative measures of summary fiscal aggregates.	Fiscal reports include at least one of the following reconciliations: (i)balance and financing, (ii)debt issued and debt holdings, or (iii)financing and the change in the debt stock.	Fiscal reports include at least two of the following reconciliations: (i)balance and financing, (ii)debt issued and debt holdings, or (iii) financing and the change in the debt stock.	Fiscal reports include all three of the following reconciliations: (i)balance and financing, (ii)debt issued and debt holdings, or (iii) financing and the change in the debt stock.
1.3.3	Historical Consistency	Material revisions to historical fiscal data in fiscal reports are disclosed and explained.	Material revisions to historical fiscal data in fiscal reports are reported.	Material revisions to historical fiscal data in fiscal reports are reported with a bridging table between the old and new time series.	Material revisions to historical fiscal data in fiscal reports are reported with a bridging table between the old and new time series and an explanation for each major revision.

1.4	Integrity	<i>Fiscal statistics and financial statements should be reliable and subject to external scrutiny.</i>			
1.4.1	Statistical Independence	Responsibility for preparing and disseminating fiscal statistics is vested in a specific body that is independent and ensures consistency with international statistics standards.	Preparation and dissemination of fiscal statistics are the responsibility of a specific government body that observes international statistics standards.	Preparation and dissemination of fiscal statistics are the responsibility of semi-autonomous agency that observes international statistics standards.	Preparation and dissemination of fiscal statistics are the responsibility of an independent agency that observes international statistics standards.
1.4.2	External Audit	Governments' annual financial statements are subject to independent auditing by the supreme audit institution, performed in accordance with international standards.	Governments' annual financial statements are subject to a published audit by the supreme audit institution.	Governments' annual financial statements are subject to a published audit by the supreme audit institution complying with fundamental auditing principles set by the International Standards of Supreme Audit Institutions.	Governments' annual financial statements are subject to a published audit by the supreme audit institution fully complying with the general auditing guidelines on financial audit set by the International Standards of Supreme Audit Institutions.
1.4.3	Reliability	The reliability of the government's fiscal reports is confirmed by an independent assessment.	There is a report validating the financial statement's reliability, and fiscal statistics meet GDDS.	The financial statements are subject to minor audit qualifications, and fiscal statistics meet SDDS.	The financial statements are unqualified and fiscal statistics meet SDDS+.
2	FISCAL FORECASTING AND BUDGETING	Budgets and their underlying fiscal forecasts should provide a clear statement of the central government's budgetary objectives and policy intentions and comprehensive, timely, and credible projections of the evolution of the public finances.			
2.1	Comprehensiveness	<i>Fiscal forecasts and budgets should provide a comprehensive overview of fiscal prospects</i>			
2.1.1	Unity	Revenues, expenditures, and financing of central government are authorized by the legislature.	Budget documentation presents all revenues, expenditures, and financing by central government ministries and agencies.	Budget documentation presents all revenues, expenditure, and financing by central government ministries, agencies and extra-budgetary funds.	Budget documentation presents all revenue and expenditure by central government ministries, agencies, extra-budgetary funds, and social security funds.

2.1.2	Gross Budgeting	Revenues and expenditures are presented on a gross basis in budget documentation.	All domestic tax revenues and associated expenditures are presented on a gross basis.	All domestic tax and non-tax revenues and associated expenditures are presented on gross basis.	All domestic and external revenues and associated expenditures are presented on a gross basis.
2.1.3	Macroeconomic Forecasts	The macroeconomic forecasts on which the budget projections are based are disclosed and explained.	The budget documentation includes forecasts of key macroeconomic variables.	The budget documentation includes forecasts of key macroeconomic variables and the underlying assumptions.	The budget documentation includes forecasts and explanations of key macroeconomic variables and their components, as well as their underlying assumptions.
2.1.4	Medium-term Budget Framework	Budget documentation includes projections of revenues, expenditures and financing over the medium-term.	Budget documentation includes medium-term projections of aggregate revenues, expenditures and financing.	Budget documentation includes medium-term projections of revenues, expenditures and financing by economic category.	Budget documentation includes medium-term projections of revenues, expenditures and financing by economic category and by ministry or program.
2.2	<i>Timeliness</i>	<i>The government should provide timely updates on fiscal prospects</i>			
2.2.1	Fiscal Strategy Report	The government provides a mid-year report summarizing macroeconomic and fiscal developments since the last budget, and the macroeconomic and fiscal framework for the preparation of the upcoming budget.	The government provides a mid-year report summarizing macroeconomic and fiscal developments since the last budget, and a revised macroeconomic and fiscal framework for the current year.	The government provides a mid-year report summarizing macroeconomic and fiscal developments since the last budget, and a revised macroeconomic and fiscal framework for the current year and the next budget year.	The government provides a mid-year report summarizing macroeconomic and fiscal developments since the last budget, and a revised macroeconomic and fiscal framework for the current year and the medium-term.
2.2.2	Budget Submission	The legislature and the public are consistently given adequate time to scrutinize and approve the annual budget before the start of the financial year.	The budget is submitted to the legislature and made available to the public at least 1 month before the start of the financial year.	The budget is submitted to the legislature and made available to the public at least 2 months before the start of the financial year.	The budget is submitted to the legislature and made available to the public at least 3 months before the start of the financial year.

2.2.3	Budget Approval	The approval and publication of the budget legislation consistently provides adequate time for its effective execution.	The budget legislation is approved and published up to a one month after the beginning of the financial year.	The budget legislation is approved and published by the start of the financial year.	The budget legislation is approved and published at least one month before the start of the financial year.
2.3	Policy Orientation	<i>Fiscal forecasts and budgets should be presented in a way that facilitates policy analysis and accountability</i>			
2.3.1	Fiscal Policy Objectives	The government states and reports on clear and measurable objectives for the public finances.	The government states and regularly reports on a numerical objective for the main fiscal aggregates which is either precise or time-bound.	The government states and regularly reports on a numerical objective for the main fiscal aggregates which is both precise and time-bound.	The government states and regularly reports on a numerical objective for the main fiscal aggregates which is both precise and time-bound and has been in place for 3 or more years.
2.3.2	Separation of Existing and New Policies	The fiscal forecasts and budget documentation distinguish the yield or cost of existing policies from the fiscal impact of any new policy measures.	Budget documentation includes a qualitative discussion of major policy decisions.	Budget documentation includes estimates of the yield or cost of major policy decisions.	Budget documentation includes a baseline fiscal forecast assuming unchanged policies, estimates of the yield or cost of all major policy decisions, and a post-measures forecast showing the fiscal impact of those decisions.
2.3.3	Performance Information	Budget documentation provides information regarding the objectives and results achieved and intended under each major government policy area.	Budget documentation includes information about the inputs to be acquired under each major government policy area.	Budget documentation includes indicators of the outputs to be delivered under each major government policy area.	Budget documentation includes indicators of the outcomes to be achieved under each major government policy area.
2.3.4	Distributional Analysis	Government provides a clear, accessible, and useful summary of the financial implications of its policies for citizens.	Governments provide brief accessible summary of the implications of the budget for a typical citizen.	Governments provide a detailed account of the financial impact of budget decisions on different income groups.	Government releases detailed information about the financial impact of budget decisions on different income and demographic or regional groups.

2.3.5	Fiscal Sustainability Analysis	The government regularly publishes the projected evolution of the public finances over the long-term.	Projections of the main fiscal aggregates are published, covering a horizon of at least 10 years.	Multiple scenarios for the evolution of main fiscal aggregates, over the next 20 years or more are published, based on a range of macroeconomic assumptions	Multiple scenarios for the evolution of the main fiscal aggregates, including social security, over the next 30 years are published based on a range of macroeconomic, demographic, natural resource, or other assumptions.
2.4	<i>Credibility</i>	<i>Fiscal forecasts and budgets should be credible</i>			
2.4.1	Independent Evaluation	The government's fiscal forecasts are subject to independent evaluation, where available	Budget documentation includes comparisons between the government's macroeconomic projections and those of independent forecasters.	An independent entity evaluates the credibility of the government's economic forecast.	An independent entity evaluates the credibility of the government's economic and fiscal forecast.
2.4.2	Supplementary Budget	Any material changes to the approved budget are authorized by the legislature.	A supplementary budget regularizes expenditure exceeding the approved budget.	A supplementary budget is required prior to total expenditure exceeding budgeted amounts.	A supplementary budget is required prior to increasing total expenditure or substantially altering its composition.
2.4.3	Forecast Reconciliation	The budget documentation and any subsequent updates explain any material changes to the government's previous revenue, expenditure, and financing forecasts.	Differences between the successive vintages of the government's revenues, expenditures, and financing forecasts are shown at the aggregate level.	Differences between successive vintages of the government's revenues, expenditures, and financing forecasts are broken down into the effects of macroeconomic determinants and other factors.	Differences between successive vintages of the government's revenues and expenditures forecasts are broken down into the effects of macroeconomic determinants, policy changes, and other factors.

3	FISCAL RISK ANALYSIS AND MANAGEMENT	Governments should analyze and manage risks to the public finances and ensure effective coordination of fiscal decision-making across the public sector			
3.1	<i>Risk Disclosure and Analysis</i>	<i>Governments should publish regular reports on risks to their fiscal prospects</i>			
3.1.1	Macroeconomic Risks	The government reports on how fiscal outcomes might differ from forecasts as a result of macroeconomic shocks.	Budget documentation includes discussion of the sensitivity of fiscal forecasts to major macroeconomic assumptions	Budget documentation includes alternative fiscal forecasts based on optimistic and pessimistic scenarios	Budget documentation includes probabilistic forecasts of fiscal outcomes.
3.1.2	Specific Fiscal Risks	The government regularly reports on the main sources of specific risks to its fiscal forecasts, such as contingent liabilities.	The main specific risks to the fiscal forecast are disclosed and discussed in qualitative terms.	The main specific risks to the fiscal forecast are disclosed along with estimates of their magnitude.	The main specific risks to the fiscal forecast are disclosed along with estimates of their magnitude and, where practicable, their likelihood.
3.1.3	Comparability of Fiscal Forecasts and Outturns	Fiscal forecasts, budgets, and fiscal reports are presented on a comparable basis, with any deviations explained.	At least one fiscal report is prepared on the same basis as the budget.	Budget and outturn are comparable plus the outturn is reconciled with either the fiscal statistics or final accounts.	Budget and outturn are comparable plus the outturn is reconciled with both fiscal statistics and final accounts.
3.2	<i>Risk Management</i>	<i>Specific risks to the public finances should be regularly monitored and managed</i>			
3.2.1	Contingency Reserves	The budget has adequate and transparent provision for contingencies that arise during budget execution	The budget includes a contingency appropriation	The budget includes a contingency appropriation with transparent access criteria	The budget includes a contingency appropriation with transparent access criteria and regular in-year reporting on utilization
3.2.2	Asset and Liability Management	Risks relating to major assets and liabilities are disclosed and managed.	All borrowing is authorized by law and the risks surrounding the government's debt holdings are analyzed and disclosed.	All borrowing is authorized by law and the risks surrounding the government's assets and liabilities are analyzed and disclosed.	All liabilities and significant asset purchases or disposals are authorized by law, and the risks surrounding them are disclosed, and managed according to a published strategy.

3.2.3	Guarantees	Government guarantees are regularly disclosed and actively managed.	All government guarantees, and the beneficiaries and value of each, are published at least annually.	All government guarantees, the beneficiaries and value of each are published at least annually. The maximum value of new guarantees is authorized by law.	All government guarantees, the beneficiaries, value and probability of each being called are published at least annually and the maximum value of new guarantees is authorized by law.
3.2.4	Financial Sector Exposure	The government's potential fiscal exposure to the financial sector is analyzed and managed.	Explicit government support to the financial sector, such as deposit insurance, is quantified and disclosed annually.	The government's potential exposure to the financial sector is discussed in a fiscal risk report at least annually.	The government's potential exposure to the financial sector is informed by quantified assessment of financial sector stability, and disclosed in a fiscal risk report at least annually
3.2.5	Long-Term Contracts	Government obligations under long-term contracts, including public-private partnerships, are regularly disclosed and actively managed.	The government at least annually publishes its total obligations under long-term contracts.	The government at least annually publishes its total obligations under long-term contracts and the expected annual payments over the life of the contracts.	The government at least annually publishes its total obligations under long-term contracts and the expected annual payments over the life of the contracts. A legal limit is placed on accumulated obligations.
3.2.6	Financial Derivatives	The government's derivative positions are regularly disclosed, assessed, and managed in the context of the government's balance sheet.	The government at least annually discloses its derivative positions and their notional values.	The government at least annually discloses its derivative positions and their notional and market values.	The government at least annually discloses its derivative positions and their notional and market values; and provides sensitivity analysis for its derivatives and related assets and liabilities to key financial parameters.
3.3	<i>Fiscal Coordination</i>	<i>Fiscal relations across the public sector should be clear and coordinated</i>			
3.3.1	Sub-National Governments	Consolidated and comprehensive information on the fiscal condition of sub-national government is collected and published	The fiscal condition of sub-national governments is published annually.	The fiscal condition of sub-national governments is published annually, and there is a legal limit on the liabilities or borrowing of sub-national governments.	The fiscal condition of sub-national governments is published quarterly, and there is a legal limit on the liabilities or borrowing of sub-national governments.

3.3.2	Public Corporations	Government oversees and regularly publishes comprehensive information on the fiscal performance of public corporations.	All direct transfers between the government and public corporations are disclosed on at least an annual basis.	All direct transfers and indirect support between the government and public corporations are disclosed on at least an annual basis.	All direct and indirect transfers between the government and public corporations and the value of any quasi-fiscal activity undertaken by public corporations are disclosed on at least an annual basis.
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FISCAL TRANSPARENCY INDICATORS

#	DIMENSION	INDICATOR	MEASUREMENT
I FISCAL REPORTING			
1.a	Coverage of institutions	Coverage of public sector entities in fiscal reports	Percent of public sector revenues and expenditures included in consolidated fiscal reports.
1.b	Coverage of stocks	Coverage of public sector assets and liabilities	Percent of public sector assets and liabilities included in consolidated fiscal reports.
1.c	Coverage of flows	Coverage of accrued revenue and expenses	Percent of accrued revenues and expenses included in consolidated fiscal reports.
1.d	Expenditure Arrears	Value of unpaid invoices to government	Unpaid invoices to government as a percent of total government expenditure.
1.e	Tax Expenditures	Size of unconsolidated tax expenditures	Revenue loss as a result of tax expenditures as a percent of GDP or total revenues.
1.f	Frequency	Frequency of in-year fiscal reports	Time elapsed between in-year fiscal reports.
1.g	Timeliness	Timeliness of final annual financial statements	Time elapsed between the end of the fiscal year and the publication of audited or final annual financial statements.
1.h	Internal Consistency	Discrepancy between alternative balance measures Discrepancy between balance and change in debt	Percentage difference between the government's overall balance and net lending/borrowing. Percentage difference between the net lending/borrowing and change in net debt.
1.i	Historical Consistency	Size of historical data revisions	Change in government's overall balance and debt between first and final release.
II FISCAL FORECASTING AND BUDGETING			
2.a	Unity	Coverage of annual budget	Percent of central government institutions revenues and expenditures authorized by the annual budget legislation.
2.b	Macroeconomic Assumptions	Macroeconomic forecast error	Percentage difference between forecast and outturn for nominal GDP and inflation.
2.c	Medium-term Budget Framework	Fiscal forecast error	Percentage difference between forecast and outturn for revenue, expenditure, and the balance over three years.
2.e	Budget Submission	Timing of budget submission	Time elapsed between submission of the annual budget to the legislature and the start of the financial year.
2.f	Budget Approval	Timing of budget approval	Time elapsed between legislative approval of the budget and the start of the fiscal year.
2.g	Distribution	Scope of distributional analysis	Percentage of total expenditures that can be attributed to benefiting an identifiable group of people; number of identifiable populations groups used

2.h	Fiscal Sustainability Analysis	Required fiscal adjustment to restore sustainability	Change in the structural balance required to stabilize the debt to GDP ratio within 30 years.
2.i	Supplementary Budgets	Budget credibility	Size, source, and timing of changes to annual budget totals.
III FISCAL RISK ANALYSIS AND MANAGEMENT			
3.a	Sensitivity Analysis	Sensitivity of fiscal aggregates to macroeconomic shocks	Change in government borrowing and debt as a percent of GDP from 1 and 2 standard deviation shocks to key macroeconomic assumptions.
3.b	Contingent Liabilities	Size of unconsolidated contingent liabilities	Contingent liabilities (including guarantees, PPPs, and other exposures) as a percent of GDP.
3.c	Consistency of Reporting	Discrepancy in reporting basis between budgets, in-year reports, and annual accounts	Difference in government expenditures, in-year report, and annual accounts as a percent of GDP.
3.d	Contingency Reserve	Size of contingency reserve in annual budget	Contingency reserve as a percent of total expenditure in the central government budget
3.e	Asset and Liabilities	Government equity holdings	Government equity holdings in public and private corporations as a percent of GDP.
3.f	Government Guarantees	Size of government guarantees	Government-guaranteed liabilities as a percent of GDP
3.g	Financial Sector Exposure	Financial sector liabilities	Gross liabilities of the domestic financial sector as a percent of GDP.
3.h	Public-Private Partnerships	Size of PPP liabilities	Government's total financial obligations under PPPs as a percent of GDP
3.i	Sub-national Governments	Exposure to sub-national government insolvency	Ratio of debt and debt-service to revenue ratios for sub-national governments. Sub-national government debt as a percent of GDP.
3.j	Public Corporations	Quasi-fiscal activity by public corporations	Quasi-fiscal losses by public corporation as a percent of GDP.

GLOSSARY

Accounts: End of year financial statements or budget execution reports

Borrowing: All government borrowing, including bonds, T-bills and bank loans, as well as indirect borrowing such as payables, including expenditure and unpaid tax refunds.

Budget documentation: All documentation published at or around the time of the annual budget including the budget book, budget estimates, fiscal strategies, medium-term budget frameworks, fiscal risk statements, finance or estimates bills, long-term public finance reports, and the budget, finance, or appropriation act.

Contingent liabilities: Obligations that have been entered into, but whose timing and amount are contingent on the occurrence of some uncertain future event. Examples include guarantees, indemnities and letters of comfort.

Distributional analysis: A quantitative assessment of the impact of a specific or overall government policy on different segments of the population, often differentiated by income or geographical groups. For example, the impact of a change in tax rates on different income deciles.

Expenditure arrears: The stock position of amounts that have not been paid by the date specified in a contract or within a normal commercial period for similar transactions. Payment arrears might arise from nonpayment by government in such areas as bills due from suppliers, due salaries or transfers, or due debt repayment or service.

Financial derivatives: A financial instrument that is settled at a future date and whose value depends on the price of an underlying variable such as an interest rate, exchange rate, or asset price. Examples include futures, swaps, and options.

Fiscal aggregates: The key fiscal summary indicators, including on the flow-side net lending or overall fiscal balance, total expenditure and total revenue; and on the stock-side gross and net debt, total assets, total liabilities and net worth.

Fiscal reports: Retrospective reports on fiscal developments including in-year budget execution reports, fiscal statistics, budget outturn reports, and end-of-year financial statements.

Fiscal forecasts: Forecasts of the main fiscal aggregates, as well as the elements underlying them, including specific revenue heads; expenditures by either administrative, functional or economic classification; and key assets and liabilities, including gross debt.

Fiscal statistics: Retrospective reports on the government's financial performance that provide fiscal data based on statistical standards such as GFSM2001 or ESA95.

Government balance sheet: A comprehensive statement of assets, liabilities and net worth of government at a point in time.

Government guarantee: The most common type is a government guaranteed loan which requires the government to repay any outstanding amount on a loan in the event of default. In some contracts – particularly relating to PPPs – the government may provide a revenue or demand guarantee that requires the government to make up the difference if revenue or quantity demand falls short of an agreed level. Other contracts may include exchange rate or price guarantees.

International standards: Internationally recognized standards for government finance statistics (including GFSM 2001, ESA 95, and SNA 08) and government financial statements (including IPSAS and IFRS).

In-year fiscal reports: Budget outturn/execution reports and fiscal statistics that are produced on monthly or quarterly frequency within the financial year, but can include full year reports that are produced shortly after the end of the financial year.

Long-term: The period spanning ten or more years beyond the current year.

Long-term contracts: Contracts between the government and private sector with a term of more than a year, such as PPPs, long-term leases and long-term procurement arrangements.

Macroeconomic risks: Risks related to macroeconomic outturns coming out differently to forecast, such as when GDP, inflation, unemployment, commodity prices or exchange rates come in above or below the forecasts on which the budget is based.

Medium-term: Three to ten years beyond the current year.

Public sector: A classification drawn from sectors and subsectors of the SNA classification consisting of general government and non-financial and financial public corporations. It includes all entities either owned or controlled by government.

Public corporations: A corporation owned or controlled by a government unit.

Public-private partnerships (PPP): An arrangement where the private sector provides infrastructure assets and services that have traditionally been provided by the government, such as hospitals, schools prisons, roads, bridges railways and water and sanitation plants. Cases where the private operator has some responsibility for asset management and improvement are described as concessions.

Quasi-fiscal operations: Government operations carried out by institutions other than the government units (such as central banks and other public corporations). Examples include concessional loans given by the central bank, directed lending by public corporations and requirement to provide services at below-market prices.

Short-term: Up to three years beyond the current year.

Specific fiscal risk: Fiscal risks that are not directly related to macroeconomic risk. They are narrower and arise from specific sources, such as the potential costs of guarantees or natural disasters; and the possible need to provide fiscal support to a public corporations or private banks.

Tax expenditure: Concessions or exemptions from a “normal” tax structure that reduce government revenue collections and that, because the government policy objectives could be achieved alternatively through a subsidy or other direct outlays are regarded as equivalent to budget expenditure.