

Public Sector Balance Sheet (PSBS) - International Monetary Fund



Objective and features

1. Objective

PSBS helps governments compile a public sector balance sheet, bringing in all assets, and debt and non-debt liabilities of general government and public corporations into a single comprehensive picture of the public finances.

2. Institutional coverage

All assets and liabilities that government controls, including public corporations, infrastructure, natural resources, and pension liabilities.

3. Technical coverage

The PSBS database covers balance sheets of the central and general government, central bank, and financial and non-financial public corporations, consolidated with the most significant crossholdings assets and liabilities or intra-public sector transactions.

4. Application method

Database. PSBS is compiled based on the conceptual framework of IMF's Government Finance Statistics Manual (GFSM) 2014.

Methodology



5. Methodology

The PSBS database is built in a Microsoft Excel Tool and contains the balance sheets of the following:

1. Central/General Government. Data are based on submissions from authorities to IMF's Statistics Department (STA) for dissemination in the GFS Yearbook database (Government Statement of Operations).
 - a. When country estimates for fixed assets are unavailable, IMF's capital stock and investment database, 2017 which includes estimates for the public capital stock compiled through the perpetual inventory method, is used.
 - b. Estimates for the stock of mineral and energy resources correspond to the present value of the expected pretax cash flows resulting from their commercial exploitation (following the GFSM 2014 valuation guidelines).
 - c. When country estimates for pension liabilities are not available, an estimate is produced using a model developed by IMF staff to calculate the accrued-to-date pension entitlements of civil servants and other public sector employees.
2. Central Bank. Data are based on authorities' submission to STA of Central Bank Survey through Standardized Report Format.
3. Financial and Non-Financial Public Corporation. Data are based on country publications or they directly come from the financial statements of individual public corporations.
4. PSBS. Produced as the aggregation of the general government, central bank, and public corporation, corrected with the crossholding assets and liabilities.

6. Benchmarking system

To enable cross-country comparability, the PSBS estimates follow the GFSM 2014 guidelines. In addition, financial statements of government entities (extra-budgetary and public corporations) are converted into GFS classification. In some cases, the SOE Health Check Tool (developed in 2021) is used.

7. Linkage to PEFA framework

There is one link with PEFA framework: completeness of annual financial reports (PI-29).

8. Complementarity with PEFA framework

PSBS provides a complete picture of what a government owns and owes.

Development and use



9. Development and coordination

The template is developed by Fiscal Affairs Department (FAD) and STA within the IMF. The first PSBS database is published along with the October 2018 Fiscal Monitor.

10. Assessment management

FAD PFM1 and PFM2 divisions provide capacity development assistance to authorities in compiling and analyzing their PSBS. Also, in collaboration with STA, FAD is working on updating and expanding the 2018 PSBS database.

11. Uses by the government and members of the PFM community

The PSBS database enables users to:

1. apply a stress test to understand the impact of a combined macroeconomic and contingent liability shock and assess the consequences on public sector net worth;
2. benchmark aggregate rates of returns of public assets to identify scope for better management of assets; and
3. compile a comprehensive balance sheet incorporating current assets and liabilities and the present value of future revenues and payments under current policies.

IMF area teams also use PSBS database in their surveillance work. Also, the tool is used by FAD as part of capacity development assistance to identify current and potential fiscal risks, for example, those arising from climate change.

12. Sequencing with other tools

The tool is built based on existing STA tools and on the benefits from the SOE Health Check Tool outputs.

13. PFM capacity building

FAD provides capacity development assistance to authorities to enable them to compile their PSBS and use it for analyzing fiscal risks, including the long-term impacts of climate change.

14. Tracking of changes and frequency of assessments

As a database tool, it allows revision of previous data but it does not track changes.

15. Resource requirements

For countries that publish PSBS, the cost is minimal. For countries that do not publish PSBS data, compiling a PSBS requires technical assistance. However, recent experience shows that a two-week capacity development mission - collaborating with the authorities - would be sufficient to compile the PSBS and undertake some risk analysis.

Transparency



16. Access to methodology

FAD Fiscal Risks Portal provides information on the PSBS assessment tool, and the data are publicly accessible. The methodology for PSBS estimates is presented in [IMF Working Paper 20/130](#).

17. Access to assessment results

PSBS [database](#) is accessible by the public.