

# Fiscal Transparency as an Element of Government Accountability

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# New Fiscal Transparency Evaluation:

## A clear and complete picture of the public finances

### Ireland Public Sector Financial Overview, 2011 (Percent of GDP)

	Exchequer	Central Govt	Local Govt*	General Govt	Public Non-Fin Corps*	Public Fin Corps*	Public Sector
<b>Total Transactions</b>							
Revenue	23.6	33.0	2.1	35.0	6.0	8.6	49.6
Expenditure	35.4	46.6	2.1	48.6	5.6	6.3	60.5
<b>Balance</b>	<b>-11.7</b>	<b>-13.6</b>	<b>0.0</b>	<b>-13.6</b>	<b>0.4</b>	<b>2.3</b>	<b>-10.9</b>
<b>Total Assets</b>	<b>-</b>	<b>47.8</b>	<b>64.9</b>	<b>112.7</b>	<b>11.8</b>	<b>192.4</b>	<b>316.9</b>
Non-financial Assets	-	9.8	63.6	73.5	14.2	0.5	88.1
Financial Assets	-	38.0	1.2	39.2	-2.3	191.9	228.8
<b>Total Liabilities</b>	<b>-</b>	<b>179.4</b>	<b>2.0</b>	<b>181.4</b>	<b>11.8</b>	<b>192.4</b>	<b>385.7</b>
PPPs	-	2.5	-	2.5	-	-	2.5
Public Service Pension	-	73.0	-	73.0	-	-	73.0
Other	-	103.9	2.0	105.9	11.8	192.4	310.2
<b>Net Financial Worth</b>	<b>-</b>	<b>-141.4</b>	<b>-0.7</b>	<b>-142.2</b>	<b>-14.2</b>	<b>-0.5</b>	<b>-156.8</b>
<b>Net Worth</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-68.7</b>	<b>0.0</b>	<b>0.0</b>	<b>-68.7</b>
<b>Memo</b>							
General government Gross Debt (ESA95)				106.4			
Net Debt				94.9			

Public sector deficit is smaller than General Government

Large Financial Sector Assets that are often overlooked

Public sector liabilities more than 3 times size of GG debt

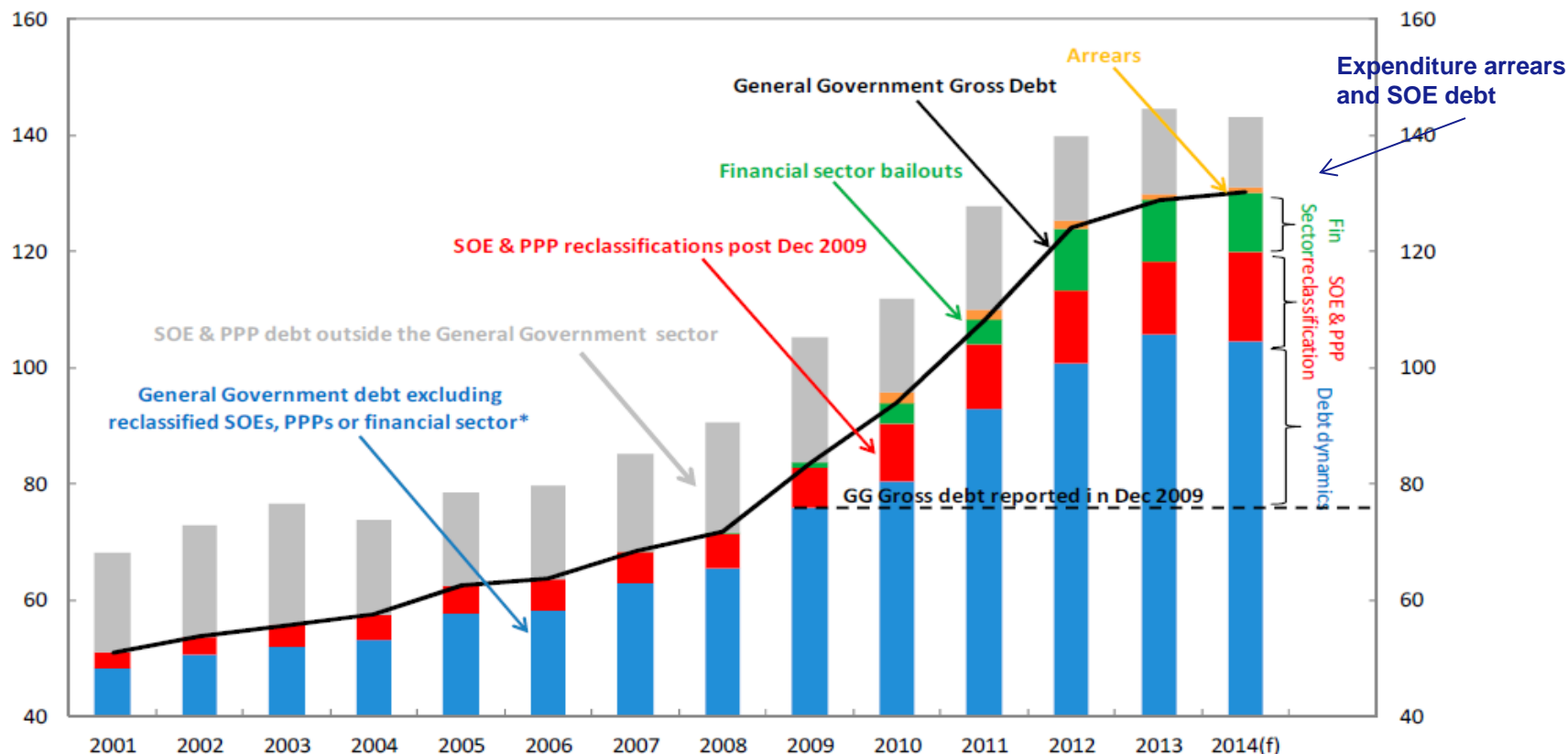
Public Sector Net Liabilities lower than the US and the same as UK

\*Consolidated Position

# Portugal: Evolution of Public Debt



**Figure 0.1. Evolution of General Government Gross Debt, 1991-2014  
(In Percent of GDP)**



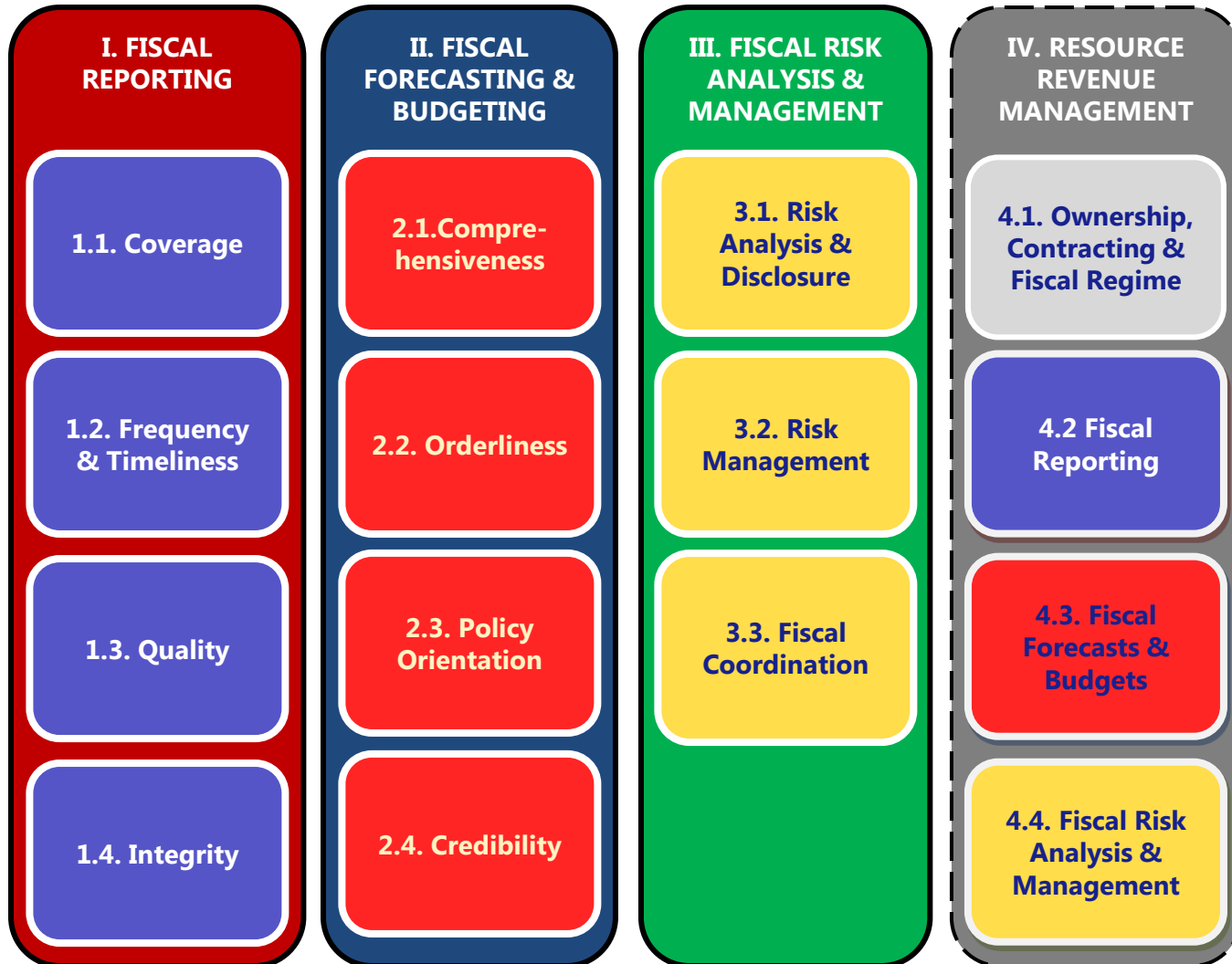
Source: WEO database, 2013 Fiscal Strategy Document, Eurostat, BdP, DGTF SEE reports and Arrears Monitoring Report. \*Includes 0.6 percent of GDP of SOE debts already classified as general government debt prior to December 2009. Information on arrears is only available from 2010 onwards.

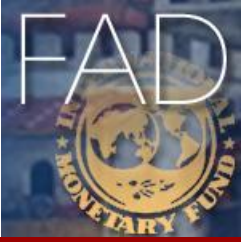


# Objectives of the Fiscal Transparency Code

- 1. Update the principles and practices to reflect the lessons of the financial crisis**
- 2. Emphasize the quality and reliability of published information**
- 3. Align the principles and practices with relevant international standards (GFSM 2001, IPSAS, OECD Principles, PEFA)**
- 4. Provide countries with a set of achievable milestones on the way towards full compliance with international standards**

# Fiscal Transparency Code's 4 Pillars, 48 dimensions





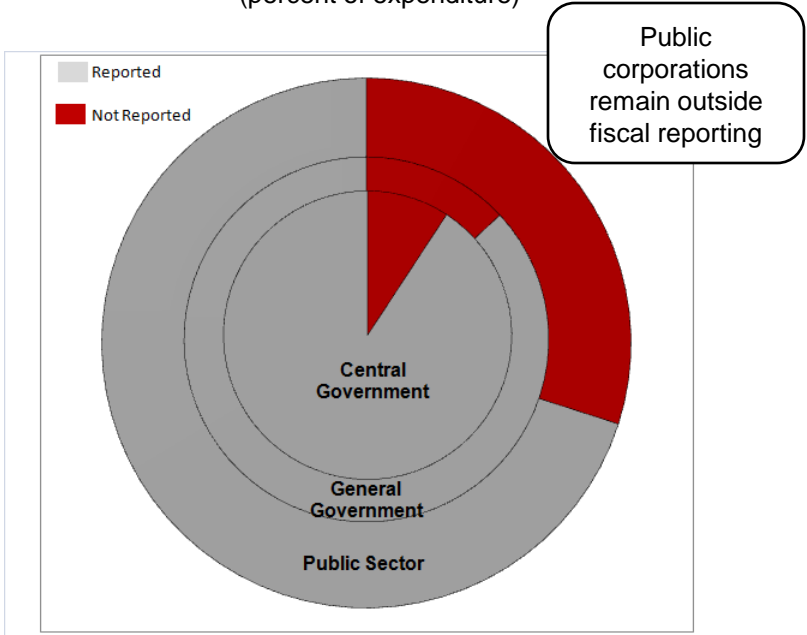
# What is Essential to Parliamentarians?

- **Reliable and Timely Fiscal reports** – monthly revenue, expenditure, deficit data compared with planned budget.
- **Reliable and Comprehensive Financial Statements** – audited assets and liabilities of the public sector on an annual basis before 6 months.
- **Accurate Medium-Term Fiscal Projections** – what is expected in the next 3 years in terms of main fiscal aggregates and what the government will do in case deviations happen.
- **Comprehensive and Clear Fiscal Policy Objectives** – clear fiscal policies, fiscal rules.
- **Comprehensive Fiscal Risk Statement** – identification of main risks, size of the risks, what to do in case the risk materializes.
- **A Clear Overview of the Size and Ownership of Natural Resource Wealth** – what is the size of production and reserves, how the wealth is shared and used.

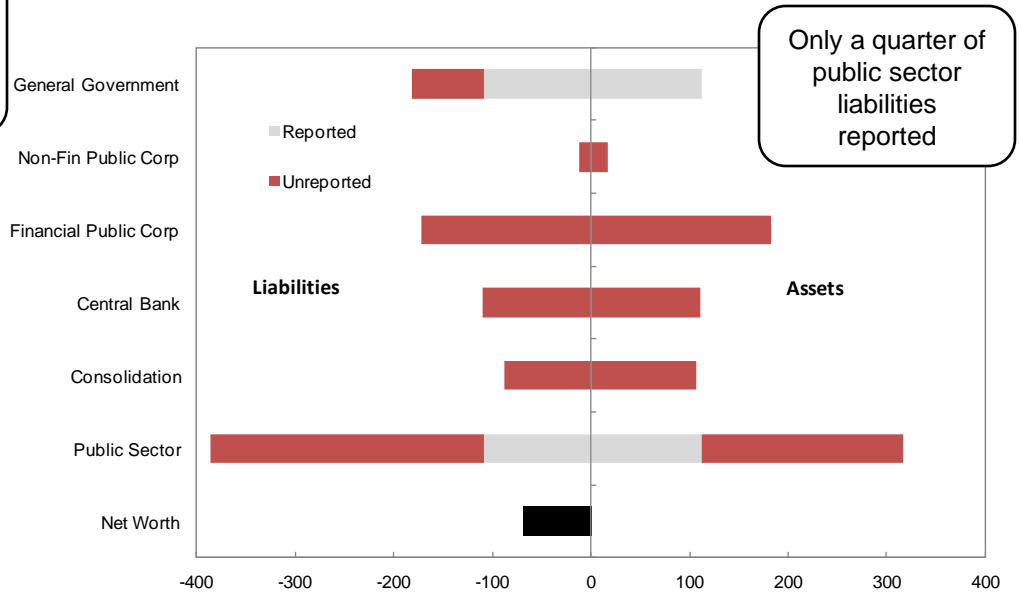
# Fiscal Vulnerability Indicators: Fiscal Reporting

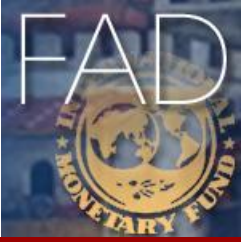
## Ireland: Fiscal Transparency Indicators

**Coverage of Public Sector Entities**  
(percent of expenditure)



**Reporting of Assets and Liabilities**  
(percent of GDP)





# How do I find more information

- **Survey Article on new FTE and Transparency Code**  
(<http://www.imf.org/external/pubs/ft/survey/so/2014/POL080714A.htm>)
- **2014 Fiscal Transparency Code** (<http://blog-pfm.imf.org/files/ft-code.pdf>)
- **2014 Paper Update on the Fiscal Transparency Initiative**  
(<http://www.imf.org/external/np/pp/eng/2014/061614.pdf>)
- **2012 Paper Fiscal Transparency, Accountability, and Risk**  
(<http://www.imf.org/external/np/pp/eng/2012/080712.pdf>)
- **Published FTE Evaluations**
  - Albania, Bolivia, Brazil, Costa Rica, Guatemala, Finland, Ireland, Kenya, Mozambique, Peru, Philippines, Portugal, Romania, Russia, Tunisia, Turkey, Uganda, United Kingdom<http://www.imf.org/external/np/fad/trans/>
- **Standards and Codes Initiative**  
(<http://www.imf.org/external/standards/index.htm>)