

Comparative statistical study on subnational finances at the global level

OECD – UCLG - AFD

Simplified questionnaire and guidelines for data collection

COUNTRY:

Respondent (name and contact details):

Questionnaire and attached documents must be sent to: clfd@uclg.org

If you have any queries, please contact: clfd@uclg.org / +34-993-428-767

I. Subnational governance and organisation

1. Type of country

Unitary: Federal:

Remarks, explanations or clarifications concerning the form of the country if necessary (e.g. in the case of “quasi-federal” country such as Spain):

2. Territorial organisation

2.1 Inventory of sub-national entities

This part relates to the count of sub-national governments, but not of all sub-national public entities. In other words, it only encompasses decentralized governments, elected by universal suffrage, with general competencies and autonomous with regards to their budget and staff.

Therefore, the following are not included:

- Inter-municipal cooperation bodies (for instance, municipal associations, other inter-municipal cooperation bodies, etc.);

- Special-purpose public bodies such as schools districts / boards, transports authorities, etc.;
- Unincorporated areas;
- Central/federal government districts or deconcentrated regional agencies of the central government or regions established for statistical or elections purposes only;
- Deconcentrated subdivisions of sub-national governments (non-autonomous), for instance municipal sub-systems (parishes, districts, etc.).

Year:	1 st level (municipal)	2 nd level <i>(intermediary or regional/state : depending on the form of the country and number of subnational tiers)</i>	3 rd level <i>(regional/state : depending on the form of the country and number of subnational tiers)</i>
Name in singular form in French, English, and national official language			
Name in plural form in French, English, and national official language			
Number of sub-national governments by level			

Source:

2.2 Further details on territorial organization/subnational governance arrangements

When necessary, please provide some remarks/ details on your country's territorial organization by level of government (e.g. diversity or specificities within the same sub-national level of government e.g. when a country has municipalities or regions with different statutes according to their geographic characteristics, their size, their role, their history, etc. or when there is an asymmetric decentralization etc.)

Is there a structured sub-municipal level (characterized by civil "parish-types" municipal administrative subdivisions, with their own budget and own representatives, or even their own staff, but without local autonomy)?

Yes No

If yes, please indicate the number of such entities and give further details on their characteristics:

3. Territorial reforms

Have any territorial reforms been implemented recently, or are planned in the near future (merger of municipalities, inter-municipal cooperation, metropolitan governance, creation or abolition of regional/ intermediary bodies, etc.)?

Yes No

If yes, please give some additional information:

When ?	Year began, year completed, still on going, year planned ?
What ?	Merging municipalities, fostering inter-municipal cooperation, encouraging better metropolitan governance, creating or abolishing regional/ intermediary bodies, other ?
Why?	What are the main reasons?
How?	Voluntary or not ? Incentives or not? Uniformly applied across country?
Results?	What results (achieved ?
Other comments?	

II. Sub-national public finance

We will give priority to data coming from the general government's accounts (or government statistics) which are part of **National Accounts**, harmonized accordingly to the United Nations System of National Accounts from 1993 (SNA 1993) or 2008 (SNA 2008 or 2010 within the European Union).

Your country's **national statistics institute** is theoretically the prime provider of data from national accounts. Otherwise, one can also ask **the Ministry of Finance/Treasury** and/or the **central bank** (for the latter, regarding in particular data on public debt).

If national accounts are not available, data from budgetary accounts should be used in priority (central, states and local governments' accounts) coming from governmental sources: the Ministry of Finance but also the Ministry in charge of local governments (in most cases, the Ministry of the Interior). It will be necessary to take into account actual expenditure and not the planned expenditure.

Other useful national sources may include, among others, banking institutions specialized in local government financing, or national associations of local governments.

It is crucial to specify the sources of data.

For national accounts data, it will be necessary to indicate whether data are produced under the SNA 1993 or the SNA 2008.

1. Scope of public administrations

The data to be collected refer to the scope of public administrations:

- “General government” sector as a whole (S13) – see box;
- “State government” sub-sector i.e. Federated regions in federal or quasi-federal countries (S1312);
- “Local government” sub-sector, which comprises municipalities, provinces/counties, regions (in unitary countries) and all related entities (S1313).

The term “subnational” refers to the two sub-sectors S1312 and S1313 (i.e. both state government + local governments).

In general, the S1312 and S1313 categories are broader than sub-national governments strictly speaking.

The “General government sector” (S13)

Classified as S13, it comprises four sub-sectors:

- S1311: central administration i.e. including all administrative departments of the central government and other central agencies whose competence normally extends over the whole economic territory.
- S1312: federated States (in federal and quasi-federal countries such as Spain) and related public entities;
- S1313: local governments and related local public entities;
- S1314: social security funds and related entities.

See Annex 1 for further details.

They often encompass special-purpose local bodies, local public institutions and various satellite institutions attached to sub-national governments.

Does your country use such a classification in line with international standards (S13 and sub-sectors)?

Yes – If yes, could you please give further details concerning the main components of S1313 sub-sector (and, if applicable, S1312) in your country?

No – If not, could you please specify the scope of sub-national governments for which financial data are provided (local governments, associations of municipalities, local public bodies, etc. ?).

2. Data to be collected

In federal or quasi-federal countries, we need data from the « General government » level (S13) and from both sub-sectors “State government » (S1312) and « Local government » (S1313).

Please note that as in some countries (e.g. United States, Australia), state and local government data are provided only in a aggregated and consolidated manner, without distinction between the two.

In unitary countries, we need data related to the « General government » level (S13) and « Local government » sub-sector (S1313).

We are looking for data from annual national accounts as comprehensively as possible, concerning:

- Revenues and expenditures
- Expenditures by type of economic function (Classification of Functions of Government or COFOG)
- Debt.

Data related to debt can be found in financial balance sheets.

We need the **full data tables**. They can be provided under electronic format (excel or word), or via access to databases or paper documents in **French, English or Spanish**.

For your information, indicators which will be used in the survey are the following:

	General Government(S13)	State Government(S1312) <i>(only in federal or quasi-federal countries only)</i>	Local Government(S1313)
Total expenditures	Consolidated data	Consolidated data	Consolidated data
Main categories of expenditures	The main categories of expenditure are: <ul style="list-style-type: none"> • Staff expenditures (Compensation of employees) • Intermediate consumption • Social expenditures (Social benefits and transfers in kind - purchased market production, payable) • Subsidies and other current transfers • Property income payable (including mainly interest expenses) • Taxes payable • Gross Fixed Capital 	<ul style="list-style-type: none"> • Idem 	<ul style="list-style-type: none"> • Idem

	<p>Formation (GFCF)</p> <ul style="list-style-type: none"> • Capital transfers. • Adjustment for the change in net equity of households in pension funds. 		
Expenditures by type of economic function	According to the 10 sectors part of the classifications of the functions of government (COFOG) or, otherwise, to the classification used in the country.	• Idem	• Idem
Total revenues	Consolidated data	• Idem	• Idem
Main categories of Revenues	<p>The main categories of revenues are:</p> <ul style="list-style-type: none"> • Tax revenues¹ • Current grants and subsidies (receivable) • Capital grants and subsidies (receivable) • User charges and fees • Social contributions (receivable) • Property income (receivable) 	• Idem	• Idem
Debt	Total consolidated outstanding debt	• Idem	• Idem
Debt per component	<ul style="list-style-type: none"> • Currency and deposits • Credits • Securities • Insurance technical reserves • Accounts payable (other accounts to be paid) 	• Idem	• Idem

In order to be able to calculate the various ratios, it will be necessary for us to have access to the **current GDP in the base year corresponding to those of local finance data**. Ideally, we would need the GDP in current local currency over the last 5 years (and more when local finance data are more than 5 years old).

¹ Tax revenues are gathered in three main categories :

- Taxes on production and exports (D2)
- Current taxes on income, wealth, etc. (D5)
- Capital taxes (D91).

3. More qualitative information on subnational finance (optional)

3.1 Sub-national investment

How did sub-national investment evolve in your country since the 2007-08 financial crisis? Do sub-national governments have difficulties to finance investment? Is there an increased use of external financing (loans or bonds, Public-Private Partnerships, etc.)?

Are there any bodies responsible for coordinating public investment across the different levels of government (platforms for intergovernmental dialogue, etc.)?

Did the central government set up incentives in favor of cooperation among local authorities regarding public investment (in particular financial incentives)?

3. 2 Tax revenues

Please indicate in the table below the main taxes collected by sub-national governments in your country, be it either **shared tax revenues** (national taxes shared between the central government and subnational governments, and redistributed to the latter as tax revenues and not as grants) or **own-source tax revenues** (on which sub-national governments have a certain leeway over tax base or tax rates)

Shared taxes

Tax name	Recipient subnational governments	Tax base	Sharing arrangements	Leeway over tax rates or tax base? Specify	Weight in subnational government total revenues (%)
<i>E.g. Personal income tax</i>	<i>Regions and/or municipalities</i>	<i>Personal income</i>	<i>Regions : 25% of the receipt Municipalities: 60% of the receipt</i>	<i>No leeway.</i>	<i>Regions : 20% Municipalities : 40%</i>

Own-source subnational taxes

Tax name	Recipient subnational governments	Tax base	Scope to set tax rates or tax base (total, restricted, no leeway)?	Weight in subnational governments total revenues (%)
<i>E.g. Property tax</i>	<i>Municipalities</i>	<i>Land and buildings</i>	<i>Total freedom.</i>	<i>20%</i>

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Do subnational governments have the power to create new local taxes?

- No
 Yes – If yes, in what specific areas?

3.3 Revenues from inter-governmental transfers (mainly operating and investment grants and subsidies)

Please indicate in the table below what are the main financial transfers allocated to local governments by the central government - or federated states - in your country, and their main characteristics:

- Grants and subsidies dedicated to operating or investment expenditures, or others (e.g. special funds, equalization, etc.);
- General (unconditional and non-earmarked transfers) or earmarked (assigned conditional transfers);
- Allocation mechanisms between local governments (distribution formulas/ calculation or distribution at the discretion of the central government);
- Level of predictability of those transfers (high, medium or low).

Name and source of the transfers (central/ federated government)	Operating / Investment/ Other	General / Earmarked (indicate the purpose)	Calculation mechanisms	Predictability (high / medium / low)
<i>E.g. Education endowment / Central government</i>	<i>Operating</i>	<i>Earmarked (payment of teachers' salaries)</i>	<i>Demographic, geographic, socio-economic and tax criteria</i>	<i>High</i>

3.4 Access to borrowing

Are subnational governments allowed to engage in medium and long-term borrowing?

- Yes, they have access both to credit market (loans) and to capital markets (bonds).
 Yes, but they can access only credit market (loans). Issuing bonds is forbidden.
 Yes, but they can borrow only from public institutions (public banks, Treasury, etc.): Please specify:
 No, borrowing is strictly forbidden.

Please specify in the table below the main regulatory framework for sub-national governments' borrowing:

Level(s) of sub-national governments	Does a "Golden Rule" apply* ? (Y/N)	Does access to borrowing need prior approval by the supervisory	Does access to capital market need prior approval by the	Is there an outstanding debt ceiling (Y/N) Please specify	Is there a debt service ceiling (Y/N) Please	Is there an annual borrowing limit (Y/N)

		authority ? (Y/N) Please specify	supervisory authority? (Y/N) Please specify		specify	Please specify
<i>E.g. Regions</i>	<i>Yes</i>	<i>No</i>	<i>Yes From the Ministry of Interior</i>	<i>Yes (60% of income under the budget of the current year)</i>	<i>Yes 15% of income under the budget of the current year</i>	<i>No</i>

* The Golden Rule means that borrowing (long-term) is only allowed for financing investment expenditures.

3.5 Subnational finance reforms

Have significant reforms of local finance been undertaken recently, are planned or will be launched shortly (reforms of local taxation systems, grants, equalization, budgetary and borrowing framework, etc.)?

- No
- Yes – If yes, please specify:

THANK YOU!

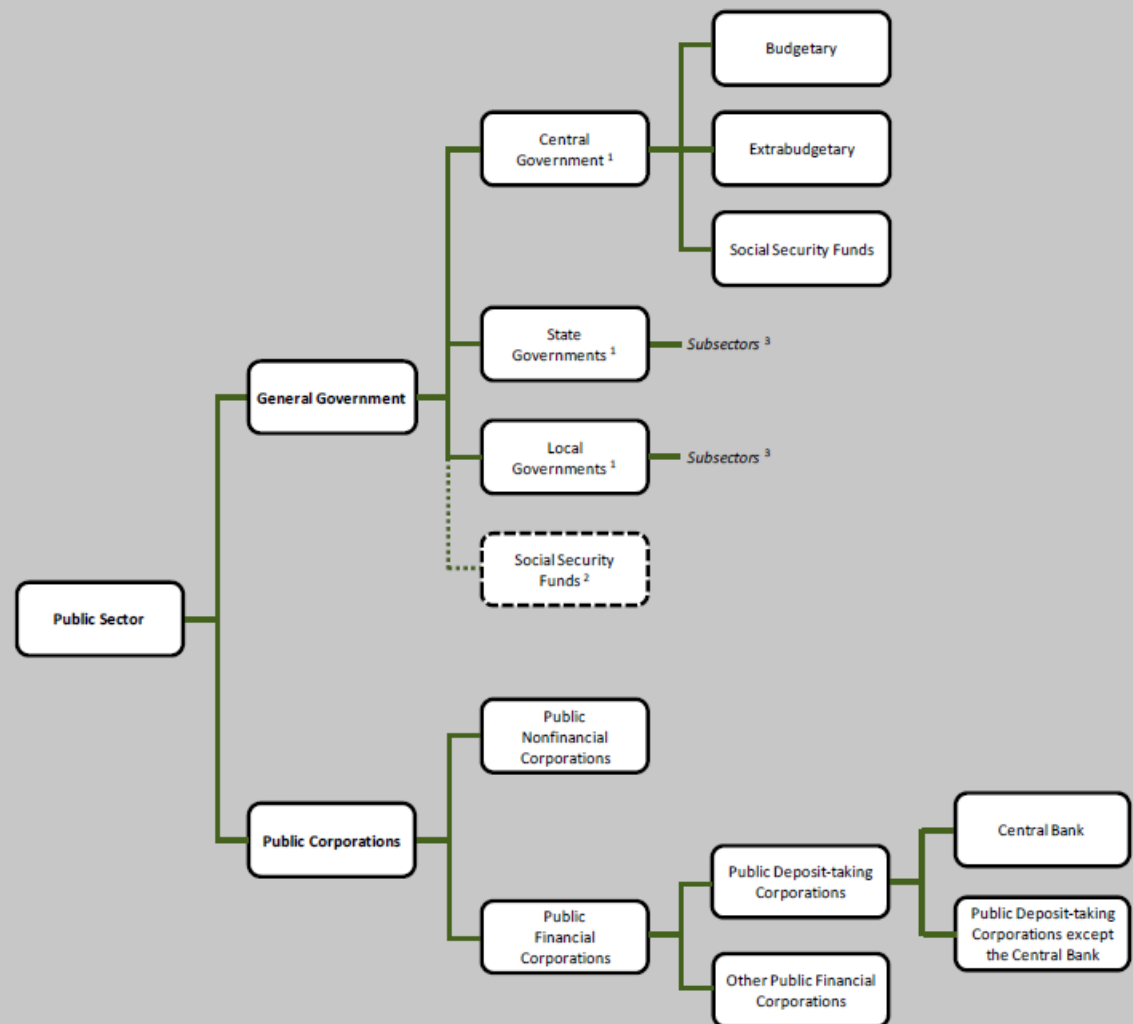
Annex 1. Institutional units combined into sectors and subsectors of System of National Accounts (SNA)

Sectors and subsectors			Public	National private	Foreign controlled	
Non-financial corporations		S.11	S.11001	S.11002	S.11003	
Financial corporations		S.12				
Monetary financial institutions (MFIs)	Central bank	S.121				
	Other monetary financial institutions (OMFI)	Deposit-banking corporations except the central bank	S.122	S.12201	S.12202	S.12203
		Monetary market funds (MMFs)	S.123	S.12301	S.12302	S.12303
Financial corporations except MFIs, and Insurance corporations and pension funds (ICPFs)	Non-MMF investment funds	S.124	S.12401	S.12402	S.12403	
	Other financial intermediaries, except insurance corporations and pension funds	S.125	S.12501	S.12502	S.12503	
	Financial auxiliaries	S.126	S.12601	S.12602	S.12603	
	Captive financial institutions and money lenders	S.127	S.12701	S.12702	S.12703	
ICPFs	Insurance corporations (IC)	S.128	S.12801	S.12802	S.12803	
	Pension funds (PF)	S.129	S.12901	S.12902	S.12903	
General Government		S.13				
Central Government (excluding social security funds)		S.1311				
State Government (excluding social security funds)		S.1312				
Local Government (excluding social security funds)		S.1313				
Social security funds		S.1314				
Households		S.14				
Employers and own-account workers		S.141 + S.142				
Employees		S.143				
Recipients of property and transfer income		S.144				
Recipients of property income		S.1441				
Recipients of pensions		S.1442				
Recipients of other transfers		S.1443				
Non-profit institutions serving households S.15		S.15				
Rest of the world		S.2				
Member States and institutions and bodies of the European Union		S.21				
Member States of the European Union		S.211				
Institutions and bodies of the European Union		S.212				
Non-member countries and international organizations nonresident in the European Union		S.22				

Source: Regulation (EU) No 549/2013 of the European Parliament and the Council of 21 May 2013, on the European system of national and regional accounts in the European Union of 2010 (ESA 2010) – see also <http://stats.oecd.org/glossary/detail.asp?ID=1413>

Annex 2. The public sector and its main components

Figure 2.3. The Public Sector and Its Main Components



¹ Includes social security funds.

² Alternatively, social security funds can be combined into a separate subsector, as shown in the box with dashed lines.

³ Budgetary units, extrabudgetary units, and social security funds may also exist in state and local governments.

Source: Government Statistics Manual –IMF 2014

Annex 3. Detailed structure of the Classifications of the Functions of Government (COFOG)

01 General Public Service

- 01.1 Executive and Legislative Organs, Financial and Fiscal Affairs, External Affairs
- 01.2 Foreign Economic Aid
- 01.3 General Services
- 01.4 Basic Research
- 01.5 R&D General Public Services
- 01.6 General Public Services N.E.C.
- 01.7 Public Debt Transactions
- 01.8 Transfers of a General Character between Different Levels of Government

02 Defence

- 02.1 Military Defence
- 02.2 Civil Defence
- 02.3 Foreign Military Aid
- 02.4 R&D Defence
- 02.5 Defence N.E.C.

03 Public Order And Safety

- 03.1 Police Services
- 03.2 Fire-Protection Services
- 03.3 Law Courts
- 03.4 Prisons
- 03.5 R&D Public Order and Safety
- 03.6 Public Order and Safety N.E.C.

04 Economic Affairs

- 04.1 General Economic, Commercial and Labour Affairs
- 04.2 Agriculture, Forestry, Fishing and Hunting
- 04.3 Fuel and Energy
- 04.4 Mining, Manufacturing and Construction
- 04.5 Transport
- 04.6 Communication
- 04.7 Other Industries
- 04.8 R&D Economic Affairs
- 04.9 Economic Affairs N.E.C.

05 Environmental Protection

- 05.1 Waste Management
- 05.2 Waste Water Management
- 37
- 05.3 Pollution Abatement
- 05.4 Protection of Biodiversity and Landscape
- 05.5 R&D Environmental Protection
- 05.6 Environmental Protection N.E.C.

06 Housing and Community Amenities

- 06.1 Housing Development
- 06.2 Community Development
- 06.3 Water Supply
- 06.4 Street Lighting
- 06.5 R&D Housing and Community Amenities
- 06.6 Housing and Community Amenities N.E.C

05 Environmental Protection

- 05.1 Waste Management
- 05.2 Waste Water Management
- 05.3 Pollution Abatement
- 05.4 Protection of Biodiversity and Landscape
- 05.5 R&D Environmental Protection
- 05.6 Environmental Protection N.E.C.

06 Housing and Community Amenities

- 06.1 Housing Development
- 06.2 Community Development
- 06.3 Water Supply
- 06.4 Street Lighting
- 06.5 R&D Housing and Community Amenities
- 06.6 Housing and Community Amenities N.E.C

07 Health

- 07.1 Medical Products, Appliances and Equipment
- 07.2 Outpatient Services
- 07.3 Hospital Services
- 07.4 Public Health Services
- 07.5 R&D Health
- 07.6 Health N.E.C.

08 Recreation, Culture And Religion

- 08.1 Recreational and Sporting Services
- 08.2 Cultural Services
- 08.3 Broadcasting and Publishing Services
- 08.4 Religious and Other Community Services
- 08.5 R&D Recreation, Culture and Religion
- 08.6 Recreation, Culture and Religion N.E.C.

09 Education

- 09.1 Pre-Primary and Primary Education
- 09.2 Secondary Education
- 09.3 Post-Secondary Non-Tertiary Education
- 09.4 Tertiary Education
- 09.5 Education Not Definable By Level
- 09.6 Subsidiary Services to Education
- 09.7 R&D Education
- 09.8 Education N.E.C.

10 Social Protection

- 10.1 Sickness and Disability
- 10.2 Old Age
- 10.3 Survivors
- 10.4 Family and Children
- 10.5 Unemployment
- 10.6 Housing
- 10.7 Social Exclusion N.E.C.
- 10.8 R&D Social Protection
- 10.9 Social Protection N.E.C

