

PUBLIC EXPENDITURE AND FINANCIAL ACCOUNTABILITY (PEFA) PERFORMANCE ASSESSMENT REPORT



Government of Catalonia

Spain



Generalitat de Catalunya
Government of Catalonia

Final Report

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Government of Catalonia – Spain

Public Expenditure and Financial Accountability (PEFA) Performance Assessment Report

The quality assurance process followed in the production of this partial PEFA report satisfies all the requirements of the PEFA Secretariat and hence receives the '**PEFA CHECK**'.

PEFA Secretariat,

June 7, 2021

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Review of Concept Note

- Concept Note was circulated to peer reviewers on February 10, 2021.
- Invited Reviewers: Daniel Montolio (professor at the University of Barcelona) and Emanuele Padovani (professor at the University of Bologna).
- Reviewers did not provide comments on the Concept Note
- Date of final concept note sent to PEFA Secretariat February 9, 2021

Review of the Assessment Report

- Draft circulated on April 19, 2021.
- PEFA Secretariat provided comments regarding the draft report on May 7, 2021.
- Invited reviewers and date on which they provided comments:
 - Emanuele Padovani (University of Bologna): May 4, 2021.
 - Daniel Montolio (University of Barcelona): May 12, 2021.

PEFA CHECK

- The two stages of the PEFA CHECK process were complied with the Concept Note and the response to comments on the draft report

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ABBREVIATIONS AND ACRONYMS

Abbreviations / Acronyms	Full name in English	Full name in Catalan or Spanish
ACA	Catalan Water Agency	Agència Catalana de l'Aigua
AIReF	Independent Authority for Fiscal Responsibility	Autoridad Independiente de Responsabilidad Fiscal
ATC	Catalan Tax Agency	Agència Tributària de Catalunya
ATL	Ter-Llobregat Water Supply Entity (ATL)	Ens d'Abastament d'Aigua Ter-Llobregat
BIM	Building Information Modeling	
CCAA	Autonomous Communities (Spanish State/Regional Governments)	Comunidades Autónomas
CNAL	Nacional Commission of Local Governments	Comisión Nacional de la Administración Local
CIAVA	Public Policy Evaluation Interdepartmental Commission	Comissió interdepartamental d'avaluació de polítiques públiques
CoAVA	Catalan Government Evaluation Network	Comunitat de pràctica d'avaluació de polítiques públiques de la Generalitat de Catalunya
COFOG	Classification of the Functions of Government	Clasificación funcional del gasto de las Administraciones Públicas
CPFF	Fiscal and Financial Policy Council of the Autonomous Communities	Consejo de Política Fiscal y Financiera de las Comunidades Autónomas
CTTI	Information Technologies and Telecommunications Center of the Catalan Government	Centre de Telecomunicacions i Tecnologies de la Informació
DG	Directorate-General	Direcció General
DOGC	Catalan Government official journal	Diari oficial de la Generalitat de Catalunya
EAGF	European Agricultural Guarantee Fund	Fons Europeu de Garantia Agrària
EAJA	Gaming and Lottery Autonomous Entity (EAJA)	Entitat autònoma de Jocs i Apostes
EBUs	Extra-budgetary units	Entitats dependents no operadores de mercat
ECB	European Central Bank	Banc Central Europeu
ERP	Enterprise Resource Planning software	Programa de planificació i gestió de recursos
ESA / SEC	European System of National and Regional Accounts	Sistema Europeu de Comptes nacionals i regionals
EU	European Union	Unió Europea
EUROSTAT	Statistical office of the European Union	Oficina d'estadístiques de la Unió Europea
EU-SPI	European Union Regional Social Progress Index	Índex de progrés social regional de la Unió Europea
FGC	Catalan Government Railway company	Ferrocarrils de la Generalitat de Catalunya
FLA	Financial liquidity fund for the autonomous communities	Fondo de Liquidez Autonómico
FMIS	Financial Management Information Systems	Sistemes d'informació de gestió financera
FY	Fiscal year	Exercici o any fiscal
GC / Gencat / Generalitat	Catalan Government / Government of Catalonia	Generalitat de Catalunya
GDP	Gross domestic product	Producte interior brut
GFS / GFSM	Government Finance Statistics Manual	Manual d'estadístiques de finances públiques
HDI	Human Development Index	Índex de desenvolupament humà
ICF	Catalan Finance Institute	Institut Català de Finances
ICS	Catalan Healthcare Institute	Institut Català de la Salut
IFAC	International Federation of Accountants	Federación Internacional de Contadores
IGAE	General Comptroller of the State Administration	Intervención General de la Administración del Estado
IGGC	General Internal Auditor's Office /Comptroller of the Catalan Government	Intervenció General de la Generalitat de Catalunya
IIES	Economic and Social Impact Report	Informes d'Impacte Econòmic i Social
IME	Budget execution monthly report	Informe Mensual d'Execució del pressupost

Abbreviations /Acronyms	Full name in English	Full name in Catalan or Spanish
IMF	International Monetary Fund	Fons Monetari Internacional
IFERCAT	Railway Infrastructures of Catalonia	Infraestructures Ferroviàries de Catalunya
INFRACAT / Infraestructures.cat	Infrastructures of the Catalan Government	Infraestructures de la Generalitat de Catalunya
ITPAJD	Capital transfers and documented legal acts tax	Impost sobre transmissions patrimonials i actes jurídics documentats
IVALUA	Catalan Institute for Public Policy Evaluation	Institut Català d'Avaluació de Polítiques Públiques
LGP	General Budget Law	Ley General Presupuestaria
LGT	General Tax Law	Ley General Tributaria
LOEPSF	Organic Law on Budgetary Stability and Financial Sustainability	Ley Orgánica de Estabilidad Presupuestaria y Sostenibilidad Financiera de las Administraciones Públicas
LOFCA	Organic Law on the Financing System of the Autonomous Communities	Ley Orgánica de Financiación de las Comunidades Autónomas
LRHL	Local Finance Law	Ley Reguladora de Haciendas Locales
MinHac	Ministry of Finance	Ministerio de Hacienda
MTBF	Medium-Term Budgeting Frameworks	Escenaris pressupostaris a mitjà termini
MTFF	Medium-Term Fiscal Frameworks	Escenaris fiscals a mitjà termini
NIC-SP / IPSAS	International Public Sector Accounting Standards	Normas Internacionales de Contabilidad del Sector Público
OECD	Organization for Economic Co-operation and Development	Organización para la Cooperación y el Desarrollo Económicos
PB	Performance Budgeting	Pressupostos per resultats
PCs	Public Corporations	Entitats dependents operadores de mercat
PCI	Central Point of Information	Punt Central d'Informació
PdG	Government Plan of Catalonia	Pla de Govern
PEFA	Public Expenditure and Financial Accountability program	Programa de despeses públiques i rendiment de comptes financers
PFM	Public Financial Management	Gestió de les finances públiques
PGCP	Spanish General Accounting Pla	Plan General de Contabilidad Pública
PGCPGC	Catalan General Public Accounting Plan	Pla general de comptabilitat pública de la Generalitat de Catalunya
PI	Performance indicator	Indicador d'acompliment / Indicador
PIT	Personal Income Tax	Impost sobre la renda de les persones físiques
PPPs	Public-private partnerships	Col·laboracions/associacions/partenariats públic-privats
PRBB	Barcelona's Biomedical Research Park Consortium	Consorci del Parc de Recerca Biomèdica de Barcelona
PROAVA	Evaluation Promotion Fund	Fons de promoció per a l'avaluació
RIA	Regulatory impact analysis	Anàlisi/Informe d'impacte normatiu
SCC / Sindicatura	Catalonia's Public Audit Office	Sindicatura de Comptes de Catalunya
SCS	Catalan Healthcare Service	Servei Català de la Salut
SDG	Sustainable Development Goals	Objectius de Desenvolupament Sostenible
SNG	Subnational Government	Govern subnacional
SOC	Employment Service of Catalonia	Servei d'Ocupació de Catalunya
SP	Public Sector	Sector públic
SPA	Administrative Public Sector	Sector públic administratiu
TCu	Spanish Court of Auditors	Tribunal de Cuentas
TRLLFPC	Public Finance Law of Catalonia	Llei de finances públiques de Catalunya
VAT	Value-Added tax	Impost sobre el valor afegit

METHODOLOGY

Type of assessment: Catalonia's PEFA assessment is a partial self-assessment, conducted by the Department of the Vice-presidency and Economy and Finance of the Catalan Government, under [the PEFA 2016 framework for subnational government](#). This is the first PEFA assessment for the Government of Catalonia.

Number of indicators used: The partial PEFA assessment covers 16 indicators and 42 dimensions of the PEFA 2016 SNG framework:

- Budget reliability: full pillar.
- Transparency of public finances: full pillar with the exception of PI-7 Transfers to subnational governments (dimension considered as not related to the budgetary function).
- Management of assets and liabilities: PI-10 Fiscal risk reporting and PI-11 Public investment management.
- Policy-based fiscal strategy and budgeting: full pillar.
- Accounting and reporting: PI-28 In-year budget reports and PI-29 Annual financial reports.

As the main aim of the PEFA assessment is to provide a diagnosis of the current budgeting system in the Catalan Government to better inform a budgetary reform plan for the next years, the indicators selection have been focused on those related to the budgeting functions. Thus excluding those related to other areas of public financial management (revenue administration, debt management, procurement, control and external audit...).

Timeline/ Dates of mission: After a first contact of the Catalan Government with the PEFA Secretariat on November 2019, the PEFA assessment started on November 2020, with the aim to obtain and publish a final report on April 2021. The assessment timeline has been composed by the following stages:

- Preliminary work (November-December 2020): introduction to the PEFA SNG framework and guidance, selection of the indicators and measures for the assessment and issuance of a first Concept Note.
- Fieldwork (November 2020 – March 2021): data and evidence collection, preliminary assessment and its internal review and the elaboration of the PEFA assessment draft report.
- Post field work (March – April 2021): review of the draft report by PEFA Secretariat and external reviewers, presentation of the final report to authorities and publication of the final assessment report.

Years covered: The assessment will consider the last three completed fiscal years (2017, 2018 and 2019) and the last budget elaboration process (Budget 2020).

Cut-off date: The cut-off date of the assessment is December 2020.

Coverage: The assessment covers the subnational (State/Regional) Government of Catalonia, considering its public sector perimeter. This perimeter is the most comprehensive accounting/budgetary institutional perimeter for the Catalan Government and it includes all depending entities where the Catalan Government has a direct or indirect control. Apart of all depending administrative entities, this perimeter includes entities complying with the following criteria:

- Public companies where the Catalan Government holds directly or indirectly a share over 50% of its capital.
- Consortiums and foundations where the Catalan Government holds a majority of voting rights on its governing body.
- The rest of consortiums, which, even without a majority of participation, are ascribed to the Catalan Government according to the Law 40/2015.

Catalan public sector Perimeter covers even a wider range of entities than the Eurostat's European System of National and Regional Accounts (ESA) 2010 and includes all budgetary units, extra-budgetary units and public corporations under the direct or indirect control of the Catalan Government. As extra-budgetary units, there is a large range of administrative entities, public companies, consortiums and other type of entities that are non-market producers. As public corporations are those depending entities that can be considered as market producers, where there is a predominance of public companies and some consortiums.

At December 2020, public sector perimeter is composed by 195 legal entities, which include the main central entity (Catalan Government (*Generalitat de Catalunya*)), integrated by budgetary units both from Legislative and Executive branches, 170 entities as extra-budgetary units and 24 entities as "public corporations".

Sources of information: The sources of information to perform the assessment mainly rely on published data and documentation. In this case, these mean public available budget data, open data sets, visualization tools, reports, documents, forms, files, websites and related regulations. Other minority sources of information are answered questions by senior officials. Information used to provide evidences to assess each dimension is provided in the corresponding assessment section of this report and in Annex 2.1 Evidence for scoring indicators and Annex 2.2 List of persons interviewed.

Country fiscal year: Catalonia's fiscal year is a calendar year, from January to December.

Exchange rate: the amounts shown in the PEFA assessment tables are expresses in the local currency (€, EUR). According to the European Central Bank (ECB) data, average exchange rate against USD has been 1.215USD/EUR between December 1st 2020 and February 28th 2021 (main period of the assessment).

EXECUTIVE SUMMARY

Rationale and purpose

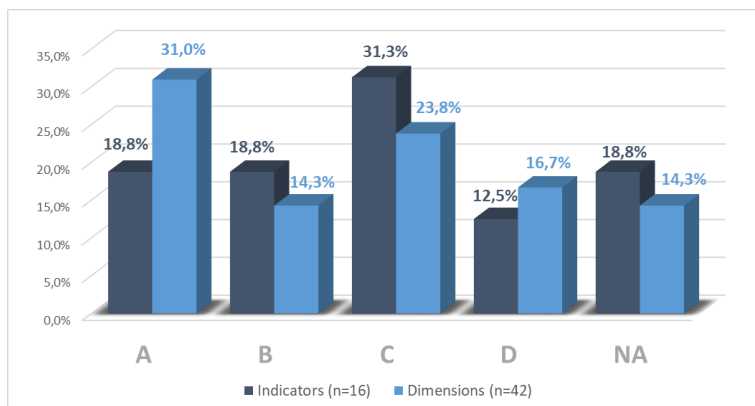
The purpose of the Catalan Government at conducting this partial PEFA self-assessment is obtaining a complete diagnosis about the quality and performance of its current public financial management (PFM) system, focusing on its budgeting system, and aiming to help designing a sound roadmap of budgetary reform.

This diagnosis is expected to help identifying the most relevant weaknesses of the budget system and provide relevant inputs to continue building up the current 2nd wave of budget reforms of the Catalan Government. Current budget reform was started in 2017/2018, adding new steps to previous reforms conducted since 2005/2006. This reform aims to improve fiscal discipline and sustainability, reinforce the strategic allocation of resources, impulse operational efficiency and effectiveness and increase budget transparency by getting closer and accessible budget information and data to citizens. These reforms include focus lines such performance-based budgeting (introduced in 2006), long and medium-term budget planning (introduced in 2008/2009), spending reviews (introduced in 2017/2018), policy evaluation and fiscal/budget monitoring.

After 2-3 years of reform implementation, a robust diagnosis of the budgetary system in this moment is considered meaningful to define and plan the next reform stages for the coming years. Current high indebted situation (33.4% of GDP in 2019) and coming challenges concerning expenditure pressures associated with an aging population and climate change emphasizes the need of having the strongest budgetary institutions and management.

Main strengths and weaknesses of the PFM system

PEFA assessment has provided a complete judgement about the budgetary system of the Catalan Government, facilitating scores for 16 indicators and 42 dimensions of the PEFA 2016 SNG framework. Scores obtained by each of the 16 indicators showed an aggregate share of “A” and “B” scores of 37.5% of all indicators, with a 18.8% for both “A” and “B” scores. A basic level of performance (“C” score) has been obtained in 31.3% of the indicators and 12.5% of indicators has shown a performance below the basic level (“D” score). Score shares considering the 42 dimensions show some differences regarding the 16 indicators distribution, where “A” and “B” scores have a share of 45.2% (31.0% of “A”s and 14.3% of “B”s) of all dimensions, “C” scores a 23.8% of and “D” a 14.3%. Not available scores (“NA”) have been obtained in pillar 1 (budget reliability) indicators and dimensions as well as only 2017 budget was passed in the last three completed fiscal years, affecting the 18.8% of indicators and the 14.3% of dimensions. Mention that these NA scores have importantly affected the share of “A” and “B” scores as pillar 1 scores, if considering initial extended budget estimates as the initial estimates of a passed budget, would have been “A”, “B+” and “A” in the corresponding indicators.



Achieved PEFA scores demonstrate that Catalan Budget system has a notable level of development, with some areas with advanced development and strong foundations in some other, however there are few areas below a basic level, which requires attention and improvement actions.

The assessment has helped to identify the main strengths and weaknesses of the Catalan budget system, providing a complete and robust diagnosis and becoming helpful to design and plan the forthcoming budget reform steps. The main identified strengths and weaknesses have been the following:

Strengths

- Catalan budgets are reliable and credible, showing a relatively low degree of variation on its aggregates and composition, both for revenues and expenditures.
- There are strong and solid foundations concerning its basic budget institutions and procedures, such the budget structures, budget management regulations, information systems, guidelines and circulars and reporting and accountability practices.
- A notable level of budget transparency, with complete different documentation, information reports and data resources regarding all stages of the budget cycle.
- There is a comprehensive coverage of budget and fiscal planning and annual reporting, covering the key institutional perimeters, with its depending extra-budgetary units and public corporations, and including extra-budgetary operations within the annual financial reporting system.
- Even not fully displayed, there are existing consolidated basic elements and progressive advancements on performance budgeting, medium-term budget frameworks, policy evaluations and spending reviews within the Catalan budget system.

Weaknesses

- In the analyzed period, Catalan budget system has frequently failed to present the draft budget before the start of the fiscal year (only in 2017 was presented at least one month before) and so budgets, if passed, were approved some months after.
- Catalan budget is still mainly bottom-up based, failing at implementing an effective top-down budgeting approach and creating a limited resource framework, where expenditure ceilings are not binding and are approved or communicated later than the issuance of the budget circular and the budget request stage.
- Even medium-term perspective, performance orientation and spending scrutiny procedures have been introduced in the Catalan budget system in the last decades, these elements are still not fully developed and completely integrated with the annual budget process or with key budgetary decision making stages.
- There are no budget-related citizen consultation and participation processes through the budget elaboration process and during the legislative budget scrutiny
- Despite the existence of an internal monitoring system, fiscal risks and contingent liabilities are not disclosed to the public in the annual budget documentation and in the in-year execution reports.

Impact of PFM performance on budgetary and fiscal outcomes

Aggregate Fiscal Discipline

High indebted situation of the Catalan Government (41% above the average of the debt-to-gdp ratio of Spanish regional governments in 2019) implies the need to construct a fiscal consolidation path for the next years in order to build a fiscal sustainable path. Catalan Government budget reliability can significantly contribute to accomplish the fiscal targets to be set, nevertheless, the existing troubles to present and pass draft budget can considerably undermine such capacity. Moreover, the current use of MTBF as a rolling multi-year resource envelope is helpful to construct such path, but its power is weakened by not being enforced by adding credible and binding multi-year aggregate and sector ceilings before the budget requests stage.

In addition, previous long-term fiscal sustainability exercises have proved to be useful, but they need to help constructing a sound fiscal consolidation path, they need to be institutionalized and performed periodically to help building a long-term fiscal strategy and providing a path to be routed by successive MTBFs and annual budgets.

From another side, the experience and first results of the Catalan spending review system has shown that significant fiscal space can be obtained, but need to be reformed to be more feasible in term of time and required resources and institutionalized to reach a more systematic practice.

Strategic Allocation of Resources

After around 15 years of introducing performance-based budgeting, producing and reporting performance information within the budget cycle has helped to start introducing performance culture and pressure within a government with an administrative organizational culture. Even if the system has been simplified and performance information has become more selective and improved its quality, it is still mainly used for presentational and transparency purposes, not playing a key role during budget allocation decision-making. Although there are solid budget guidelines and forms for the budget request stage, reinforcing performance and evidence requirements to justify proposals may contribute to facilitate a more strategic allocation of resources.

Nevertheless, the use of performance and evidence information to help prioritization needs to be framed in concrete determination of strategic priorities and a clear definition of available resources. Annual budget priorities are included in the current budget circulars, nevertheless these are broad priorities. Current efforts for introducing Sustainable Development Goals (SDGs) and social progress and welfare indicators in the budget system may be helpful to support the definition of specific priorities. In regard of creating a resource restriction framework during the budget elaboration process to strengthen prioritization, the current mainly based bottom-up approach fails at accomplishing this result. Multi-year aggregate and sector ceilings should be consistent with resource availability and clear budget priorities, and approved and endorsed before the budget requests stage, and not later, as is the current situation.

Accordingly, in the capital expenditure programming system, despite existing certain prioritization methods, these must be enforced and disclosed, taking full advantage of an increasing appraisal practice (based on economic evaluation methods) for major projects and being complemented by other relevant methods for non-major projects.

Efficient Use of Resources for Service Delivery

Recurrent use of performance information for budgeting and reporting purposes, a raising institutionalization of policy evaluation and the development of spending reviews has helped to increase pressure for improving efficiency of resources for service delivery. However, this has not been accompanied by a broader performance management reform, and has not involved other key areas such civil service or organization management.

Furthermore, existing performance reporting system needs to be more formalized, structured and spread to assure an effective accountability and pressure for performance, and policy evaluation and spending reviews, which have shown promising results, but need to increase on its practice, becoming more systematic and integrated within the budget cycle.

To support a more efficient use of resources, and the related analytical processes and decisions, robust financial and non-financial information systems are needed. Catalan budget system counts with sound budget structures and financial information, both from budgetary (modified cash basis) and financial accounting (accrual basis), and quality of performance has been growing, even though there is an important margin of improvement. Nevertheless, there is not a generalized used of cost accounting in the Catalan public sector, which restricts the capacity to improve efficiency and support expenditures scrutiny, evaluation and review.

Performance changes since the previous assessment

This is the first PEFA assessment for the Catalan Government, so there are no changes or improvements since previous assessments. In addition, no other internationally accepted or recognized PFM assessment framework has been used for assessing Catalan PFM system. Future expected PEFA assessments would provide a basis to assess the improvements accomplished by planned reform actions.

Prospects for reform planning and implementation

Aligned with the goals defined in the current budgetary reform, and using the inputs the PEFA assessment, a list of 35 tentative reform actions have been defined by the Directorate-General of Budget for the 2021-2024 period. These suggested reform actions will be presented to the coming Catalan Government after the 2021 elections and can be found as an annex (Annex 3) within this PEFA report.

These reform actions aim to address both detected weaknesses and relevant strategic lines of improvements, being focused on elements contained in pillars II, III and IV of the PEFA SNG framework. The implementation of these reform actions are expected to substantially improve the budgetary system, and so the PEFA scores, where 65.7% of these actions would directly improve them.

Some of the reform actions are not new to the Catalan Government, where the PEFA assessment helped to confirm and verify previous detected areas where improvements were needed. In this sense, 31.4% of the reform actions are currently under development. For the rest of reform actions PEFA assessment has brought the opportunity to identify and define them or to highlight the need to formally plan previous envisaged actions. Among the planned actions, the majority are under the functions and responsibilities of the Department of Vice-presidency, Economy and Finance (85.7%), being mainly concentrated in the DG Budget (74.3%), and where actions outside the functions of this department are primarily associated to the Legislative branch, more precisely to the Parliament and to the Catalonia's Public Audit Office.

TABLE 1: OVERVIEW OF THE SCORES OF THE PEFA INDICATORS

PFM PERFORMANCE INDICATOR		SCORING METHOD	DIMENSION RATINGS				OVERALL RATING
			i	ii	iii	iv	
Pillar One: Budget reliability							
PI-1	Aggregate expenditure outturn	M1	NA				NA
PI-2	Expenditure composition outturn	M1	NA	NA	NA		NA
PI-3	Revenue outturn	M2	NA	NA			NA
Pillar Two: Transparency of public finances							
PI-4	Budget classification	M1	A				A
PI-5	Budget documentation	M1	B				B
PI-6	Subnational government operations outside financial reports	M2	A	A	B		A
PI-8	Performance information for service delivery	M2	A	A	A	C	B+
PI-9	Public access to fiscal information	M1	B				B
PI-9 bis	Public consultation	M2	D	C	C		D+
Pillar Three: Management of Assets and Liabilities							
PI-10	Fiscal risk reporting	M2	C		B		C+
PI-11	Public investment management	M2	C	C	C	A	C+
Pillar Four: Policy-based fiscal strategy and budgeting							
PI-14	Medium-term budget strategy	M2	B	B	C	D	C+
PI-17	Budget preparation process	M2	A	C	D		C+
PI-18	Legislative scrutiny of budgets	M1	D*	D*	D	D*	D
Pillar Six: Accounting and reporting							
PI-28	In-year budget reports	M1	A	A	A		A
PI-29	Annual financial reports	M1	A	C	A		C+

1. COUNTRY AND SNG BACKGROUND INFORMATION

1.1 Economic situation

1.1.1 Country economic situation (Spain)

1. Spain is currently the 4th economy of the European Union (EU-27), with a GDP per capita of €26,426 (2019) and a population of around 47 million inhabitants (2020). After the great recession period of 2009-2013, a moderate growth between 1.4%-3.8% has been produced, and even if the unemployment rate significantly declined (from a maximum of 26.1% in 2013), still shows an outstanding magnitude (14.1%) within the EU. Inflation remained in low levels.

2. Spanish public sector accounts around 41%-42% of the economy, lower than the EU-27 average (46.6%). As the great recession came in 2009, past surpluses shown until 2007 became large deficits (e.g. -11.1% in 2009) which gradually declined in the following years, until stabilizing between 2.5%-3% of GDP. These fiscal balance dynamics imply for Spain passing from a debt-to-GDP ratio of 35.8% in 2007, to a maximum value of 100.7% at 2014. Since 2015, this ratio has slowly declined as far as the economy was growing more than the deficits performed, nevertheless public debt is remaining very high, being one of the largest within European and advanced economies reaching 95.5% in 2019.

Table 2: Selected national (Spain) economic indicators

Economic indicators	2017	2018	2019
GDP (€ million)	1,161,867	1,204,241	1,244,772
GDP per capita (€)	24,969	25,771	26,426
Real GDP growth, at constant market prices (%)	3.1%	3.0%	1.4%
Unemployment rate (%)	17.2%	15.3%	14.1%
Inflation (consumption price index, %)	2.0%	1.7%	0.7%
Public finance (% of GDP)	41.2%	41.7%	42.1%
Spanish public sector (all levels of government)			
Revenues (in terms on national accounting) (€ million)	443,531	471,730	487,804
Expenditures (in terms on national accounting) (€ million)	478,669	501,630	523,441
Fiscal balance (official) (% of GDP)	-3.0%	-2.5%	-2.9%
Debt (% of GDP)	98.6%	97.4%	95.5%

Data source: [National Statistics Institute of Spain \(INE\)](#) and Ministry of Finance ([Central of Economic & Financial Information](#)).

1.1.2 Main facts and economic indicators of the SNG (Catalonia)

3. The Government of Catalonia (*Generalitat de Catalunya*) is the state/regional Government for the Catalan territory, where in Spain this level of government is called Autonomous Communities. Catalonia has a population of 7.7 million inhabitants, meaning the 16.3% of Spanish population (being the 2nd largest populated region) and the 1.7% of the EU-27, with a similar population as Bulgaria, Switzerland and Austria. Population is highly concentrated in the metropolitan area of Barcelona (the capital city of Catalonia), with around 63% of the total population.

4. Catalonia is considered a highly developed region according the [Human Development Index \(HDI\)](#), with a score of 0.906, and a region with high social progress (score of 67.07) in terms of the [EU-Social Progress Index \(EU-SPI 2020\)](#).

Table 3: Summary of main facts of the SNG (Catalonia)

SNG	Detail
Tier of government	State/Regional Government (Autonomous Community)
Population	7,722,203 (2020) (16.3% of Spain and 1.7% of EU-27)
Area and population density	32,108 km ² ; 242.3 inhabitants/km ²
Main characteristics	Highly developed region (HDI: 0.906) and highly developed, diversified and open economy; territorially structured in 4 provinces, 7 territorial areas, 42 regions and 947 municipalities, and where the metropolitan area of the capital city (Barcelona) concentrates most of the population (64%) and GDP (69%).
Economy	GDP: € 236,814 million (2019) (19.0% of Spain and 1.8% of EU-27)
Life conditions and social progress	GINI Index: 31.2 (2019) (EU-27: 30.2) ; S80/S20 indicator: 5.4 (2019) (EU-27: 4.99) EU-Social Progress Index (EUSPI) score (2020) : 67.07 (rank 135/240 ; stage of development 4/5)
Languages	Own official language: Catalan language Other official languages: Spanish and Occitan/Aranese (Val d’Aran region)
Services provided by the SNG	Healthcare (primary, specialized, hospital...), education (all levels), public transportation (railway, metropolitan, roads...), social protection services (regional basic income, long-term care, poverty...), security (regional police and firefighters), justice administration, prisons, employment promotion, ICT services, water cycle management, R&D promotion, agriculture sector... promotion, housing...

Data source: [Statistical Institute of Catalonia \(Idescat\)](#), [National Statistics Institute of Spain \(INE\)](#), [Eurostat](#) and [Department of Economy and Finance](#).

5. Catalan economy shows a GDP value of €236,816 million (2019), which represents the 19% of the Spanish economy and the 1.8% of the EU-27 GDP, with a size similar to Finland or Czech Republic. Catalonia has one of the highest GDP per capita in Spain (the 4th highest), being around 18-19 points above the Spanish average. Catalan economy is diversified and open, highly focused on services and industry and characterized by a powerful exporting sector¹.

6. Inflation remained in low levels the last decade, similar to Spain, and unemployment, after a maximum value of the unemployment rate of 23.1% in 2013, constantly declined until reaching a rate of 11% in 2019. Unemployment rate in Catalonia generally has been lower than the Spanish average.

7. Catalan Government spending, in terms of national accounting (ESA-2010 basis), is about around the 14% of Catalan GDP and the 6.6% of all Spanish public sector spending². After performing large deficits in 2010 (-4.5% of GDP) and 2011 (-4.1% of GDP), fiscal consolidation efforts were put in place and since

¹ Catalonia had in 2019 the 4th highest foreign balance among EU countries (13.6% of GDP). For further information, see the “[Catalan Economy](#)” presentation made the Department of Economy and Finance.

² The aggregate spending of Autonomous Communities was €193,120 million in 2019, which meant the 15.5% of Spanish GDP and around the 37% of all Spanish public sector spending.

2016 deficits have been lower than 1% of GDP, being around 0.5% in the last three fiscal years. Even though Catalan Government debt stock has slightly declined from the maximum value of 2015 (35.7% of GDP), it is still one of the highest (the 3rd) within the autonomous communities, with a magnitude of 33.4% of GDP in 2019, higher than the average of 23.7% for this level of government.

Table 4: Selected economic indicators for the SNG (Catalonia) (National accounting)

Economic indicators	2017	2018	2019
GDP (€ million)	221,476	229,346	236,814
Agriculture (share of GDP)	1.1%	1.0%	1.0%
Industry (share of GDP)	17.8%	17.6%	17.4%
Construction sector (share of GDP)	4.7%	4.8%	5.0%
Services (share of GDP)	67.1%	67.0%	67.2%
GDP (% of Spain GDP)	19.1%	19.0%	19.0%
GDP per capita (€)	29,727	30,514	31,119
GDP per capita (Index: Spain=100)	119.1	118.4	117.8
Real GDP growth, at constant market prices (%)	3.6%	2.5%	1.9%
Unemployment rate (%)	13.4%	11.5%	11.0%
Inflation (consumption price index, %)	2.2%	1.8%	0.9%
Catalan Government expenditures (% of Catalan GDP)	13.9%	14.0%	14.5%
Catalan SNG share of total national public spending (%)	6.4%	6.4%	6.6%
SNG government budget			
Revenues (in terms on national accounting) (€ million)	29,641	31,163	32,894
Expenditures (in terms on national accounting) (€ million)	30,852	32,141	34,351
Fiscal balance (official) (% of Catalan GDP)	-0.5%	-0.4%	-0.6%
Debt (% of Catalan GDP)	35.1%	34.4%	33.4%

Data source: [National Statistics Institute of Spain \(INE\)](#), [Statistical Institute of Catalonia \(Idescat\)](#) and Ministry of Finance ([Central of Economic & Financial Information](#)).

1.2 Fiscal and budgetary trends in the SNG (Catalonia)

8. In the last three fiscal years, aggregate revenues and expenditures (in terms of national accounting) progressively increased at similar levels (over a 5% of annual increase), maintaining an average deficit of € 1,215 million (an average of 3.9% of revenues), and only showing a positive primary balance in 2018. While interest expenditure almost remained constant, non-interest expenditure accumulated almost all the overall mentioned increase on expenditures. On the revenue side, own revenues (mainly own and devolved taxes) increased more than grants (which also includes collection of taxes without regulatory capacity) possibly due to its greater business cycle sensitivity in a context of economic growth.

9. After an outstanding growth during great recession (passing from a 7.8 % of GDP in 2007 to a 30.3% in 2013) and the following fiscal consolidation efforts, debt stock growth slowed down and became almost steady in the last three fiscal years, which helped to improve the debt-to-GDP ratio. Debt stock is almost totally hold by the Catalan Government entity (Generalitat de Catalunya), while depending entities (extra-budgetary units and public corporations) keep a decreasing share of less than 9% of total debt. Catalan Government debt portfolio is based on long-term loans and credits, all in local currency and with fixed interest rates.

Table 5. Aggregate fiscal data of the subnational government (Catalonia) (National accounting)

Aggregate fiscal data* (€ million)	2017	2018	2019
Total revenue	29,641	31,163	32,894
Own revenue	16,127	16,875	18,179
Grants (received transfers)	13,514	14,288	14,715
Total expenditure	30,852	32,141	34,351
Noninterest expenditure	29,690	30,960	33,161
Interest expenditure	1,162	1,181	1,190
Aggregate deficit	-1,211	-978	-1,457
Primary deficit	-49	203	-267
Debt stock	77,713	78,733	79,033
Catalan Government entity	70,233	71,722	72,578
% Long-term / Short-term	93.7% / 6.3%	97.7% / 2.3%	98.0% / 2.0%
% Fixed / Floating interest rate	90.5% / 9.5%	92.7% / 7.3%	94.0% / 6.0%
% Loans and credits / Securities	92.0% / 8.0%	94.5% / 5.5%	94.6% / 5.4%
% Local / Foreign currency	100% / 0%	100% / 0%	100% / 0%
Depending entities	7,480	7,011	6,455

Data source: Ministry of Finance ([Central of Economic & Financial Information](#)) and Department of Economy and Finance ([Annual Debt Reports](#)).

*Data in terms of national accounting (ESA).

10. The main source of revenues in the Catalan Government are taxes (around 80%) and current transfers (around 15-16%). Regarding taxes, the most important are Personal Income Tax (PIT) (~30%), VAT (~25%), excised duties taxes (~9.8%) and the Capital transfers and documented legal acts tax (ITPAJD) (~7%). Note that only in PIT, Wealth Tax, Inheritance and Donations tax, ITPAJD and few own created excise duties the Catalan Government has regulatory powers, while the other main taxes are just a share on its collection and can be considered similar to grants.

11. Regarding current transfers, the majority comes from the Spanish Central Government, with the transfers related to the financing system of the autonomous communities, the participation of local Governments in the Central Governments' revenues and some earmarked funds (for employment promotion, long-term care, social programs, university students' scholarships and other). EU funds only represent around 1% of total revenues, mainly earmarked transfers related to the European agricultural guarantee fund (EAGF), the European Social Fund (ESF) and youth employment programs.

12. Revenues from fees and sales, properties and capital revenues are less than 4% of the total consolidated of the administrative public sector. As far as capital revenues are residual and current operations balance is still negative, non-financial capital expenditures rely on debt financing.

Table 6. Revenue trends of the subnational government (Catalonia) (Budgetary accounting)

Revenues by economic classification* (€ million)	2017		2018		2019	
Taxes	21,814.2	78.3%	23,196.0	80.7%	24,287.9	80.9%
Personal Income Tax (PIT) (50% share)	9,092.5	32.6%	9,532.3	33.2%	10,617.5	35.3%
Value-added tax (VAT) (50% share)	6,700.0	24.0%	7,352.8	25.6%	7,248.8	24.1%
Excise duties (58% share on some taxes and other own taxes)	2,765.8	9.9%	2,882.2	10.0%	2,856.3	9.5%
Capital transfers and documented legal acts tax	1,948.4	7.0%	2,034.9	7.1%	2,101.7	7.0%
Other taxes (wealth tax, inheritance & donations...)	1,307.5	4.7%	1,393.8	4.8%	1,463.5	4.9%
Fees, sales and other revenues	789.3	2.8%	782.3	2.7%	797.9	2.7%
Current transfers	5,042.0	18.1%	4,475.3	15.6%	4,574.6	15.2%
From Spanish Central Government	4,722.6	16.9%	4,158.5	14.5%	4,199.4	14.0%
From EU	280.2	1.0%	303.3	1.1%	357.4	1.2%
Other current transfers	39.3	0.1%	13.6	0.0%	17.8	0.1%
Property revenues	59.8	0.2%	56.4	0.2%	25.7	0.1%
(A) Current revenues	27,705.3	99.4%	28,510.1	99.2%	29,686.1	98.8%
Real investments disposal	9.0	0.0%	19.0	0.1%	14.5	0.0%
Capital transfers	151.8	0.5%	221.8	0.8%	338.8	1.1%
(B) Capital revenues	160.8	0.6%	240.8	0.8%	353.4	1.2%
(C) Total non-financial revenues (A)+(B)	27,866.1	100.0%	28,750.8	100.0%	30,039.4	100.0%

Data source: Department of Economy and Finance.

* Consolidated data of the administrative public sector and in terms of budgetary accounting (modified-cash basis/obligation-based).

13. Current expenditures represent the major type of spending in the Catalan Government (around 94%), while capital expenditures share is lower than 4%. Capital spending has been one of the main objects of fiscal adjustment after the great recession and it is still far from recovering the past investment levels. Financial assets are the 2-3% of total spending, mainly regarding the acquisition of shares of commercial depending entities to balance operating losses, thus being analogous to transfers and considered as non-financial expenditures regarding the deficit calculation according to national accounting (ESA).

14. The share of current expenditures is consistent with the kind of services provided by the Catalan Government, such healthcare, education, social protection services, security, justice administration and prisons, which are intensive in personal expenditures (~25%) and expenditures on goods and services (~27%). While personnel expenditures covers the wages of large civil servants groups (such teachers, health personnel, justice administration, prisons or police officers), current expenditures on goods and services include services contracts (such in healthcare attention and social protection programs), supplies and materials (healthcare products supply, education supplies, ICT...), rents (of buildings and land) and others.

15. Current transfers include the expenditures regarding the participation of local Governments in the Central Governments' revenues (where the Catalan Governments acts as a fund distributor), subsidized pharmacy products to citizens, aid and grants to individuals, firms and institutions, transfers of the public university financing system, financial support and earmarked transfers to local governments, transfers to non-administrative depending entities and other.

Table 7. Expenditure trends of the SNG (Catalonia) (economic classification) (Budgetary accounting)

Expenditures by economic classification* (chapters) (€ million)	2017		2018		2019	
Personnel expenditures	7,450.5	25.1%	7,762.1	25.7%	8,242.7	25.8%
Expenditures on goods and services	8,253.5	27.8%	8,354.5	27.6%	8,773.9	27.4%
Interest expenditures	792.1	2.7%	849.6	2.8%	802.2	2.5%
Current transfers	11,447.3	38.5%	11,637.3	38.5%	12,055.0	37.7%
(A) Current expenditures	27,943.3	94.0%	28,603.5	94.6%	29,873.8	93.3%
Real investments	487.8	1.6%	448.3	1.5%	501.8	1.6%
Capital transfers	546.7	1.8%	501.4	1.7%	561.4	1.8%
(B) Capital expenditures	1,034.6	3.5%	949.6	3.1%	1,063.2	3.3%
(C) Non-financial expenditures (A)+(B)	28,977.9	97.5%	29,553.1	97.7%	30,937.0	96.7%
(D) Financial assets	746.4	2.5%	686.2	2.3%	1,070.0	3.3%
Expenditures chapters 1 to 8 (C)+(D)	29,724.3	100.0%	30,239.3	100.0%	32,007.0	100.0%

Data source: Department of Economy and Finance.

* Consolidated data of the administrative public sector and in terms of budgetary accounting (modified-cash basis/obligation-based).

16. According to the subnational Governments functions, healthcare (~33%) and education (19.7%) concentrates more than the half (52.6%) of administrative public sector spending. Other key functions are the financial support to local governments (12%), social protection (6.7%) general administration and services (~5%), public transportation (4.5%) and security and civil protection (4%).

Table 8. Expenditure trends of the SNG (Catalonia) (program classification) (Budgetary accounting)

Expenditures by program classification* (policies) (€ million)	2017		2018		2019	
Healthcare	9,804.5	33.0%	9,953.9	32.9%	10,499.6	32.8%
Education	5,812.6	19.6%	6,028.2	19.9%	6,309.0	19.7%
Non-university	4,951.4	16.7%	5,160.5	17.1%	5,412.1	16.9%
University	861.2	2.9%	867.6	2.9%	896.9	2.8%
Financial support to local governments	3,623.9	12.2%	3,659.6	12.1%	3,734.5	11.7%
Social protection	1,932.9	6.5%	2,023.8	6.7%	2,179.0	6.8%
Long-term care	1,426.9	4.8%	1,465.7	4.8%	1,495.2	4.7%
Other social protection programs	506.1	1.7%	558.2	1.8%	683.8	2.1%
General administration and services	1,473.4	5.0%	1,428.4	4.7%	1,821.3	5.7%
Public transportation	1,386.7	4.7%	1,366.2	4.5%	1,416.4	4.4%
Security and civil protection	1,192.8	4.0%	1,187.0	3.9%	1,277.6	4.0%
Justice	874.6	2.9%	882.9	2.9%	921.0	2.9%
Employment promotion	631.5	2.1%	752.3	2.5%	785.0	2.5%
Other policies	2,991.2	10.1%	2,957.0	9.8%	3,063.6	9.6%
Expenditures chapters 1 to 8	29,724.3	100.0%	30,239.3	100.0%	32,007.0	100.0%

Data source: Department of Economy and Finance.

* Consolidated data of the administrative public sector and in terms of budgetary accounting (modified-cash basis/obligation-based).

1.3 Intergovernmental fiscal arrangements

1.3.1 Assignment of expenditure responsibility

17. The territorial organization of the State is laid down in Section VIII of the [Spanish Constitution](#), which rules the distribution of power between the State and the Autonomous Communities, and the powers of the Government of Catalonia (*Generalitat de Catalunya*) are provided for in the fourth section of the [Catalan Statute of Autonomy](#). Three levels of responsibility can be distinguished in the distribution of powers between the State and the Generalitat of Catalonia, as follows:

- Exclusive powers. The Generalitat has the absolute right to full legislative, regulatory and executive powers in important areas such as agriculture, stockbreeding and forestry use, waters of internal basins, associations and foundations, organization of savings banks, consumer affairs, cooperatives, commerce, friendly societies for social purposes, culture, Catalan civil law, sport and leisure, housing, transport, youth, language, town and country planning and urban development, territorial organization, tourism, etc...
- Shared powers. There exist certain areas where the State and the autonomous authority converge, either as joint holders of power or through the distribution of actions to be exercised in the development of a particular power. In such cases, the State governs the establishment of the bases or principles of the area and the Autonomous Community takes responsibility for its legislative development, being able to fix its own policies. This occurs in Catalonia in fields such as education, health, the regime of expropriation and contracts, the control of credit, banking and insurance, stock markets and trading centers, mining and energy, protection of the environment, fisheries, industry, the planning of economic activity in Catalonia, defense of consumer rights, etc.
- The final category of the distribution of responsibility is that of the executive powers, where the Generalitat merely executes state legislation, being able to lay down rules of execution of the State regulations. It exercises these functions in fields such as the hydraulic public domain, the laws governing prisons, employment, intellectual and industrial property rights, weights and measures, etc.

1.3.2 Subnational financing system and taxes

18. The Governments of the Autonomous Communities (the State/Regional government level in Spain) are financed according to a model established by the Constitution, and which is based on the four following principles: autonomy, solidarity, sufficiency and institutional loyalty. The [Organic Law on the Financing System of the Autonomous Communities \(LOFCA\)](#) also sets that the financial activity of the autonomous communities shall be exercised in coordination with the State Treasury and aiming to achieve the budgetary stability and financial sustainability established by the [Organic Law 2/2012, of 27 April, on Budgetary Stability and Financial Sustainability \(LOEPSF\)](#).

19. The financing model for the autonomous communities was approved by Law 22/2009, of December 18th, which has explicit levelling and solidarity mechanisms and is set up according to three main blocks:

- Revenues from taxes (totally or partially devolved taxes)
- The transfer from the Guarantee fund of essential public services
- The adjustment funds: The Overall Sufficiency Fund and the Convergence Fund, which include the Cooperation Fund and the Competitiveness Fund.

20. Devolved taxes are assigned to each autonomous community according to the fiscal address of the taxpayer in the case of personal taxes, or, in the case of taxes on property transactions, the location of the property. Taxes on consumption are applied according to the place of consumption or to statistically calculated consumer indicators.

21. Table 9 provides further detail of the devolved taxes, with information about the percentage of the tax collection to be received by the subnational government, if the tax is collected directly by the subnational government or by the Spanish Central Government and if the subnational government has regulation capacity or not.

Table 9. Devolved taxes to the subnational government

Tax	% collection to SNG	Collected by SNG	Regulation capacity
Inheritance and donations tax	100%	Yes	The Catalan Government may apply reductions to the taxable base, modify tax bands, amounts and coefficients and establish deductions and allowances to the quota.
Wealth tax	100%	Yes	The power to establish the minimum exemption, the rates and the deductions and allowances in the quota.
Capital transfer tax and documented legal acts tax	100%	Yes	Regulatory powers over certain tax rates and over the deductions and allowances in the quota.
Personal Income Tax (PIT)	50%	No	It can determine the minimum personal and family amount, the deductions and the rate with the sole restriction that it is progressive.
Value-added Tax (VAT)	50%	No	No regulation capacity.
Tax on hydrocarbons - general rate	58%	No	No regulation capacity.
Tax on hydrocarbons - special rate	100%	No	No regulation capacity.
Tax on hydrocarbons - regional rate	100%	No	Until 31 December 2018, it could establish an autonomous share within certain limits. Starting from 1 January 2019, it stops having regulatory capacity over this tax.
Special tax on alcohol	58%	No	No regulation capacity.
Special tax on tobacco processes	58%	No	No regulation capacity.
Special tax on electricity	100%	No	No regulation capacity.
Special tax on certain means of transport	100%	No	Power to modify the tax rate within certain established tax bands.
Tax on deposits in credit institutions	100%	No	No regulation capacity.
Gambling tax (includes online gambling)	100%	Yes	Regulatory powers over exemptions, the base, the tax scale and fixed quotas, allowances and the amount due. No regulation capacity in online gambling.

Data source: Department of Economy and Finance.

22. In addition, autonomous communities can create their own taxes, passed by the corresponding parliaments, with the main restriction that no taxes can be levied over an event already taxed by the Spanish Central Government. The Catalan Government created many own taxes in recent years, mainly with the aim to correct observed market failures (environmental, health and social negative externalities).

Table 10. Subnational government own created taxes

Tax	
Tax on large commercial establishments	Taxes the economic capacity of certain commercial establishments because of being located in large spaces, which can generate a dominant position in the sector and negative externalities in the territory and the environment.
Civil protection levy	Taxes the assets attached to the activities which can give rise to the activation of civil protection plans for the purpose of helping to finance activities in this area
Tax on stays in tourist establishments	Taxes the economic capacity of individuals who stay in establishments subject to the tax. It is also intended to internalize the possible externalities that tourism can cause in areas with a high tourist concentration. The rate ranges from €2.25/day to €0.45/day, depending on the type of establishment.
Tax on the emission of nitrogen oxide into the atmosphere produced by commercial aviation and tax on the emission of gases and particles into the atmosphere produced by industry	Both are environmental indirect taxes. In the first case, the taxable event is the emission of nitrogen oxide by aircraft on commercial passenger and cargo flights in the aerodromes belonging to the municipalities declared as areas for special protection of the atmospheric environment. In the second case, the tax is levied on a series of pollutants generated by industrial and combustion plants.
Tax on empty housing	This direct tax, for a specific purpose, is charged on an infringement of the social function of property ownership due to leaving it vacant permanently. It only affects legal entities which own empty housing without a justified reason for more than two years
Tax on packaged sugar-sweetened beverages	Taxes the consumption of this type of beverage due to the effects that it has on the health of the population, its aim being to encourage a change in consumer habits, as recommended by the WHO.
Tax on the environmental risk of radiotoxic elements	Taxes the local environmental risk, and ultimately people, involved, in the territory of Catalonia, in the production of radiotoxic elements generated in thermonuclear reactions. This tax was declared to be unconstitutional in judgement 43/2019, of 27 March 2019.
Tax on non-productive assets of legal entities	The aim is to tax non-productive goods, and certain related rights, which form part of the assets of legal entities and in cases such as the gratuitous assignment or assignment for a price below the market to owners, partners or shareholders or not related to any economic activity or public service.

Data source: Department of Economy and Finance.

1.3.3 Intergovernmental transfer

23. Regarding the financing system of the autonomous communities, the main (equalization) intergovernmental transfer from the Spanish Central Government to the autonomous communities is the transfer from the Guarantee Fund of Essential Public Services. Its aim is to ensure that each autonomous community receives the same resources per unit of need to finance the essential public services of the welfare state (education, health and other essential social services).

24. This transfer is calculated annually starting from the levelling of 75% of the tax resources, to which a contribution from the Spanish Central Government is added. Its amount is determined by the difference between the indicator of needs – according to the adjusted population – and the tax capacity indicator. The adjusted population indicator is obtained from a series of variables and weightings. The autonomous communities with a fiscal capacity lower than the needs receive a positive transfer. In the opposite case, when the fiscal capacity exceeds the needs, the community makes a net contribution to the rest of communities for the difference.

25. In addition to this transfer, in the financing system there are also the so-called adjustments funds:

- The Overall Sufficiency Fund: which covers the overall financing needs on guaranteeing the revised *status quo* of each autonomous community, which corresponds to the resources arising from the previous model plus the additional resources that make up the new model.
- The Convergence Fund made up of the Competitiveness Fund and the Cooperation Fund:

- The Competitiveness Fund is intended for those autonomous communities which have a financing per capita lower than the average or lower than their fiscal capacity index, with the aim of reducing the differences in the resources per capita and encouraging autonomy and the fiscal capacity. This fund is distributed among the beneficiary autonomous communities (which include Catalonia) in accordance with their relative adjusted population.
- The Cooperation Fund is intended for those autonomous communities with a GDP per capita below 90% of the average or a population density below 50% of the average, or those which, having population growth below 90% of the state average, have a low population density. The variables used for the distribution of these funds among the beneficiary communities are the relative population and the GDP per capita.

1.3.4 Subnational borrowing

26. According to LOFCA, Autonomous communities are able to borrow, with short-term operations, to deal with transitory cash needs and with long-term operations related to finance capital-spending projects. Long-term operations should comply with the rule that the aggregate amount of debt repayment (principal plus interest) do not exceed the 25% of the current revenues. In case that an autonomous community would like to incur on foreign borrowing or issue securities, previously it should have the authorization of the Spanish Central Government. In any case, the authorizations to borrow will consider the accomplishment of the different fiscal rules targets (deficit/surplus, debt level and expenditure rule).

27. LOEPSF also sets a ceiling on the aggregate stock of debt of autonomous communities, a 13% of GDP, which in case of being exceeded no net debt increase is allowed, and the presentation and implementation of a rebalancing plan is required. Nevertheless, specific debt levels rolling targets are set for a three-year period every year for each autonomous community (debt level fiscal rule).

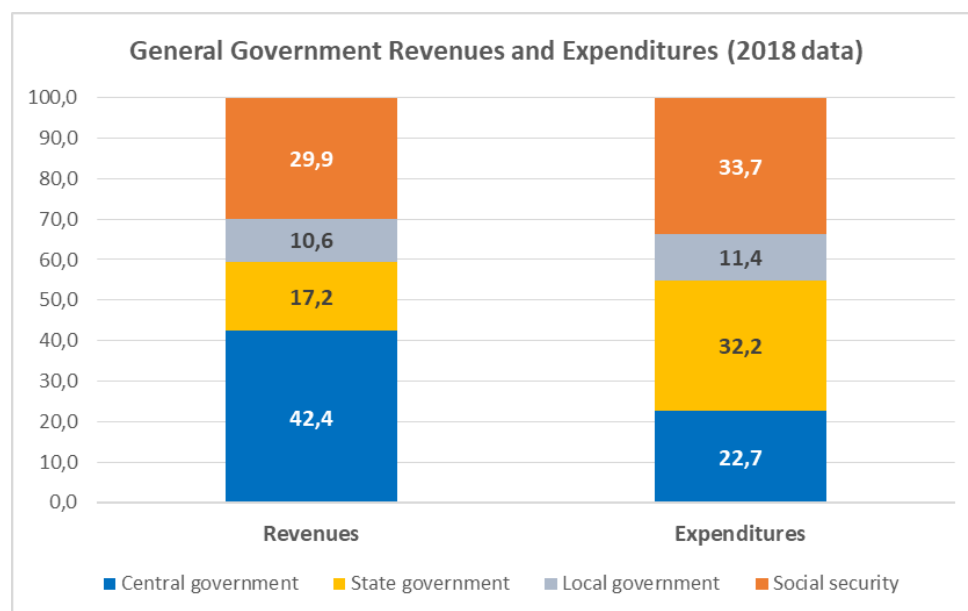
28. According to the Spanish Constitution (article 135), debt repayment (both principal and interest) should have absolute priority against other outlays.

1.4 Institutional arrangements for PFM

1.4.1 Overall institutional arrangements for PFM

29. Spanish public sector is composed by different subsectors and levels of government. The main overall subsectors, including budgetary units and the related extra-budgetary units and public corporations, are: 1) the [Spanish Central Government](#) (*Administración General del Estado* (AGE)); 2) Social Security; 3) the [Autonomous communities](#) (*Comunidades Autónomas* (CCAA)) (17 state/regional governments plus 2 autonomous cities (Ceuta and Melilla)), and ; 4) the [Local Governments](#) (composed by 8,117 municipalities and 50 provinces, 11 islands and other local entities). Spain, even not being a federal country, shows a high degree of decentralization, especially from the expenditure side.

Chart 1. Spanish Public Sector revenues and expenditures by level of government (%)



Data source: [OECD Government at Glance 2019](#).

30. The institutional arrangements for public financial management in Spain are composed by different existing regulations, bodies, institutions and processes. In the Spanish PFM system the following regulations regarding fiscal and budgeting matters are considered central:

- **Spanish Constitution:** Constitution sets general elements regarding PFM and the financing systems of subnational governments.
- **General Budget Law (LGP):** This law regulates the main PFM elements for the Spanish Central Government (budget principles, institutional perimeter, planning, accounting, execution, monitoring and control procedures, treasury and debt matters and other).
- **Organic Law on Budgetary Stability and Financial Sustainability (LOEPSF):** this is the fiscal responsibility regulation for the entire Spanish public sector, which sets the fiscal rules, fits out the definition of fiscal rules targets and the enforcement of sanctions and actions in case of non-compliance.
- **Organic Law on the Financing System of the Autonomous Communities (LOFCA):** this law regulates the financing system of the autonomous communities' level of government, including its general principles, the revenues/resources, the financial prudence principle, debt issues, powers and responsibilities and conflicts resolutions.
- **Local Finance Law (LRHL):** this law regulates the general PFM system for local governments (municipal (city/town governments (*Ayuntamientos*)) and supra municipal ((province governments) (*Diputaciones*))) and their corresponding financing systems.
- **General Tax Law (LGT):** This law sets the main regulations regarding tax administration, procedures, collection, audits and sanctions.

- [Spanish General Accounting Plan \(PGCP\)](#): this regulation sets the public sector accounting procedures and rules, the chart of accounts and reporting requirements. By this regulation, IFAC's NIC-SP/IPSAS were introduced.
- [Annual Budget Laws](#): annual budget laws and their accompanying regulations, besides the estimates legislative approval, define specific regulations regarding budget execution procedures, controls and responsibilities, general civil service wage increases, revenue specific regulations and may introduce regulation modifications in other laws.
- Other important PFM-related regulations are the [Public Procurement Law](#) (which introduced last European directives on public procurement), the [Public Sector Property Management Law](#) and the [General Grants Law](#).

31. A key existing procedure regarding the overall Spanish PFM is the annual [definition/update of multi-year fiscal rules targets](#), as it set by the LOEPSF. During the first semester of each year, Spanish Central Government, by agreement of the Cabinet and with the reports from the [Fiscal and Financial Policy Council of the Autonomous Communities \(CPFF\)](#) and the [Nacional Commission of Local Governments \(CNAL\)](#) should set the fiscal rules targets for the coming 3 years for each level of government. These fiscal rules are the deficit/surplus target, the debt level target and the expenditure rule. In addition, to these targets, all public sector levels must comply with the [weighted average payment period target](#).

32. Another existing key procedure is the annual issuance by the Spanish Central Government of the [Spanish Budget Plan](#), which is the multi-year economic outlook, and the fiscal and budgetary strategy for the entire public sector (with specific sections for each level of government). This document is produced prior the draft budget approval and it is submitted to the European Commission within the [Stability Program documentation](#).

33. About relevant institutions relating PFM functions in the overall Spanish public sector and in the Central Government, besides general institutions on the Executive and Legislative branches and EU institutions, the following units play a PFM specific principal role:

- [Ministry of Finance \(Ministerio de Hacienda\)](#) (MinHac): Within the MinHac there are the units responsible for the fiscal, budgetary and treasury planning and monitoring of the overall public sector and for the central government, as well as units in charge of the fiscal/budgetary coordination with the subnational governments.
- [General Comptroller of the State Administration \(Intervención General de la Administración del Estado\)](#) (IGAE): IGAE is the main responsible for the internal control and audit of revenues and expenditures, the responsible of the public accounting system and the unit that elaborates the main global statistics and financial reports of the Spanish public sector and for the Spanish Central Government. This unit is ascribed in the MinHac, but performs its functions with independence.
- [Spanish Audit Office \(Tribunal de Cuentas\)](#) (TCu): the external audit office is a body assigned to the Legislative branch and is responsible for performing external audits (*fiscalización*) regarding the economic and financial management of all public sector governments and entities. In addition to this body, many autonomous communities created their own regional audit offices, focused in the corresponding subnational governments (autonomous communities and local governments).

- **Independent Authority for Fiscal Responsibility** (*Autoridad Independiente de Responsabilidad Fiscal*)(AIReF): Created in 2013 after the great recession, AIReF is the independent fiscal institution (IFI) for Spain, in charge of the fiscal sustainability surveillance of all Spanish public sector, by producing its own economic and fiscal projections/forecasts, analyzing public sector economic outlooks and budgets, and monitoring its execution. Furthermore, in the last years AIReF added evaluation functions by starting **spending review** processes.

1.4.2 Subnational institutional arrangements for PFM

34. In addition, and connected to the overall national PFM arrangements, Catalonia, using its regulation capacity and competences, developed its own institutional arrangements. Regarding regulatory developments, the following are the most relevant:

- **Catalan Statute of Autonomy** (*Estatut d'autonomia de Catalunya*): Catalan Statute of Autonomy is the basic law for the State/Regional Government of Catalonia, containing the identification, the symbols and the organization of the autonomous community, the self-government institutions and the its competences. On its section 6, general principles, institutions and main procedure regarding PFM (financing, tax administration, budgeting, debt, property management and public companies creation) are regulated.
- **Public Finance Law of Catalonia** (*Text refòs de la Llei de Finances Públiques de Catalunya*) (TRLLFPC): This law is the central law for specific PFM arrangements for the Government of Catalonia. This law regulates the main arrangements for the budgetary, financial and treasury management, the institutional perimeter (public sector) of the Catalan PFM system, the internal and external control and the documentation, reporting and transparency requirements of the entire PFM system. Last changes in this law in 2020 reinforced policy evaluation aiming to support budgetary decisions and the multi-year budgetary planning system.
- **Catalan Budget Stability Law** (*Llei d'estabilitat pressupostària*): this law was the fiscal responsibility regulation of the Catalan Government, providing fiscal sustainability principles, fiscal management arrangements and the specification of own fiscal rules targets (structural balance target). This law is currently repealed and was active from 2014 to 2017.
- **Annual Budget Laws and accompanying regulations** (*Lleis de Pressupostos*): annual budget laws and their accompanying regulations, besides estimates approval, set specific budgetary management and powers regarding budget modifications and the management of expenditure estimates, as well as regarding tax and financial operations affairs.
- **Catalan General Public Accounting Plan** (*Pla general de comptabilitat pública de la Generalitat de Catalunya*) (PGCPGC): the Catalan accounting plan set the public accounting procedures and principles, the chart of accounts and the financial statements and reports to be produced for the Administrative public sector (General Government, autonomous administrative entities, most public entities and consortia). The current accounting plan (passed in 2017) also introduced IFAC's NIC-SP/IPSAS into the Catalan public accounting system. For the rest of the public sector entities (companies, foundations and other public entities and consortia) applies the general private sector accountability plan (2007) complemented with budget monitoring.

- **Catalan Government Accounting Order** (*Ordre de Comptabilitat de la Generalitat de Catalunya*): this order set the main framework, principles, aims, accounting criteria, information systems requirements and obligations of the entire Catalan public accounting system.

35. In the Catalan Government PFM system, there are several units and bodies responsible for different key stages, procedures, control or the management of the government resources. The main units and their functions are presented and summarized in the following list:

- In the Department of Vice-presidency, Economy and Finance (or Department of Economy and Finance):
 - **Directorate-General of Budget** (*DG Pressupostos*): this unit is responsible for fiscal and budgetary planning (budget elaboration, medium and long-term fiscal and budget strategy), the monitoring of budget execution, the management of budget modifications, the monitoring of personnel spending, the capital planning system and the financial results of depending entities and to propel the institutionalization of policy evaluation in the Catalan Government.
 - **Directorate-General of Financing Policy, Assurances and Treasury** (*DG Política Financera, Assegurances i Tresor*): this unit is in charge of the treasury management of the Catalan Government, managing cash positions and the debt policy, and responsible for the monitoring of the assurances sector and the Local Government financial situation in Catalonia.
 - **Directorate-General of Taxation and Gambling** (*DG Tributs i Joc*): this unit is responsible for the Catalan Government overall tax policy, the implementation of tax reforms, the preparation of tax revenue and expenditures forecasts and the coordination with the Catalan tax Agency.
 - **Catalan Tax Agency** (*Agència Tributària de Catalunya (ATC)*): this agency is responsible of the tax administration, collection and audit of the taxes directly collected by the Catalan Government.
 - **Directorate-General of Procurement** (*DG Contractació Pública*): this unit is responsible for developing, monitoring and providing guidelines and procedures for the public procurement system of the Catalan Government. This unit also monitors the transparency and competition in public procurement and promotes strategic public procurement and the development of social and environmental targets within public procurement.
 - **Directorate-General of Property** (*DG Patrimoni*): this unit is responsible for the property management system of the Catalan Government, both for non-financial and financial assets and for using instructions and plans to optimize efficiency and rationality of government assets.
 - **Directorate-General of Economic Analysis** (*DG d'Anàlisi Econòmica*): this unit is responsible to provide forecasts and analysis of the main aggregates of the Catalan economy, as well as to perform research studies, disseminate economic data and indicators and support economic policy decisions.

- **General Internal Auditor's Office** (*Intervenció General de la Generalitat de Catalunya*) (IGGC): this body is the main manager of the budgetary and financial internal control, the public accounting system and it is the financial comptroller of the Catalan Government. IGGC elaborates the Annual Financial Report (*Compte General*) of the Catalan Government.
- Spending departments and entities of the Catalan Government: within each department of the Catalan Government exists the Directorate-General of Serviced Administration (*DG Serveis*), which are the units responsible for the general administration of the corresponding department, covering HR, internal organization, legal assistance, policy planning and monitoring and accounting and financial services. The division of economic management (*Gestió econòmica*) is in charge of the matters related to the budgetary, purchasing, financial and accounting management of its department, as well as the coordination and control with the corresponding depending entities. Regarding depending entities, each entity has analogous units of financial and accounting management.
- **Catalonia's Public Audit Office** (*Sindicatura de Comptes de Catalunya*) (SCC): this is the main external audit body for the Catalan Government, as well as for the Catalan Local Governments. It is in charge of auditing annual financial reports and statements as well as to conduct specific audits to certain entities, matters or PFM elements. Audits are mainly focused on verifying accounting and legal compliance.
- **Catalonia's Parliament Budget Office**: the functions of this office are generally providing assistance, analysis and relevant information to the members of the Parliament regarding fiscal and budgetary issues concerning the Catalan Government finance. Even though this office has been legally created, no resources were allocated and currently is not operating.

36. Regarding its financing system framework and the definition of the fiscal rules targets, autonomous communities, and so the Government of Catalonia, participate in a coordination body called **Fiscal and Financial Policy Council of the Autonomous Communities** (*Consejo de Política Fiscal y Financiera*)(CPFF). The Minister of Finance of the Spanish Central Government and the finance ministers of each autonomous community compose the CPFF. This is a coordination body concerning budgetary and financial policy, the definition of the fiscal rules targets, the financing system funds distribution, and the study and impulse of reforms regarding the financing system of autonomous communities. In this body resolutions are adopted by the absolute majority of its members, and the Minister of Finance holds the same number of votes as all the regional finance ministers.

37. Under the current fiscal monitoring system, autonomous communities' governments are **required to regularly report to the Spanish Central Government about its fiscal and budgetary situation**. These are the main current reporting requirements:

- **Economic and financial plans**: In case of non-compliance of the fiscal rules, the autonomous community government must prepare and submit an Economic and financial plan, with the budgetary projections and the measures to be adopted to assure its fiscal rules compliance in the current budget and in the next fiscal year. This plan must be submitted within 2 months after the verification of the non-compliance of the fiscal rules targets.
- **Re-balancing plans**: a Rebalancing plan must be prepared and reported if a structural budget imbalance is produced or in the case of severe environmental/natural disasters, emergencies or a great recession situation.

- Adjustment plans: Autonomous communities must present an adjustment plan in order to access to the financial liquidity fund (FLA). This plan should include, among other information, medium-term budget estimates and outturn projections. Adjustment plans must be submitted within 1 month after the government approves the adherence to the FLA facility
- Budgetary plans: On March, autonomous communities are required to present their budgetary plans, consisting of estimates and projections for each quarter of the current budget (including the outturn projection) and for the following three years.
- Essential lines of the Budget: On October, autonomous communities are required to submit the Essential lines of the budget, covering the main figures of the draft budget to be passed and similar contents like budgetary plans.
- Direct and indirect COVID-19 impact on revenues and expenditures (before the 15th of each month).
- On a monthly basis (15th day of each month), the necessary information is reported to IGAE and to the Ministry of Finance to monitor the fulfilment of the deficit, debt, expenditure rule and average payment period to suppliers targets. The process involves the submission of files related to ESA-perimeter entities. Additionally, the General Internal Auditors' Office calculates the public deficit in terms of national accounting on a monthly basis.

38. Catalan Government public accounting system is based on a different set of integrated accounting sub-systems:

- Budgetary accounting system: the budgetary accounting system covers the administrative public sector, where expenditure estimates are limitative (estimates cannot be exceeded), as well as consolidated budget statements and accounting conciliations for overall public sector. This system applies a modified-cash or obligation-based accounting criteria, where expenditure obligations (once goods and services have been provided and verified) and revenue rights (receivable collections from taxpayers, clients or other) are recorded as the effective execution of expenditures and revenues. Under this system, different input control stages are in place. For example: for expenditure estimates, there are four execution stages: authorization ("A" stage), contract/commitment ("D" stage), obligation ("O" stage) and payment ("P" stage).
- Financial accounting system: Catalan government also uses financial accounting for recording its operations, including a full accrual accounting system as well as individual and consolidated annual financial statements, such as the Balance Sheet, the Profit and Loss Statement, Changes in Net Worth and Cash Flow Statement.
- Treasury/cash accounting system: this system, related to the aforementioned, records outlays and disbursements drawing upon cash criteria.
- Cost accounting system: some departments and entities have also put in place a cost accounting system. However, its use through the entire Catalan Government is not prevalent yet. New efforts are currently under development to boost the adoption of cost accounting and analysis through the Catalan public sector.
- National accounting adjustments: even it is not a true accounting system, national accounting adjustments are integrated, especially with budgetary accounting system, in order to plan, monitor

and report the Catalan finances according to the accounting terms (ESA national accounting terms), used for the assessment of the fiscal rule targets accomplishment.

39. Catalan Government public financial management is supported by several financial information systems (FMIS), and a central ERP (SAP GeCat) for main budgeting and accounting functions. GeCat groups and consolidates accounting recordings and reporting operations, with related systems, like the PANGEA software providing support to accounting data collection and homogenization for public sector entities, the cost accounting module, the GeCat BIW for data analysis purposes, or the STEP software for budgetary planning (e.g. baseline projections) and reporting uses (e.g. budget execution reports). In addition, other software provides inputs to these main group of applications, such as the Government Plan software (PdG), where detailed goals and performance information (e.g. indicators description, formula, values...) is managed and then integrated with the FMIS. In addition, there exist the Central Point of Information (PCI) where all public sector entities monthly report their economic and financial information.

40. For the different stages of the budget cycle, and for different planning, monitoring and reporting purposes, several institutional perimeters are in use regarding the budget and financial statements of the Catalan Government. The following are the main institutional perimeters in use:

- Catalan Government (*Generalitat de Catalunya*): this perimeter covers just the main budgetary entity/unit of the Catalan Government, which includes all executive departments, non-department funds (such the Contingency Fund) advisory bodies and all the units related to the legislative branch (Parliament, Catalan Public Audit Office, Catalan Ombudsman...). In budgetary terms, this entity is broken down in the administrative/organic budget classification into sections (equivalent to departments) and services (equivalent to secretaries or DGs).
- Administrative Public Sector (*Sector Públic Administratiu (SPA)*): this perimeter is composed by the Catalan Government main entity, plus other depending entities (extra-budgetary units) which are legally created to perform administrative and public functions. All these entities operate with public budgeting accounting system (with limitative expenditure estimates). This perimeter have been frequently used for planning, monitoring and reporting purposes, as even though it's not exhaustive as the following perimeters, it represents a very large portion of government revenues and expenditures.
- Public Administration according ESA (*Administracions públiques d'acord amb el SEC (AP-SEC)*): this perimeter covers the SPA plus all the other entities classified as public administration units under the national accounting criteria. This means market producer entities are excluded. This perimeter is used mainly for fiscal and budgetary planning, monitoring and reporting regarding the accomplishment of the fiscal rules targets.
- Public Sector (*Sector Públic (SP)*): this perimeter covers the SPA plus all entities (market and non-market producers) where Catalan Government has a direct or indirect control. This is the most comprehensive perimeter and it includes both extra-budgetary units and public corporations, according to the definition of the GFSM 2014.

41. As shown in table 9, depending entities are responsible some 50% (47%) of the final execution of the total expenditure of the overall public sector perimeter. In Catalan Government Budget FY2020, public sector was composed by 191 entities, where 166 units were extra-budgetary units and 25 entities were considered public corporations.

Table 9. Budgetary units of the SNG – Number of entities (as in Budget FY2020)

Budgetary units		Catalan Government main entity ("Generalitat de Catalunya")	Extra budgetary units (non-market oriented depending entities)	Public corporations (market oriented depending entities)	Total
Number	Units and legal entities	1 entity (23 sections and 96 units)	166	25	191 legal entities and 287 units
	(% of units)	33%	58%	9%	
	(% of entities)	0.5%	87%	13%	
Expenditure (chap. 1 to 8) (€ million)	Non-consolidated	32,521.3	23,578.9	691.4	36,002.6
	Consolidated Public Sector	18,927.1	16,398.7	676.9	
	(% of total consolidated)	53%	46%	2%	

Data source: [Budget FY2020](#) of the Catalan Government.

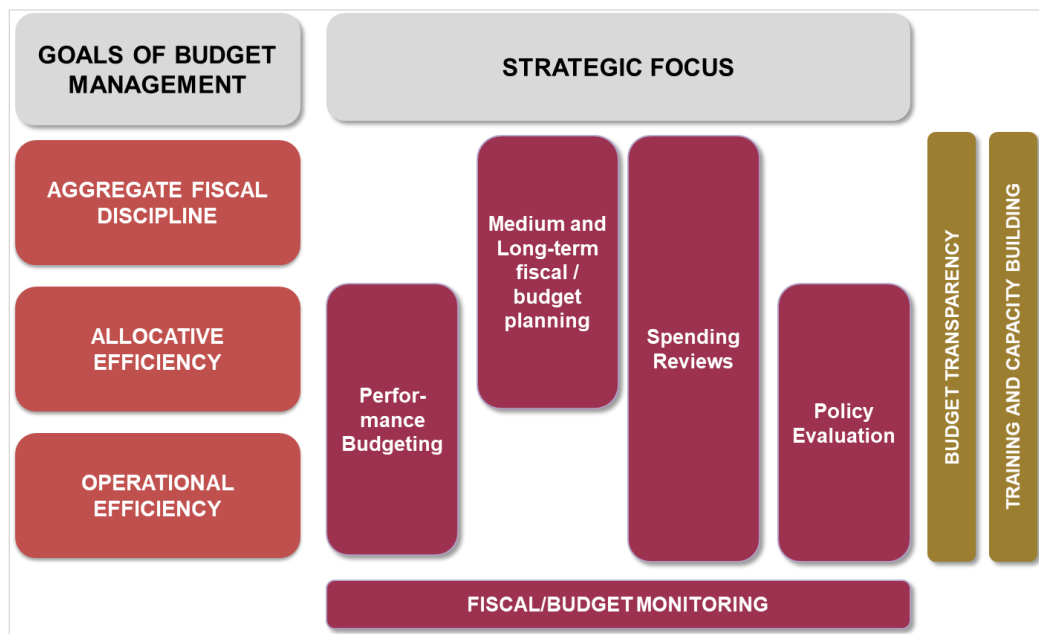
42. Catalan Government overall public sector has, according to Budget FY2020, 247,119 staff positions, where 82,608 positions are healthcare professionals, 77,963 non-university teachers, 18,817 state/regional police personnel, 4,859 prisons personnel and 3,702 firefighters. 142,423 (57.6%) positions in total public staff are assigned to the Catalan Government main entity (*Generalitat de Catalunya*), while 104,696 positions (42.4%) are assigned to public sector depending entities.

43. In the budget system, public sector entities are grouped into subsectors (depending on the legal nature of the entity) and into department groups, which constitutes the consolidated view of a department (the department plus all the related depending entities).

44. Regarding Catalan Government budget system, [a first wave of budget reforms](#) were promoted beginning in 2005/2006. This first wave of reforms improved the budget coverage of entities and operations (including the entire public sector and generating consolidated aggregates and statements), as well as budget structures, such as the program classification. They also introduced performance-based budgeting, by requiring departments to define and report program performance targets along with the budget process. On subsequent years, medium-term budgeting frameworks (MTBF) were also put in place by generating multi-year revenue forecasts and developing medium-term expenditure baseline projections, in addition to some improvements in the performance-based budgeting system. Currently a [second wave of budget reforms](#) is in place (since 2017/2018) with the following main strategic lines:

- Second wave of Performance Budgeting reform
- Institutionalization and effective integration of Medium-Term Budgeting Frameworks in the annual budget
- Development of a Spending Reviews system
- Systematization of the Evaluation of public policies
- Improvement of Fiscal and Budgetary monitoring
- Improvement of budgetary and financial transparency

Chart 2. Catalan current budget reform main strategic lines



Data source: Department of Economy and Finance.

45. In addition to these main reform lines, Catalan Government is also currently working to ensure the widespread use of cost accounting, integrating the Sustainable Development Goals (SGDs) and the Social Progress and Welfare Indicators within the budget system, and developing the stages to implement a Gender-sensitive budget system.

46. The aim of this budget reform is to provide relevant tools to face the expected fiscal challenges for the coming years, mainly in regards to the budgetary impact of an aging population and the accomplishment of fiscal targets in order to return into a more sustainable public debt path.

47. The current PEFA SNG self-assessment is considered by the Catalan Government as a relevant supporting tool to better diagnose the current PFM situation, by detecting the main weaknesses or improvement chances and better inform the definition of reform projects within this second wave of budget reforms

2. ASSESSMENT OF PFM PERFORMANCE

PILLAR 1: Budget reliability

48. Pillar One measures whether the government budget is realistic and is implemented as intended. This is measured by comparing actual revenues and expenditures (the immediate results of the PFM system) with the original approved budget.

49. Because in the last three completed fiscal years, only in 2017 the budget was passed, the scores for the dimensions and indicators have been assessed as not available (NA). Nevertheless, calculations and analysis of each dimension and indicators of the pillar are provided in the document and the mention of the results and alternative scores if initial extended budget estimates for fiscal years 2018 and 2019 were considered as passed budgets.

PI-1. Aggregate expenditure outturn

50. This performance indicator (PI) measures the extent to which aggregate budget expenditure outturn reflects the amount originally approved, as defined in government budget documentation and fiscal reports. There is one dimension to this indicator. The assessment covers the SNG budgetary units and looks at the budgeted and actual expenditure for FYs 2017, 2018 and 2019.

INDICATORS/ DIMENSIONS	SCORE	ASSESSMENT OF PERFORMANCE
PI-1: Aggregate expenditure outturn (M1)	NA	Indicator and dimension scores are not available (NA) because in just one of the three considered completed fiscal years the budget was passed. If initial estimates of the extended budgets were considered as passed budgets the score would have been "A" with the following assessment: Catalan Government aggregate budget expenditure outturn has been between 95% and 105% of the approved aggregate budgeted expenditure in two (FY2017 and FY2018) of the last three years.
PI 1.1 Aggregate expenditure outturn	NA	

51. Expenditure outturn as a percentage of initial budget estimates has been below 105% in two of the last three fiscal years (FY2017 and FY2018), while in FY2019 its value was slightly above 110%. Even if the results for this indicator show a relatively small gap between budgeted and actual spending, it should be mentioned that this difference would be even lower considering the following elements:

- For fiscal years 2018 and 2019 no budget was passed and the budget extension mechanism had to be used for the entire fiscal year. According to this mechanism, while revenues might be collected according to the economic performance, initial expenditure estimates were not adjusted, being both fiscal years a limited extension of 2017 budget. Eventually, during budget execution, due to bigger revenue collections, more significant budget modifications were legally allowed and so that may imply a higher degree of variation between initial and actual expenditure values
- Considered expenditures include those financed from earmarked revenues, which usually are not fully budgeted in the initial estimates. The exclusion of these kind of expenditures would probably result in a lower gap between initial and actual values.

Table 1.1: Aggregate expenditure outturn

Aggregate expenditure (€ million)	2017	2018	2019
Approved budget	28,969.3	28,926.2	28,924.9
Outturn	29,724.3	30,239.3	32,007.0
Outturn as a percentage of budget	102.6%	104.5%	110.7%

Data source: Department of Economy and Finance, [Annual Financial Reports](#) and [Open Budget](#) visualization tool.

*Consolidated expenditures of the administrative public sector, chapters 1 to 8.

PI-2. Expenditure composition outturn

52. This indicator measures the extent to which reallocations between the main budget categories during execution have contributed to variance in expenditure composition. This indicator has three dimensions. The assessment covers budgetary units over the last three completed FYs (2017-2019).

INDICATORS/ DIMENSIONS	SCORE	ASSESSMENT OF PERFORMANCE
PI-2. Expenditure composition outturn (M1)	NA	Not available as well as all related dimensions are not available. If extended budgets were considered as passed budgets the score would have been “B+”.
2.1 Expenditure composition outturn by function	NA	Dimension score is not available (NA) because in just one of the three considered completed fiscal years the budget was passed. If initial estimates of the extended budgets were considered as passed budgets the score would have been “B” and the assessment the following: Variance in expenditure composition by program classification was less than 10% in all the last three fiscal years (FY2017, FY2018 and FY2019).
2.2 Expenditure composition outturn by economic type	NA	Dimension score is not available (NA) because in just one of the three considered completed fiscal years the budget was passed. If initial estimates of the extended budgets were considered as passed budgets the score would have been “A” and the assessment the following: Variance in expenditure composition by economic classification was less than 5% in two of the last three fiscal years (FY2018 and FY2019).
2.3 Expenditure from contingency reserves	NA	Dimension score is not available (NA) because in just one of the three considered completed fiscal years the budget was passed. If initial estimates of the extended budgets were considered as passed budgets the score would have been “A” and the assessment the following: Actual expenditure charged to a contingency vote was on average less than 3% of the original budget (an average of 1.1% in all last three fiscal years).

Dimension PI 2.1 Expenditure composition outturn by function

53. Variance in the expenditure composition by program classification³ has been less than 10% in each of the last three fiscal years, but it was slightly above 5%. About an average 40% of the observed variation in every fiscal year is explained by spending increase in the Healthcare policy/function.

Table 2.1: Aggregate composition expenditure outturn

Variance*	2017	2018	2019
Program classification ("Policy" level)**	6.7%	6.6%	5.6%
Economic classification ("Chapter" level)	5.1%	4.7%	4.4%

Data source: Department of Economy and Finance, [Annual Financial Reports](#) and [Open Budget](#) visualization tool.

*Consolidated expenditures of the administrative public sector, chapters 1 to 8.

**In the program classification analysis, Contingency Fund and interest expenditures have been deducted from the expenditures allocated to policies (2nd level of the program classification).

Dimension PI-2.2 Expenditure composition outturn by economic type

54. Variance in the expenditure composition by economic classification has been less than 5% in two of the last three fiscal years, with an average variation of 4.7% for this period. Largest shares on total variations have been detected on: the Contingency Fund (24%), used to finance estimates transfers), Use of current goods and services (24%) and Current transfers (18%).

Dimension PI 2.3 Expenditure from contingency reserves

55. Contingency Fund expenditures remained stable over the considered period, with an average share of total expenditures of 1.1%. These expenditure estimates remained around €330 million because in fiscal years 2018 and 2019 the budget extension mechanism (extension of the last passed budget (FY2017)) was in place. As a result, that meant the share of these expenditures remained highly stable. Contingency Fund expenditures are regulated in the Annual Budget Law⁴, and its use is reserved to face non-discretionary and urgent unbudgeted expenditures during the budget execution stage.

Table 2.2: Expenditure from contingency reserves

Variance	2017	2018	2019
Contingency expenditure share of budget* (%)	1.1%	1.1%	1.1%

Data source: Department of Economy and Finance, [Annual Financial Reports](#) and [Open Budget](#) visualization tool.

*Consolidated expenditures of the administrative public sector, chapters 1 to 8.

³ To compute this dimension it has been used the expenditures allocate to each "Policy", which represents the second level of the program classification, which is similar (or event more detailed) to the first level of the COFOG classification.

⁴ Article 16 of the [Annual Budget Law for FY2020](#).

PI-3. Revenue outturn

56. This indicator measures the change in revenue between the original approved budget and end-of-year outturn. It contains two dimensions and uses the M2 (AV) method for aggregating dimension scores. The assessment covers the SNG budget over the last three completed FYs (2017-2019).

INDICATORS/ DIMENSIONS	SCORE	ASSESSMENT OF PERFORMANCE
PI-3. Revenue outturn (M2)	NA	Not available as well as all related dimensions are not available. If extended budgets were considered as passed budgets the score would have been "A".
3.1 Aggregate revenue outturn	NA	Dimension score is not available (NA) because in just one of the three considered completed fiscal years the budget was passed. If initial estimates of the extended budgets were considered as passed budgets the score would have been "A" and the assessment the following: Actual revenue has been between 97% and 106% of budgeted revenue in two (FY2018 and FY2019) of the last three fiscal years.
3.2 Revenue composition outturn	NA	Dimension score is not available (NA) because in just one of the three considered completed fiscal years the budget was passed. If initial estimates of the extended budgets were considered as passed budgets the score would have been "A" and the assessment the following: Variance in revenue composition has been less than 5% in two (FY2017 and FY2018) of the last three fiscal years.

Dimension PI-3.1 Aggregate revenue outturn

57. Aggregate revenue outturn has shown a relative small difference from initial estimates, with two fiscal years between 97%-106% of initial estimates, and the remaining year (FY2017) slightly above 106%. On average, revenue outturn was 104.1% of the value of the initial estimates.

58. In considered fiscal years, some negative deviations on main tax revenues were compensated by outstanding results on other revenues, such as other taxes and especially on fees and sales revenues.

Table 3.1: Aggregate revenue outturn

Total revenue* (€ million)	2017	2018	2019
Approved budget	21,878.7	24,243.0	25,166.8
Outturn	23,282.1	24,661.2	26,219.9
Variance (as a % of original budget)	106.4%	101.7%	104.2%
Composition variance (%)	4.6%	2.9%	6.5%

Data source: Department of Economy and Finance, [Annual Financial Reports](#) and [Open Budget](#) visualization tool.

*Consolidated revenues of the administrative public sector, chapters 1 to 8, excluding transfers from Central Government (articles 40 and 70).

Dimension PI-3.2 Revenue composition outturn

59. Revenue composition variance was below than 5% in FY2017 and FY2018, but it reached 6.5% in 2019. On average composition variance has been a 4.7% for this three-year period. The main sources of this variance were loans and cash advances reimbursements (revenues from financial assets) (14.9% of total absolute variation), taxes on income (14.3%), taxes on specific consumption (12.6%), VAT (11.6%) and sales and fees from services supply (10.7%).

PILLAR 2: Transparency of public finances

60. Pillar Two assesses whether information on PFM is comprehensive, consistent, and accessible to users. This is achieved through comprehensive budget classification; transparency of all government revenue and expenditure, including intergovernmental transfers; the publication of information on service delivery performance; and ready access to fiscal and budget documentation.

PI-4. Budget classification

61. This indicator assesses the extent to which the government budget and accounts classification is consistent with international standards. There is one dimension for this indicator. The assessment covers the SNG budgetary units in FY 2020

INDICATORS/ DIMENSIONS	SCORE	ASSESSMENT OF PERFORMANCE
PI-4. Budget classification	A	Budget formulation, execution, and reporting are based on every level of the organic/administrative, economic, and program classification of the Catalan Government, along with other supporting budget classifications (project, fund, territory...). Even though Economic and Program classifications do not exactly follow the standards presented in the Government Finance Statistics Manual 2014 (GFSM), straightforwardly Catalan budgetary classifications/structures can be adapted to show data according to GFSM. Budget FY2020 classification codes and explanation can be found at: < http://aplicacions.economia.gencat.cat/wpres/2020/02_estructures.htm > and < http://economia.gencat.cat/ca/ambits-actuacio/pressupostos/2020/elaboracio/ >
4.1 Budget classification	A	

Dimension PI-4.1 Budget classification

62. Organic/administrative budget classification covers all the Catalan Government public sector and the Public Administration perimeter according to ESA 2010 provisions. This classification covers all depending entities as well a detailed organizational breakdown. This classifications follows an alphanumerical codification for breaking down the units of the main entity “Government of Catalonia”/”*Generalitat de Catalunya*” (GC) and a numerical codification for the other entities. All entities are grouped into “Departmental groups” (to provide consolidated view of the corresponding department) and subsectors (according to the corresponding legal nature). This classification is both used for expenditures and revenues.

63. Economic classification is distinguished by revenues and expenditures and it breaks them down into a minimum of 7th digit level and into a 9th digit level for operational purposes. The most aggregated level of the economic classification (1st digit) receives the name of “Chapter” and helps to group revenues and expenditures drawing up on their relation to current, capital/investment or financial operations⁵.

⁵ For further details on the economic classification of revenues and expenditures, take a look to annexes 5.2.1 and 5.2.2.

64. Program classification is structured in “Spending Areas” (1st digit), “Policy” (2nd digit), “Program” (3rd digit) and “Subprogram” (4th digit) (sub-program level is not compulsory and it’s used for internal management purposes). While “Policy” level it’s defined in a similar level of detail as the first level of COFOG, “Program” level is set into a similar or even more detailed level than then second level of COFOG⁶. Program classification is currently used only in the expenditures classification. Nevertheless, works to classify fees, sales, grants/transfers and other non-tax revenues and non-general revenues according to the program structure are in progress.

65. In addition to these main classifications, project and territory (province, area and municipality) classification is used for capital expenditures as well other supporting internal classifications such as “fund”, “earmarked revenues and expenditures”. Moreover, Catalan Government recently ([Budget FY2020](#)) linked budgetary classifications with Sustainable Development Goals (SDG) and social progress indicators ([Catalan own indicators](#) and [EU-Social Progress Index](#)), and it also tagged (specific programs and line-items) children and women sensitive spending.

PI-5. Budget documentation

66. This indicator assesses the comprehensiveness of information provided in the annual budget documentation as measured against a specified list of four basic and eight additional elements. The assessment covers the SNG budgetary units and looks at the most recent budget submitted to legislature (FY 2020).

INDICATORS/ DIMENSIONS	SCORE	ASSESSMENT OF PERFORMANCE
PI-5. Budget documentation	B	Annual budget documentation presents all basic elements, and the following additional elements: 6) Macroeconomic assumptions 7) Debt stock, 11) Documentation on the medium-term fiscal forecasts and 12) Quantification of tax expenditures.
5.1 Budget documentation	B	Annual budget documentation for Budget FY2020 can be found at: http://aplicacions.economia.gencat.cat/wpres/2020/02_llei.htm

Dimension PI-5.1 Budget documentation

67. Annual budget documentation is mainly regulated by article 31 of the [Catalan Public Finance Law](#) (Law 3/2002, TRLLFPC) which establishes the budget documents to be presented. Moreover, additional documents, data files (Excel and Open data) and data visualization tools have been developed and made available to the citizens in order to improve transparency and understanding of the budget figures.

⁶ To see the correspondence between program classification and COFOG, check Annex 5.1.2 Program classification equivalence with COFOG.

Table 5.1: Budget documentation

Item	Included (Y/N)	Source of evidence and comments
Basic elements		
1	Y	<p>Targets/forecasts regarding the main fiscal rules for the Catalan Government (deficit/surplus, debt level and “expenditure rule”) are presented for a medium term horizon (budget year + 3 forward years). Fiscal targets are shown in terms of the ESA 2010, fulfilling the provisions of the Spanish Organic Law 2/2012 of Budget Stability and Financial Sustainability.</p> <p>This information can be found at the “Explanatory Report” (<i>Memòria explicativa</i>) document, in the section “7) Medium-term budget framework and fiscal rules”</p>
2	Y	<p>Within the annual budget documentation, the last available budget execution information (at September 30) of the current fiscal year and the budget outturn of the last completed fiscal year is provided.</p> <p>This information is provided by a web link to the budget execution reports and data of the current fiscal year and to the “Annual Financial Report” (<i>Compte General</i>).</p> <p>These were the links provided for the Budget FY2020:</p> <ul style="list-style-type: none"> ▪ Budget execution 2019 ▪ Annual Financial Report 2018
3	Y	<p>Current FY’s Budget is presented in the same format as the Draft Budget, the Execution of the Budget and the Budget Reporting and Outturn. Budgetary information, classifications and perimeters are consistent along all the budget cycle. This information can be checked at the annual budget website, the budget execution reports and data, and in the annual financial reports.</p>
4	Y	<p>Aggregate and detailed (broken down) revenue and expenditure data according to the organic/administrative, economic, program and project classifications is available within the budget documentation and data. Data is available in Excel files (<i>Pressupost en Excel</i>), summarized in different tables, explained in the “Explanatory Report”. Further detail and analysis are provided in the specific annexes of personnel expenditures, capital expenditures, tax expenditures, grants & transfers and building rents and acquisitions.</p> <p>Aggregated and detailed comparison with previous fiscal years’ is available in the Budget presentation document, the “Explanatory Report”, the “Citizen’s Budget”, as well through the data visualization tool “Open Budget”.</p>
Additional elements		
5	N	<p>Deficit/surplus forecasts are provided, but regarding its financing, only medium-term estimates of gross debt (in € million and % of GDP) and the budget year decomposition into gross and net debt is facilitated. Decomposition of the</p>

			deficit financing (debt instruments and portfolio) is not informed within the budget documentation. Detailed debt information is regularly delivered in another specific website of the Department of Economy and Finance.
6	Macroeconomic assumptions, including at least estimates of GDP growth, inflation, interest rates, and the exchange rate.	Y	Macroeconomic forecasts of the main relevant variables for the budget year, as well as medium-term GDP forecasts related to medium-term budget framework are informed in the “Economic and Financial Report” (part 1), in the “Explanatory Report” (part 7), in the Budget presentation and in the “Citizen’s Budget” .
7	Debt stock, including details at least for the beginning of the current FY presented in accordance with government financial statistics (GFS) or other comparable standard.	Y	Debt stock (in € million and as % of GDP) forecasts in terms of the ESA 2010 (European national accounting system) are available in the “Explanatory Report” (part 7).
8	Financial assets, including details at least for the beginning of the current FY presented in accordance with the GFS or other comparable standard.	N	Expenditure and revenue estimates regarding financial assets are explicit in the Chapter 8 of the economic classification. In addition, aggregate information about the financial assets owned by public sector entities is available in the “Entities’ Financial Statements” document. Nevertheless, detailed information regarding the stock of financial assets is not available within the annual budget documentation.
9	Summary information of fiscal risks, including contingent liabilities such as guarantees, and contingent obligations embedded in structure financing instruments such as PPP contracts, and so on.	N	Information about the fiscal risks, contingent liabilities and contingent obligations is not included within the annual budget documentation. Nevertheless, internally major fiscal risks and contingent liabilities are identified and some basic sensitivity analysis is performed.
10	Explanation of budget implications of new policy initiatives and major new public investments, with estimates of the budgetary impact of all major revenue policy changes and/or major changes to expenditure programs.	N	Information about the budgetary impact of new policy initiatives are only quantified for the budget year, while tax-revenue measures are formally identified and quantified (part 8.1.3 of the “Explanatory Report”), just some key spending measures are explained and quantified along the Explanatory Report, but not collected and shown in a comprehensive way. Nevertheless, key spending measures are also shown in in the Budget presentation and in the “Citizen’s Budget” .
11	Documentation on the medium-term fiscal forecasts.	Y	Medium-term fiscal forecasts, covering fiscal rules targets (deficit/surplus, debt and expenditure rule) and medium-term budget forecasts of revenues and expenditures at “chapter level” and ESA 2010 adjustments are shown in part 7 of the “Explanatory Report” . Main hypothesis and information used to produce such forecasts are disclosed in this document.
12	Quantification of tax expenditures.	Y	As an annex to the annual budget documentation, a Tax Expenditures report is published. In this document all tax expenditures are identified, quantified and compared with previous’ budget estimates and classified by “Policy” according to the program classification.

PI-6. Subnational operations outside financial reports

68. This indicator measures the extent to which government revenue and expenditure are reported outside financial reports. It contains three dimensions. The assessment of this indicator is based on the information and reports available for FY 2019.

INDICATORS/ DIMENSIONS	SCORE	ASSESSMENT OF PERFORMANCE
PI-6. Subnational operations outside financial reports (M2)	A	The M2 aggregation of the scores for the dimensions 6.1, 6.2 and 6.3 (A, A and B) results on a global A score.
6.1 Expenditure outside financial reports	A	All expenditures, including budgetary and off-budget expenditure operations, are reported in the Annual Financial Report (Compte General) . Expenditures from budgetary, extra-budgetary and public corporations units included in the report.
6.2 Revenue outside financial reports	A	All revenues, including budgetary and off-budget revenue operations are reported in the Annual Financial Report (Compte General) . Revenues from budgetary, extra-budgetary and public corporations units included in the report.
6.3 Financial Reports of Extra-budgetary Units	B	Annual financial reports of all depending entities (all EBUs and public corporations) are approved by their government bodies, audited and submitted to the General Internal Auditor's Office (Intervenció General) within six months of the end of the fiscal year. These include information regarding their revenues, expenditures, and all assets and liabilities.

Dimension PI-6.1 Expenditure outside financial reports

69. The Annual Financial Report (*Compte General*) includes individual and consolidated information on expenditures of all depending entities (including all extra-budgetary units and public corporations). It also includes budgetary accounting and accrual accounting (financial statements) information and covers both operations included in the budget and off-budget operations (cash related operations, displaced spending...). This information can be found at [the *Compte General 2019* micro website](#), which is available in both pdf and Excel formats.

Table 6.1: Information on the extra-budgetary units (*information of the 10 largest entities*)

Unit	Revenue		Revenue as % of total government expenditure
	Budget outturn (Expenditures)	Self-collected revenues*	
1. Catalan Health Service (CatSalut)	10,185,549,253.19	6,949,875.70	0.07%
2. Catalan Institute for Health (ICS)	3,252,636,898.61	556,158,946.19	17.10%
3. Metropolitan Transportation Authority (ATM)	1,551,056,743.49	654,674,537.91	42.21%
4. Clinic Hospital of Barcelona	547,758,135.43	534,358,745.05	97.55%
5. Center for Telecommunications and Information Technologies (CTTI)	548,202,864.00	488,478,219.00	89.11%
6. Railway Infrastructures of Catalonia (IFERCAT)	382,728,215.99	126,267,747.60	32.99%
7. Santa Creu and Sant Pau Hospital Foundation	370,177,905.39	359,875,336.47	97.22%
8. Employment Service of Catalonia (SOC)	325,516,861.39	10,973,907.82	3.37%
9. Infrastructures of the Catalan Government (INFRACAT)	286,066,297.79	242,456,048.08	84.76%
10. Catalan Water Agency (ACA)**	283,809,049.69	478,961,553.93	168.76%
Total***	17,733,502,224.97	3,459,154,917.75	19.51%

Data source: Annual Financial Report (*Compte General*) 2019

* Revenues from chapters 3 (fees, sales and other revenues), 5 (property revenues) and 6 (investment disposal). Revenues in chapter 3 includes also services purchasing (internal fees) between public sector units of the Catalan Government.

** ACA outstanding positive results have been oriented to finance debt amortization related to previous large capital investments.

*** Total revenues figures may not be illustrative as some of the entities shown in the table have internal transfers between them.

Dimension PI-6.2 Revenue outside financial reports

70. The Annual Financial Report (*Compte General*) covers individual and consolidated information on the revenues of all depending entities (including all extra-budgetary units and public corporations). Also includes budgetary accounting and accrual accounting (financial statements) information and covers both operations covered by the budget and off-budget operations. This information can be found at [the *Compte General* 2019 micro website](#), which is available in both pdf and Excel formats.

Dimension PI-6.3 Financial Reports of EBUs

71. The [Annual Financial Report](#) (*Compte General*) includes external audited budgetary (Budget Outturn statement) and financial information (financial statements such as the Balance Sheet, the Profit and Loss, Changes in net Worth and Cash-flow statements and the Annual Report) of all public sector entities (extra-budgetary and public corporations entities).

72. According to article 81 of the [Catalan Public Finance Law](#) (Law 3/2002, TRLLFPC), all public sector entities must submit their annual financial statements and data, previously approved by their governing body and audited, to the General Internal Auditor's Office (*Intervenció General*) no later than June 30. Subsequently, the General Internal Auditor's Office elaborates the Annual Financial Report (*Compte General*) and submits it to the Catalan Regional Audit Office before July 31.

PI-8. Performance information for service delivery

73. This indicator examines the service delivery performance information in the executive’s budget proposal or its supporting documentation and in year-end reports. It determines whether performance audits or evaluations are carried out. It also assesses the extent to which information on resources received by service delivery units is collected and recorded. It contains four dimensions. The assessment covers budgetary units and EBUs of the SNG. Services managed and financed by other tiers of government are included if the SNG significantly finances and implements such services through reimbursements or earmarked grants or uses other tiers of government as implementing agents. Under dimension PI-8.1, PIs are assessed for planned outputs and outcomes for the next FY (2020); and under dimension PI-8.2, PIs are assessed for outputs and outcomes of the last completed FY (2019). Under dimensions PI-8.3 and PI-8.4, the last three completed FYs (2017-2019) were examined.

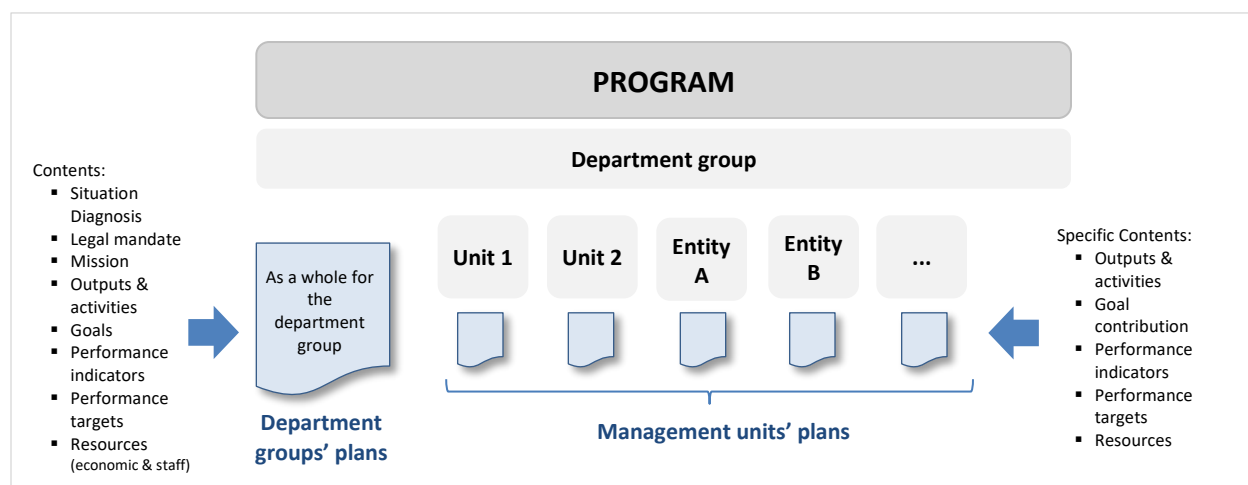
INDICATORS/ DIMENSIONS	SCORE	ASSESSMENT OF PERFORMANCE
PI-8. Performance information for service delivery (M2)	B+	The M2 aggregation of the scores for the dimensions 8.1, 8.2 8.3 and 8.4 (A, A, A and C) results on a global B+ score.
8.1. Performance plans for service delivery	A	Annual Budget documentation includes the document “ Annual Program Performance Plans ” (<i>Memòries de programa</i>) in which for all public sector perimeter, program resources, services and activities, goals and performance indicators and targets are set.
8.2. Performance achieved for service delivery	A	Progress or accomplishment regarding program performance targets is annually reported in the “Annual Financial Report” (<i>Compte General</i>), in section 30.5 , it is as well available in Excel format in the “ Program performance indicators monitoring ” website.
8.3. Resources received by service delivery units	A	All resources obtained (grants, subsidies, earmarked funds, fees, sales, asset disposal...) by service delivery units are registered by the corresponding department financial and accounting services, within the whole government accounting system. Detailed spending information is available for all units public sector perimeter and for all budgetary classifications, and, in the “ Annual Program Performance Plans ”, a summary of the program resources (personnel and expenditures according to the economic classification) is provided.
8.4. Performance evaluation for service delivery	C	Performance evaluation is conducted through policy evaluation initiatives (both from line departments and from the Department of Economy and Finance), the required economic evaluations (<i>Informes d’Impacte Econòmic i Social</i> (IIES)) for major spending projects to be approved by the Government and the development of spending reviews. Although evaluating actions are increasing, its systematics is still not totally integrated in the management cycle and evaluations have been only performed for some departments at least once within the last three years.

Dimension PI-8.1 Performance plans for service delivery

74. During the annual budget elaboration process, all units and public sector entities are asked to prepare their “Annual Program Performance Plans” (*Memòries de programa*)⁷. This document is required for each combination of unit/entity-program with resources allocated for the fiscal year. Thus, all public sector spending is covered by this strategic planning document (even Legislative branch bodies and non-departmental funds). There are two types of documents, the “department groups’ plans” which provides a comprehensive view of the program goals and performance targets, and the “management units’ plans”, which sets the specific performance targets of each unit/entity (its contribution to the overall strategy)⁸. The compilation of these documents results in the Annual Program Performance Plans for each program-department group.

75. Annual Program Performance Plans are published as an annex in the annual budget documentation and its information is available in a [consolidated document](#), by [using a program selector](#) and in the [data visualization tool of the annual budget](#) (section “Budget programs” (*Programes pressupostaris*)).

Chart 8.1: Annual Program Performance Plans structure



⁷ To look on the structure and contents of the Annual Program Performance Plans, consult Annex 5.1.3 Annual Program Performance Plans structure.

⁸Further information regarding the elaboration guidelines of the Annual Program Performance Plans can be found in the [Strategic Planning and Budgeting Guide of the Catalan Government](#).

Table 8.1: Annual Program Performance Plans Budget FY2020 data by department groups

Department groups	Programs	Strategic Goals	Performance indicators	
			Dept. groups	All indicators
Agriculture, Livestock, Fisheries & Food	13	23	61	180
Business and Knowledge	16	43	95	286
Culture	7	17	28	126
Digital Policy and Public Administration	5	11	24	61
Education	6	12	37	69
Foreign Action, Institutional Relations and Transparency	7	18	31	63
Health	6	18	37	305
Home Affairs/Interior	6	26	53	80
Justice	9	21	34	95
Labour, Social Affairs and Families	13	41	118	246
Presidential Department	10	23	49	123
Territory and Sustainability	20	33	74	270
Vice-presidency and Economy and Finance	16	40	77	210
TOTAL	134	326	718	2,114

Data source: Budget FY2020, Annual Program Performance Plans 2020.

Dimension PI-8.2 Performance achieved for service delivery

76. Actual program performance information is annually reported, covering both “department groups’ plans” and “management units’ plans”. Nevertheless, only “for “department groups’ plans” actual performance information is published, as an [Excel file](#) and as a section ([section 30.5](#)) within the “Annual Financial Report” (*Compte General*). Moreover, actual program performance information is also added in the Annual Program Performance Plans” of the following years.

Table 8.2: Reported performance indicators of the Annual Program Performance Plans 2019

Department groups	Reported Programs	Performance indicators (PI)	Reported PI actual values	% reported PI actual values
Agriculture, Livestock, Fisheries & Food	13	58	53	91.4%
Business and Knowledge	16	98	93	94.9%
Culture	7	30	30	100%
Digital Policy and Public Administration	4	22	17	77.3%
Education	6	37	37	100%
Foreign Action, Institutional Relations and Transparency	7	33	30	90.9%
Health	4	14	13	92.9%
Home Affairs/Interior	6	49	45	91.8%
Justice	9	34	34	100%
Labour, Social Affairs and Families	12	123	119	96.7%
Presidential Department	8	42	39	92.9%
Territory and Sustainability	20	74	65	87.8%
Vice-presidency and Economy and Finance	16	73	71	97.3%
TOTAL	128	687	646	94.0%

Data source: “[Program performance indicators monitoring](#)” website.

Dimension PI-8.3 Resources received by service delivery units

77. For all units according the organic classification of the budget (including service delivery units and internal services/administration units) detailed information of the [allocated spending](#) (economic-line items and programs), [staff positions](#), [capital expenditure projects](#) and [revenues](#) (fees, sales, grants, earmarked revenues...) is available in the budget documentation, along with the expected performance contained in the corresponding [Annual Program Performance Plan](#).

Dimension PI-8.4 Performance evaluation for service delivery

78. Catalan Government is progressively introducing policy evaluation actions in order to integrate evaluation in the management cycle and better inform decision-making processes, especially budget decisions. Currently the following evaluation systems are in place:

- Policy evaluations ordered by line departments and the department of Economy and Finance: these policy evaluations frequently rely on design, implementation, impact and economic evaluations and are externally developed or by the [Catalan Institute for Policy Evaluation \(IVÀLUA\)](#). Some departments publish their evaluations (e.g. the [Department of Labor, Social Affairs and Families](#)). IVÀLUA also publishes its evaluations and recently has created the [Catalonia's Repository of Policy Evaluations](#). The Department of Economy and Finance periodically commands strategic policy evaluations. In addition, since 2019, this department provides grants, technical advice and guidance to line departments to support the development of relevant evaluations (through the [Evaluation Promotion Fund \(PROAVA\)](#))⁹.
- Mandatory economic evaluations for the approval of major spending projects: spending projects over €10 million of budgetary impact to be approved by the Government must submit an [Economic and Social Impact Report \(IIES\)](#)¹⁰, which mainly consists on an ex-ante economic evaluation (frequently a social cost-benefit analysis). These reports are analyzed and assessed by the Department of Economy and Finance, which issues an additional assessment report. Both [reports are published](#) since 2020.
- [Spending reviews](#): with the aim to improve value-for-money and create fiscal space, spending reviews were introduced in 2017 in the Catalan Government¹¹. In 2018, a first completed spending review was performed regarding [the penitentiary services and alternative penal measures program](#) of the Department of Justice. After that, a second round of spending reviews was launched. The spending reviews reports are used for supporting setting expenditure ceilings and bilateral budget negotiations, but has not been published yet.
- [Mandatory regulatory impact analysis \(RIA\)](#) for proposals of new regulations

⁹ In the first edition of PROAVA, 11 programs were selected for external evaluation, from different fields such as employment policies (1), cultural heritage (1), housing (1), sustainability (1), social services (2), agriculture, digital policies (1) and education (3). The evaluation reports will be published in 2021.

¹⁰ To have further information about the structure and contents of the Economic and Social Impact Report (IIES) consult annexes 6.1.1 and 6.1.2.

¹¹ Spending Review Report structure and contents is available on Annex 6.1.3 Spending Review Report structure and contents.

79. Although these different evaluation systems are in place, policy evaluation is still emerging and not all departments and entities periodically develop evaluations of their programs/services/projects. Nevertheless, the number of evaluations are increasing. In addition, new management procedures, strategies and regulations are currently conducted or in development in order to better integrate policy evaluations within the management cycle and the budgetary decision-making. At the end of 2019, an [interdepartmental commission to promote evaluation \(CIAVA\)](#) was created. One of its first agreements has been the development of annual evaluation plans for each department, starting in 2021.

Table 8.3: Extract of relevant ex-post policy evaluations performed in 2017, 2018 and 2019

Evaluated program/service/project	Department	Type	Year	Evaluator	Published	Budget (in € million)
Catalonia's Circuit operations	Economy and Finance	Economic evaluation	2017	External	No	6,0
Success Course program	Education	Impact evaluation	2017	External	Yes	NA
Participatory processes in the Generalitat de Catalunya 2016-2017	Foreign Action, Institutional Relations and Transparency	Implementation evaluation	2017	External	Yes	0.2
Evaluation and management of fibromyalgia and the fatigue syndrome	Health	Effectiveness evaluation	2017	Internal	Yes	NA
Impact of the " 1 euro per prescription" about medications dispensed in the offices of pharmacy of Catalonia according to drug groups	Health	Efficiency evaluation	2017	Internal	Yes	1,086.5
Entrepreneurship promotion comprehensive program	Labour, Social Affairs and Families	Social impact	2017	External	Yes	NA
Employment orientation and accompaniment services	Labour, Social Affairs and Families	Implementation evaluation	2017	External	Yes	6,2
Evaluation of the program "Employment in the 7 counties"	Labour, Social Affairs and Families	Implementation evaluation	2017	External	Yes	2.0
FGC line extension to Sabadell	Territory and Sustainability	Economic evaluation	2017	Internal	No	334,0
Evaluation of the Summer Success program	Education	Impact evaluation	2018	External	Yes	NA
Home hospitalization	Health	Effectiveness evaluation	2018	Internal	Yes	NA
Femoral Neck Fracture: Evaluation of the Hospital Care Process	Health	Effectiveness evaluation	2018	Internal	Yes	NA
Prison services program	Justice	Spending review	2018	Internal	No	399,2
"Mirror" program for tackling domestic violence by young offenders	Justice	Impact evaluation	2018	External	Yes	NA
Trinitat Nova - Can Cuiàs Metro Line 11	Territory and Sustainability	Economic evaluation	2018	Internal	Yes (summarized data)	49
Metro lines L9 i L10 (section 4)	Territory and Sustainability	Economic evaluation	2018	Internal	Yes (summarized data)	1,470
Performance of the Operative Program 2014-2020 ESF	Labour, Social Affairs and Families	Implementation evaluation	2019	External	Yes	114,8
Evaluation of the efficiency of social spending in reducing the risk of poverty in Catalonia in relation to the EU-28 countries in the period 2007-2015	Labour, Social Affairs and Families	Efficiency evaluation	2019	External	Yes	Aggregate social spending
...						

Data source: Government of Catalonia (Department of Economy and Finance, different department and entities websites and IVÀLUA).

PI-9. Public access to fiscal information

80. This indicator assesses the comprehensiveness of fiscal information available to the public based on nine specified elements (five basic and four additional elements) of information to which public access is considered critical. The assessment covers the last completed FY2019, the budget documentation of FY2020 and the budgetary units of the SNG.

INDICATORS/ DIMENSIONS	SCORE	ASSESSMENT OF PERFORMANCE
PI-9. Public access to fiscal information	B	Catalan Government publishes 3 basic elements and 2 of the additional elements according to the PEFA SNG framework. Basic element 2 (Enacted budget) is considered as not available "NA" as last completed budget was not enacted.
9.1 Public access to fiscal information	B	

81. The Government of Catalonia publishes all basic elements, but in the case of the Audited annual financial report, it is published later than the 12-month period criteria. Regarding other additional elements, the Government of Catalonia does not elaborate a Pre-Budget Report/Statement neither external audit reports are available within 6 months after the end of the fiscal year.

Table 9.1: Public access to fiscal information FY 2019 and 2020

Item	Criteria met (Y/N)	Explanation	Source of evidence
Basic elements			
1	Y	All the documentation of the Draft Budget is published in the same day of its submission to the Parliament.	<ul style="list-style-type: none"> ▪ Budget FY2020 ▪ Budget FY2019 ▪ Past budgets
2	NA (because last completed fiscal year (2019) budget was not enacted)	The enacted budget law is published immediately after its passage by the Legislature.	<ul style="list-style-type: none"> ▪ Budget FY2020 ▪ Budget FY2017 ▪ Past enacted budgets laws
3	Y	Monthly budget execution data and reports are available within the next month. Data is available to the public after 2 weeks and the report is issued after 2-3 weeks.	<ul style="list-style-type: none"> ▪ Budget execution data ▪ Budget execution reports (IME) ▪ Budget Execution Open Data ▪ Monthly Financial Statements of Public Sector Entities (including open data files)

				<ul style="list-style-type: none"> Monthly Consolidated Budget Execution series
4	Annual budget execution report. The report is made available to the public within six months of the FY's end.	Y	Budget execution data and reports (IME) are published monthly and data and report regarding December is issued within the 2 months after the end of the fiscal year. Annual Financial Report (<i>Compte General</i>) is published before July 31.	<ul style="list-style-type: none"> Budget execution data Budget execution reports (IME) Annual Financial Report (<i>Compte General</i>)
5	Audited annual financial report, incorporating or accompanied by the external auditor's report. The reports are made available to the public within twelve months of the FY's end.	N	The audit reports from the Regional Audit Office (<i>Sindicatura de Comptes de Catalunya</i>) are made available to the public later than 12 months. Economic and financial data of public sector entities is published monthly and also available in a data visualization tool.	<ul style="list-style-type: none"> Catalonia's Public Audit Office (<i>Sindicatura de Comptes de Catalunya</i>) Public Sector entities' Economic and Financial data visualization tool
Additional elements				
6	Pre-Budget statement. The broad parameters for the executive budget proposal regarding expenditure, planned revenue, and debt is made available to the public at least four months before the start of the FY.	N	No Pre-Budget document is elaborated	
7	Other external audit reports. All non-confidential reports on CG consolidated operations are made available to the public within six months of submission.	N	External financial audits for the depending entities are published within the Annual Financial Report (<i>Compte General</i>) before July 31. No other external audit reports, different from the Regional Audit Office, are published.	<ul style="list-style-type: none"> Annual Financial Report (<i>Compte General</i>)
8	Summary of the budget proposal. A clear, simple summary of the executive budget proposal or the enacted budget accessible to the nonbudget experts, often referred to as a "citizens' budget," and where appropriate translated into the most commonly spoken local language, is publicly available within two weeks of the executive budget proposal's submission to the legislature and within one month of the budget's approval.	Y	<p>Along with the annual budget documentation, a summarized and accessible explanation of the key factors of the budget is provided through the following documents and tools:</p> <ul style="list-style-type: none"> Budget presentation Citizen's Budget Infographic summary of the budget Budget data visualization tool <p>These documents are published the same day of its submission to the Parliament (Draft Budget</p>	<ul style="list-style-type: none"> Budget 2020 presentation Citizen's Budget 2020 Budget 2020 infographics Budget 2020 data visualization tool Budget 2019 presentation: main document and annex Citizen's Budget 2019 Budget 2019 data visualization tool

			version) and within the month after of the Budget Law approval (Law version).	
9	Macroeconomic forecasts. The forecasts, as assessed in PI-14.1, are available within one week of their endorsement.	Y	Macroeconomic forecasts related to the budget are mainly included in the “Economic and Financial Report”. Some medium-term information is also included in the “Explanatory Report”. Moreover, forecasts are shown in the Budget presentation and in the Citizens’ Budget”. In addition, the Directorate-General of Economic Analysis periodically updates its forecasts on its website.	<ul style="list-style-type: none"> ▪ Economic and Financial Report 2020 ▪ Explanatory Report 2020 ▪ Economic and Financial Report 2019 ▪ Explanatory Report 2019 ▪ DG Economic Analysis website

PI-9bis. Public consultation

82. This indicator assesses the extent to which the subnational government conducts public consultation in preparing the budget, designing service delivery programs, and planning investments.

INDICATORS/ DIMENSIONS	SCORE	ASSESSMENT OF PERFORMANCE
PI-9bis. Public consultation (M2)	D+	The M2 aggregation of the scores for the dimensions 9bis.1, 9bis.2 and 9bis.3 (D, C and C) results on a global D+ score.
9bis.1 Public consultation in budget preparation	D	No public consultation or participation processes are in place concerning the budget elaboration process.
9bis.2 Public consultation in the design of SD programs	C	Participation processes are carried out only for some government programs, strategies and services. Reports regarding the opinions, observations and proposals made by citizens, as well as its feedback and conclusions are published for each participation process.
9bis.3 Public consultation in investment planning	C	The Department of Territory and Sustainability provides public exhibition processes regarding their capital projects before its formal approval/programming.

Dimension PI-9bis.1 Public consultation in budget preparation

83. In the Catalan Government budgeting system, there is no formal and structured consultation or participation process regarding budget elaboration processes. Participation and consultation is integrated indirectly by the participation/consultation held at the development/elaboration of line departments’ programs, strategies and plans.

Dimension PI-9bis.2 Public consultation in the design of service delivery programs

84. Participation processes are developed for some programs/strategies, services, projects and regulations of the different departments and entities. These processes are generally performed through the “[Participa.gencat](#)” portal. In this portal participation processes are announced and all the information,

documentation, sessions and participation actions calendar, formulated proposals/suggestions and its feedback for each participation process is published.

Dimension PI-9bis.3 Public consultation in investment planning

85. The Department of Territory and Sustainability is the department with bigger share of capital spending (40% of all consolidated public sector Budget 2020) and the entity who centralizes the procurement, execution and maintenance of infrastructures ([Infrastructures.cat](#)) is assigned to this department group. This department provides [public exhibition processes](#) regarding key initiatives, including capital expenditure projects, before its approval and programming

PILLAR 3: Management of assets and liabilities

86. Pillar Three measures the effectiveness of the government’s management of assets and liabilities and the extent to which this ensures that public investments provide value for money, assets are recorded, and managed, fiscal risks are identified, and debts and guarantees are prudently planned, approved, and monitored.

PI-10. Fiscal risk reporting

87. This indicator measures the extent to which fiscal risks to the SNG are reported. Fiscal risks can arise from adverse macro-economic situations, financial positions of SNGs, PCs, and contingent liabilities from SNG's own programs and activities, including PPPs. The assessment of this indicator is based on information available for the most recent FY. For dimension 10.1, it covers the SNG-controlled PCs. For dimension 10.2, it should be the SNG entities that have direct fiscal relations with the SNG. For Dimension 10.3, the explicit contingent liabilities arising from the financing of public investment projects are assessed.

INDICATORS/ DIMENSIONS	SCORE	ASSESSMENT OF PERFORMANCE
PI-10: Fiscal risk reporting (M2)	C+	The M2 aggregation of the scores for the dimensions 10.1 and 10.3 (C and B) results on a global C+ score.
10.1. Monitoring of public corporations	C	Audited financial statements of all public sector entities are published within the Annual Financial Report (<i>Compte General</i>), which is published before the July 31 st , thus, within nine months after the end of the fiscal year.
10.2. Monitoring of subnational governments	NU (Not used)	Dimension not assessed as far is not concerned to the budgetary functions of the Catalan Government
10.3. Contingent liabilities and other fiscal risks	B	Key fiscal risks are detected, quantified and monitored during the budget execution, but reports are internal and not made available to the public. Annual Financial Report covers the results of fiscal risks and contingent liabilities in some specific sections.

Dimension PI-10.1 Monitoring of public corporations

88. According to the [article 81 of the Catalan Public Finance Law \(Law 3/2002, TRLLFPC\)](#), all public sector entities (both extra-budgetary units and public corporations) submit their approved (by their governing body) and audited annual financial statements and data to the General Internal Auditor’s Office (*Intervenció General*) and the Catalan Regional Audit Office (*Sindicatura de Comptes de Catalunya*). General Internal Auditor’s Office elaborates the Annual Financial Report (*Compte General*) and submits it to the Catalan Regional Audit Office (*Sindicatura de Comptes de Catalunya*) before July 31.

Table 10.1: Financial reports of public corporations (amounts in €)

Ten largest PCs	Expenditure*	Government-held assets**	% of ten largest PCs***	Date of audit of the financial report	Date of submitting financial report to govt.	Consolidated report (Y/N)
1. Catalan Institute of Finance (ICF)	674,877,243.43	2,228,720,756.47	6.5%	April 9 2020	All audited financial reports were submitted before November 30, 2020	Y
2. Ter-Llobregat Water Supply Entity (ATL)	54,333,523.61	1,108,722,859.12	3.2%	October 14 2020		Y
3. Circuits of Catalonia	45,157,315.88	54,653,259.30	0.2%	October 15 2020		Y
4. Gaming and Lottery Autonomous Entity (EAJA)	33,442,796.42	1,705,363.26	0.0%	July 30 2020		Y
5. Clinic Foundation for Biomedical Research	28,548,453.71	77,519,645.59	0.2%	July 24 2020		Y
6. Catalan Forest Management Company	18,913,719.73	13,116,679.20	0.0%	October 29 2020		Y
7. Barnaclinic	16,940,482.79	4,320,436.22	0.0%	June 23 2020		Y
8. Ports of the Government of Catalonia	11,980,205.15	187,895,834.88	0.5%	March 19 2020		Y
9. Barcelona's Biomedical Research Park Consortium (PRBB)	9,118,497.19	109,564,475.61	0.3%	March 18 2020		Y
10. Port of Mataró Consortium	1,699,058.89	23,623,990.56	0.1%	October 30 2020		Y

Data source: Annual Financial Report (*Compte General*) 2019

* Individual non-consolidated actual budgetary spending (chapters 1-8)

** Total public corporation assets as shown in the corresponding Balance Sheet.

*** Percentage of the total assets of the consolidated administrative public sector.

89. Due to 2020's COVID-19 events, some entities submitted their FY2019 audited annual financial statements after the usual deadline, causing exceptional delays on submitting and publishing the Annual Financial Report (*Compte General*) 2019. Therefore, an exceptional time extension of its submissions for external audit was authorized by the approval of the [Decree-Act 25/2020](#) (article 7)¹². It should be emphasized that [past 10 Annual Financial Reports \(2009-2018\)](#) were submitted and published no later than July 31, and depending entities submitted their audited annual financial reports no later than June 30.

Dimension PI-10.3 Contingent liabilities and other fiscal risks

90. Internally, key fiscal risks monitoring, estimation and reporting is periodically performed during all the fiscal year (by the name of Risks Reports (*Informes de riscos*)). These key fiscal risks covers item such revenue forecast deviations, healthcare deferred spending, deviations on the financial results of public entities and public-private partnerships (PPPs) compensations. These reports are internal and not made

¹² This decree set exceptional arrangements for *Compte General* 2019, allowing to all public sector entities an extended deadline to formulate their annual financial statements (no later than August 31) and to approve them (no later than October 31). Catalan Government should present and submit *Compte General* 2019 before November 30.

available to the public. With the Annual Financial Report (*Compte General*), contingencies, deferred spending, provisions, current PPPs, and the materialization of fiscal risks (affecting the budget balance, some of them being ESA adjustments) are documented (see sections [3](#) (ESA adjustments), [4](#) (concessions and PPPs), [14](#) (guarantees), [17](#) (provisions and contingencies). Delegated (to each department) internal auditors monitor and report contingent liabilities and other fiscal risks within the internal control framework and before March 31. They must submit their reports referred to the closing fiscal year, which are made public as the rest of their [controlling reports](#). Nevertheless, along with the annual budget documentation or the budget execution reports, a fiscal risks statement or reporting is not published.

PI-11. Public investment management

91. This indicator assesses the economic appraisal, selection, costing, and monitoring of public investment projects by the government. It also assesses the extent to which the government publishes information on the progress of the projects, with an emphasis on the largest and most significant projects. It contains four dimensions. The time period assessed is the last completed FY.

INDICATORS/ DIMENSIONS	SCORE	ASSESSMENT OF PERFORMANCE
PI-11 Public investment management (M2)	C+	The M2 aggregation of the scores for the dimensions 11.1 to 11.4 (C, C, C and A) results on a global C+ score.
11.1 Economic analysis of investment proposals	C	Major investments proposals (over €10M) are required to be appraised under the Economic and Social Impact Reports (IIES) system. This system provides general guidelines and evaluation reports have been published starting from 2020. The analyses are reviewed by the Directorate-General of Budget. Nevertheless, even the existence of this requirement, economic analyses have been conducted to assess some major investment projects.
11.2 Investment project selection	C	General prioritization criteria is in place, by using IIES Reports' evidence, annual budget priorities and some prioritization is also done by the central infrastructures entity. Nevertheless, the criteria is not published and not comprehensive, mainly affecting major capital projects.
11.3 Investment project costing	C	Multi-year estimates of the capital projects are included in the budget documentation, but only capital expenditures are costed and published. Estimates do not include future recurrent expenditures.
11.4 Investment project monitoring	A	Physical and financial monitoring of capital projects is carried out by several units and current capital projects status is available by Infraestructuras.cat.

Dimension PI-11.1 Economic analysis of investment proposals

92. For both current and capital major spending initiatives (with a budgetary impact over €10 million) to be approved by the Government Cabinet, it is required from the sponsoring agency/department to submit an [Economic and Social Impact Report \(IIES\)](#). This report includes an ex-ante economic appraisal (social cost-benefit analysis, cost-effectiveness analysis or multi-criteria analysis) for which the Department of Economy and Finance issues [specific guidelines and forms](#). The Economic Evaluation Area, a unit within the DG Budget, receives and reviews these reports, performs alternative calculations (when needed) and provides a recommendations regarding its methodology, results and acceptance (to be approved by the Government and then, if there's enough budget space, to be included in the budget). IIES

reports and reviews are public since September 2020, including all reports referring to initiatives presented during 2020.

Table 11.1: Economic analysis and project selection of the ten largest investment projects approved and executed in FY2019

Investment project	Total investment cost of project*	% Share of 10 major investment project **	Data for PI-11.1 Economic analyses				Data for PI-11.2 Project selection	
			Completed (Y/N)?	Consistent with national guidelines (Y/N)	Published (Y/N) ***	Reviewing entity	Prioritized by central entity (Y/N)	Consistent with standard selection criteria
Acquisition of houses by the Catalan Housing Agency	44,307,255.53	5.0%	N				Y	Y
Amancio Ortega Foundation donation	23,349,974.98	2.6%	N				Y	Y
Equipment and interior spaces adaptation of the Administrative District Building (phase I)	20,589,917.15	2.3%	Y	Y	N	DG Budget	Y	Y
Hospitals' replacement investments program	20,095,922.82	2.3%	Y	Y	N	DG Budget	Y	Y
FGC railway metropolitan lines	18,158,680.42	2.0%	Y	Y	N	DG Budget	Y	Y
Clinic Hospital of Barcelona	16,513,495.91	1.9%	N				Y	Y
CTTI Structure ICT investments	13,314,648.34	1.5%	N				Y	Y
C-58, B-30 and N-150 roads improvements	12,651,171.00	1.4%	Y	Y	N	DG Budget	Y	Y
FGC railway metropolitan lines - railway materials	12,461,054.22	1.4%	Y	Y	N	DG Budget	Y	Y
Metro Line 9 (miscellany investments)	12,302,596.32	1.4%	N				Y	Y
	193,744,716.69	2.8%						

Data source: Budget FY2019 outturn data, Real investments Annex FY2019 and Department of Economy and Finance.

*Budget FY2019 actual expenditures.

**Share of 2019 real investments actual amounts.

*** Ex-ante economic evaluations for major spending projects (*Informes d'Impacte Econòmic i Social (IIES)*) started being published at January 2020.

Dimension PI-11.2 Investment project selection

93. Project selection is based on the recommendations provided by the Department of Economy and Finance, within the Economic and Social Impact Reports (IIES) system and within the general prioritization process in the budget formulation stage. These recommendations mainly affect major investment projects, considering the available fiscal space and the prioritization made by the corresponding departments. Moreover, the entity "Infraestructures.cat", which centralizes capital spending execution and maintenance, has developed a multi-criteria prioritization method to prioritize the execution of the ordered capital spending by the Government. These prioritization criteria is not published and its use is merely internal.

Dimension PI-11.3 Investment project costing

94. Budget documentation (Real Investment Annex) includes the budgeted and estimates amounts for each capital sub-project for the next fiscal year ("budget year") and 3 additional forward years (t+2, t+3 and t+4). These amounts are related to the multi-year capital spending, but the costing of future recurring costs (operation and maintenance costs) is not performed and included in the budget documentation.

Only major capital projects which are required to present an Economic and Social Impact Report (IIES) show life cycle costs, with estimates regarding the current expenditures needs.

Table 35: Investment project costing and monitoring of ten largest investment projects in FY 2020

Investment project	Data for PI-11.3 Investment project costing			Data for PI-11.4 Investment project monitoring				
	Life cycle cost in budget documents (Y/N)	Capital cost break-down in budget documents (Annual/Three-year)	Recurrent costs included in budget documents (Annual/Three-year)	Monitoring of total cost (Y/N)	Physical progress monitoring (Y/N)	Standard rules and procedures exist (Y/N)	High level of compliance with procedures (Y/N)	Information on total cost and physical progress published annually (Y/N)
Railway materials – Metropolitan FGC railway lines	N	Y	N	Y	Y	Y	Y	Y
Viladecans Hospital reform and extension	N	Y	N	Y	Y	Y	Y	Y
Transportation Control Center conservation of systems, programs and equipment	N	Y	N	Y	Y	Y	Y	Y
Firefighter’s heavy bomb trucks	N	Y	N	Y	Y	Y	Y	Y
Education investments in buildings and other construct.	N	Y	N	Y	Y	Y	Y	Y
New bus and bicycle tracks at C-245 road between Cornellà and Castelldefels	N	Y	N	Y	Y	Y	Y	Y
Investment in lands and natural goods (Dept. Economy)	N	Y	N	Y	Y	Y	Y	Y
Acquisition of houses by the Catalan Housing Agency	N	Y	N	Y	Y	Y	Y	Y
Railway infrastructure substitutive maintenance: re-investment in exploitation active elements	N	Y	N	Y	Y	Y	Y	Y
Building PPP at Pere Virgili Health Park	N	Y	N	Y	Y	Y	Y	Y

Data source: Budget FY2020 [Real investments Annex](#), Department of Economy and Finance and [Infrastructures.cat](#).

Dimension PI-11.4 Investment project monitoring

95. Technical guidelines and methods for capital projects design are in place (BIM Methods) by the Department of Territory and Sustainability and by Infrastructures.cat. Capital projects execution is monitored by the Department of Economy and Finance (DG Budget), the corresponding departments, and by Infrastructures.cat (the central public investment operator). [Monthly activity reports](#) are published by Infrastructures.cat, and [individual projects status](#) is available on its website. An annual report of capital projects is not published.

PILLAR 4: Policy-based fiscal strategy and budgeting

96. This pillar assesses whether the government’s fiscal strategy and the budget are prepared with due regard to government fiscal policies, strategic plans, and adequate macroeconomic and fiscal projections.

PI-14. Medium-term budget strategy

97. This indicator measures the ability of a subnational government to develop robust macroeconomic and fiscal forecasts, which are crucial for developing a sustainable fiscal strategy and ensuring greater predictability of budget allocations. It also assesses the government’s capacity to estimate the fiscal impact of potential changes in economic circumstances. The assessment of this indicator covered the budgetary units and the last budget submitted to the elected local legislature.

INDICATORS/ DIMENSIONS	SCORE	ASSESSMENT OF PERFORMANCE
PI-14. Medium-term budget strategy (M2)	C+	The M2 aggregation of the scores for the dimensions 14.1 to 14.4 (B, B, C and D) results on a global C+ score.
14.1. Underlying forecasts for medium-term budget	B	Underlying key assumptions about the medium-term revenues and expenditures forecasts are summarized and explained within the budget documentation.
14.2. Fiscal impact of policy proposals	B	Almost all policy changes/measures are shown in the budget documentation, but just showing their impact for the budgeted year. Medium-term impact of the policy proposals is produced during the budget elaboration process but is not made available in the budget documentation.
14.3. Medium-term expenditure and revenue estimates	C	Medium-term revenue and expenditures estimates are only available for aggregates of the economic classification in the budget documentation. Estimates regarding the program and administrative classification are internal.
14.4. Consistency of budget with previous year estimates	D	No comparison nor explanation of the changes between current and past medium-term estimates is provided in the budget documentation.

Dimension PI-14.1 Underlying forecasts for medium-term budget

98. Medium-term budgetary forecasts key underlying assumptions are summarized and disclosed in the budget documents, mainly in the [Explanatory Report document \(section 7.3\)](#). Revenue forecasts are explained and based on the financing system transfers, revenue shares and earmarked revenues communicated by the Central Government, and on revenues elasticities (mainly regarding GDP), specific forecasts made by the Directorate-General of Taxation and different departments (fees, sales, property revenues...) and considering the tax measures introduced in the budget. Regarding expenditure forecasts, considered forward continuation estimates (in regard of the presented/approves budget)¹³ are explained and based on the measures introduced in the budget, population/demand trends, general wage increases, inflation and budgetary trends (such the amount specified for capital spending). The medium-term budgetary forecasts covers the administrative public sector perimeter for revenues and expenditures and

¹³ For the forward years, is assumed the continuation of the policies and measures introduced in the budget, thus, no policy change or decision is included in the t+2, t+3 and t+4 forward years.

the ESA public administration perimeter regarding the fiscal targets. Specific adjustments¹⁴ to bridge between the different perimeters and between budgetary and national accounting (ESA) are shown and explained.

99. Fiscal strategy is developed internally but is not fully formalized or published further than definition of the multi-year fiscal rules targets. Current works are in place to formally institutionalize and develop a long-term fiscal strategy and to provide further information of this strategy within the annual budget documentation.

100. Medium-term estimates have been elaborated considering sector strategies, but still are not explicitly linked the estimates to each strategy or sectoral plans.

Dimension PI-14.2 Fiscal impact of policy proposals

101. During the budget elaboration process, revenue and expenditure measures requests are produced by all departments (including its depending entities), providing information of its budgetary impact for the next fiscal year, and according to the general budget forms of the DG Budget. This information is fulfilled and compiled through the following budget request files¹⁵:

- File 3: Revenues managed by departments and entities and earmarked revenues and funds ([instructions](#) and [working file](#))
- Files 4 and 5: Revenues from European funds ([ERDF](#) and [ESF](#))
- File 6: Personnel expenditures policy changes ([working file](#))
- File 7: Proposed policy changes (with multi-year estimates) ([instruction](#), [training document](#) and [working file](#))
- File 8: General explanation of the budget request and the main proposed policy changes (for [departments](#) and [entities](#))
 - Annex 1: Indicators ([working file](#))
 - Annex 2: New actions/projects ([working file](#))
 - Annex 3: Main priority lines of action ([working file](#))
- Annual Program Performance Plans ([guide](#), [training session](#), [software manual](#) and [working file](#))
- Real investments ([instructions](#) and [working file](#))

102. All requests are compiled and assessed by the DG Budget in order to prepare and support the following budget negotiations between the Department of Economy and Finance and the other line departments. Main strategic revenue and expenditure measures are included in the budget documentation, but the corresponding fiscal impact is only explained for the budgeted year, without providing information of the forward years. Main policy changes/measures are shown or explained in the [Budget presentation](#), the [Explanatory Report](#) (sections 6 , 8 and 10), the [Citizen's Budget](#) and the [data visualization tool](#).

¹⁴ Such the result of extra-budgetary entities and public corporations, accrual adjustments (e.g. accruing interest expenditures) or revenue cash collection and expenditure execution adjustments.

¹⁵ This is a subset of the files required for the budget elaboration process, being the ones more related to the strategic and medium-term oriented budget elaboration process of the Catalan Government. Other files are related to the forecast of the financial statements of depending entities, more detail regarding personnel expenditures, forecasted acquisition and rent of buildings and fixed assets, debt forecasts...All files are available on the [budget preparation FY2020 website](#).

103. In the last budget submitted to the Catalan Parliament (FY2020), the fiscal impact for the budget of the main policy measures was presented and explained in the budget documentation and the data visualization tool. These policy measures were classified by its policy area and linked to the corresponding Sustainable Development Goals (SDGs). Budget FY2020 specifically informed the impact of revenue (€173 million) and expenditures (€ 2,876.3 million) policy measures for the budget year. Informed expenditure policy measures supposed a share of 93.7% of the total non-financial and non-earmarked expenditure increase (€3,070 million) regarding the previous enacted budget.

Dimension PI-14.3 Medium-term expenditure and revenue estimates

104. In the budget documentation, medium-term revenue and expenditures estimates (for the budgeted year (t+1) and 3 forward years (t+2, t+3 and t+4)) are shown according to the main aggregates of the economic classification of the consolidated administrative public sector perimeter, which includes current and capital operations and the corresponding breakdown in chapters. Even more, relatively detailed line-item medium-term estimates according the program, administrative and economic classifications are produced, but this information is used internally without being included in the budget documentation.

Table 14.1. Medium-term revenue and expenditure estimates Budget FY2020¹⁶

Chapter (amounts in € million)	Budget 2020	Forward years		
		2021	2022	2023
1. Direct taxes	12,816.6	13,427.2	13,921.3	14,416.8
2. Indirect taxes	13,243.8	14,031.8	14,531.3	15,037.2
3. Fees, sales and other revenues	557.0	554.8	559.7	564.5
4. Current transfers	1,116.9	1,321.2	1,300.5	1,267.6
5. Property revenues	26.1	5.4	5.3	5.2
Total current revenues	27,760.3	29,340.5	30,318.2	31,291.4
6. Real investments disposal	9.4	0.0	0.0	0.0
7. Capital transfers	341.2	401.0	356.3	327.3
Total capital revenues	350.6	401.0	356.3	327.3
TOTAL NON-FINANCIAL REVENUES	28,111.0	29,741.5	30,674.4	31,618.7
1. Personnel expenditures	8,894.0	9,283.8	9,464.6	9,444.8
2. Current expenditures on goods and services	8,412.3	8,740.4	9,002.6	9,272.6
3. Interest expenditures	879.5	845.3	919.3	1,053.8
4. Current transfers	8,443.4	8,772.7	9,035.9	9,307.0
5. Contingency fund	250.0	250.0	250.0	250.0
Total current expenditures	26,879.3	27,892.2	28,672.3	29,328.2
6. Real investments	673.5	803.3	872.1	1,057.6
7. Capital transfers	538.9	646.7	701.7	842.0
Total capital expenditures	1,212.4	1,450.0	1,573.8	1,899.6
TOTAL NON-FINANCIAL EXPENDITURES	28,091.7	29,342.1	30,246.1	31,227.8

Data source: Budget FY2020 [presentation](#) and [Explanatory Report](#).

¹⁶ This table of the consolidated administrative public sector medium-term revenues and expenditures estimates, in terms of budgetary accounting, excludes (from both revenues and expenditures) the local government's share on central government's revenues and the European Agricultural Guarantee Fund (EAGF).

105. Currently medium-term revenue and expenditures estimates help to provide a multi-year resource envelope for the annual budget process and for setting expenditure ceilings. Consistency with annual budget is checked and updated regularly during the budget cycle. However, MTBF is not still fully integrated within the annual budget process, not producing detailed line-item multi-year estimates regarding the future impact of the budget decisions (although estimates are produced with certain level of detail (at ministry, program and line-item groups level of detail)). Coming works are planned to start fully integrating MTBF with the annual budget.

Dimension PI-14.4 Consistency of budget with previous year’s estimates

106. In the budget documentation there is no explanation of the changes between the current and past medium-term budget estimates, and regarding the differences (e.g. macroeconomic and fiscal forecasts changes, effect of new policies...) of the overlapping years between these different medium-term budget frameworks.

PI-17. Budget preparation process

107. This indicator measures the effectiveness of participation by relevant stakeholders in the budget preparation process, including political leadership, and whether that participation is orderly and timely. The assessment of this indicator covers the budgetary units of the SNG. It comprises the last budget submitted to the elected local legislature for dimensions 17.1 and 17.2, and the last three completed FYs for dimension 17.3.

INDICATORS/ DIMENSIONS	SCORE	ASSESSMENT OF PERFORMANCE
PI-17. Budget preparation process (M2)	C+	The M2 aggregation of the scores for the dimensions 17.1 to 17.3 (A, C and D) results on a global C+ score.
17.1 Budget calendar	A	A clear budget instruction is issued for all public sector perimeter, along with multiple budget request forms to be fulfilled. A deadline of around 8 working weeks regarding most of the forms is provided.
17.2 Guidance on budget preparation	C	Complete guidelines and clear deadlines for submitting the budget requests are set, nevertheless formal ceilings are defined after the issuance of the budget circular and after getting the bottom-up information from departments and entities. Tentative informal ceilings are used in the bottom-up stage.
17.3 Budget submission to the legislature	D	Only one Draft Budget (FY2017) has been submitted to the Parliament at least one month before the start of the fiscal year.

Dimension PI-17.1 Budget calendar

108. Along with the publication of the Budget circular, besides budget guidelines, training documents and standardized forms, a budget elaboration calendar is also provided with clear deadline dates for submitting the required forms/information. In the case of Budget FY2020, a deadline of around eight working weeks (from June 27 to September 27/October 4) was provided to departments and entities to submit the required forms and data. Few specific delays at providing information were produced, nevertheless, it didn’t imply a general delay on the next stages of the budget formulation.

Table 17.1: Budget calendar and guidance on budget preparation

Budget calendar exists (Y/N)	Date of budget circular *	Deadline for submission of estimates**	Coverage	% of ministries complying with deadline	Date Cabinet approved ceilings	Budget estimates are reviewed and approved by Cabinet after completion (if ceilings not issued) (Y/N)
Y	June 27, 2019	The deadline for submitting the budget estimates (key forms) was September 27 and October 4 for some budget requests' annexes. Preliminary estimates were requested at July 23.	Entire public sector perimeter	94.4% of the submitting units complied with the deadline of September 27. (Last delayed information was provided by September 30)	<ul style="list-style-type: none"> ▪ Global Ceiling: approved by Government Cabinet at September 3, 2019 ▪ Department ceilings: communicated at November 15, 2019 	N Once department ceilings are communicated, departments and entities update their corresponding estimates and budget documentation.

Data source: [Budget FY2020 elaboration instruction, calendar, budget preparation FY2020 website](#) and Department of Economy and Finance.

* Due to the late presentation of the Draft Budget 2019 (February 2019), the budget circular or FY2020 was delayed.

** August is generally considered as a vacation month. Therefore, the effective deadline for submitting the estimates was around 8 weeks (5 weeks on July and 3 weeks on September).

Dimension PI-17.2 Guidance on budget preparation

109. The Budget circular (*Ordre d'elaboració dels pressupostos*) is issued as a formal "order" by the Department of the Economy and Finance and published on the website and in the Catalan official journal (*Diari oficial de la Generalitat de Catalunya* (DOGC)). The [Budget circular for the FY2020](#) is composed by the following contents:

- Main budgeting criteria and priorities (article 1)
- Institutional perimeter (article 2)
- Budget structures/classifications (article 3)
- Budget elaboration proceedings and forms (article 4)
- Deadlines for submitting the required documentation and information (article 5)
- Additional provisions
- Available on the budget elaboration website: guidelines, training documents and forms files

110. Together with the Budget circular, informal department ceilings orientations are communicated from the Department of Economy and Finance to the line departments and entities. Nevertheless, these ceilings are not binding. After the approval of the general expenditure ceiling and the review of the submitted documents and information, bilateral budget negotiations are held obtaining the corresponding binding annual department expenditure ceilings. Thus, before or at the time of issuing the Budget circular, no hard department ceilings are imposed, which are set in forthcoming stages of the budget elaboration.

Dimension PI-17.3 Budget submission to the subnational council

111. In the last three complete fiscal years (2019, 2018 and 2017) only in 2017 the Draft Budget was submitted to the Catalan Parliament one month before the start of the fiscal year. For FY2018 no Draft

Budget was presented and for FY2019 Draft Budget was presented two months after the start of the fiscal year, but was not passed. Even the last Draft Budget presented to the Parliament (2020) was one month after the beginning of the new fiscal year.

Table 17.2: Budget submission to legislature

FY	Date of submission of budget proposal
2019	February 25, 2019
2018	Draft budget for FY2018 was not formulated
2017	November 29, 2016

Data source: Department of Economy and Finance and Catalan Parliament.

PI-18. Legislative scrutiny of budgets

112. This indicator assesses the nature and extent of legislative scrutiny of the annual budget. It considers the extent to which the legislature scrutinizes, debates, and approves the annual budget, including the extent to which the legislature's procedures for scrutiny are well established and adhered to. The indicator also assesses the existence of rules for in-year amendments to the budget without ex ante approval by the legislature. The assessment covers the budgetary units of the SNG. The time period assessed for dimensions 18.1, 18.2 and 18.4 is the last completed FY, and for dimension 18.3 are the last three completed FYs.

113. As well as in the last completed FY (2019) there was not in place a legislative scrutiny of the draft budget¹⁷, dimensions 18.1, 18.2 and 18.4 have been assessed with a D* score. However, existing solid regulations and the most recent legislative budget scrutiny (Budget FY2020) would imply different scores to these dimensions.

INDICATORS/ DIMENSIONS	SCORE	ASSESSMENT OF PERFORMANCE
PI-18. Legislative scrutiny of budgets (M1)	D	The M2 aggregation of the scores for the dimensions 18.1 to 18.4 (D*, D*, D and D*) results on a global D score. If the last completed year would have been 2020 instead of 2019, the score would be "C+".
18.1. Scope of budget scrutiny	D*	Parliament's budget scrutiny is usually focused on aggregate and detailed spending and on revenue measures, but not on medium-term fiscal strategy and priorities. Nevertheless, in the last completed fiscal year (2019) there was no scrutiny of the budget by the Legislature. If the last completed year would have been 2020, the score would be "C".
18.2. Legislative procedures for budget scrutiny	D*	Legislative procedures for budget scrutiny are set by law (Parliament regulation), and global and detailed scrutiny procedures are usually carried out, by using the specific budget committees for each budgetary section/department. There are no arrangements for public consultation. Nevertheless, in the last completed fiscal year (2019) there was no scrutiny of the budget by the Legislature. . If the last completed year would have been 2020, the score would be "B".
18.3. Timing of budget approval	D	No Budget was passed in 2018 and 2019 and the 2017 was approved 3 months into the FY2017.

¹⁷ Draft budget FY2019 was presented and its documentation published, but as necessary political support to pass the budget was explicitly not provided, then finally draft budget was not submitted to the parliament of its scrutiny.

18.4. Rules for budget adjustments by the executive	D*	Clear and specific regulations for in-year budget changes/modifications by the executive are set in the Annual Budget Law, as far in the Catalonia’s Public Finance Law. Nevertheless, in the last completed fiscal year (2019) there was no scrutiny of the budget by the Legislature. . If the last completed year would have been 2020, the score would be “A”.
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Dimension PI-18.1 Scope of budget scrutiny

114. Catalan Parliament’s budget scrutiny, approval and amendment system is set in the [Parliament’s regulation](#) (articles 131 to 134). Catalan Parliament scrutiny is focused on the measures (revenue and expenditure) set on the articles of the proposed budget, the overall draft budget, the aggregates of spending of the different sections/departments and the detailed expenditures within each section. Medium-term fiscal forecasts and budget priorities are informed within the submitted draft budget documentation, nevertheless, no specific committee or debates are set regarding such element. Fiscal policies are partially reviewed under debate and amendment of proposed tax and fees measures.

Table 18.1: Scope of budget scrutiny

Legislature reviews budget (Y/N)	Coverage (specify)				
	Fiscal policies	Medium-term fiscal forecasts	Medium-term priorities	Aggregate expenditure and revenue	Details of expenditure and revenue
Y	As part of the articles of the Draft Budget, tax policy measures are under scrutiny and debate (mainly through general debates and the presentation of amendments)	Medium-term fiscal forecasts and budget priorities are submitted within the Draft Budget documentation. Nevertheless, no specific scrutiny is set for the medium-term fiscal and budgetary strategy.		Aggregate expenditures and expenditures of sections (equivalent to departments) are under scrutiny of the parliament in the Parliaments plenary and committee sessions	Detailed expenditures of the sections are mainly analyzed and discussed within the different specialized Parliament committees

Data source: Catalan Parliament’s Regulation.

Dimension PI-18.2 Legislative procedures for budget scrutiny

115. Legislative procedures for analyzing, voting and passing the budget are set in the Parliament's regulation. Specific committees are created for each term and they are in charge of the analysis and the presentation of amendments for the corresponding budgetary section/department. There are not public consultations acts or arrangements during this stage of the budget approval.

Table 18.2: Legislative procedures for budget scrutiny

Stages	
Draft budget submission and presentation	1 Parliament receives draft budget documentation and the related proposed laws.
	2 Start of amendment periods: 1) Amendment to the entire Draft Budget (10 days); 2) Amendments to the articles and expenditure statements (20 days)
	3 Each minister presents the budget of his/her department to the corresponding Parliament committee (within the 7 days after Draft Budget is submitted).
Scrutiny, debate and vote	4 Debate regarding the totality of the budget: amendments regarding withdrawing the entire draft budget. If draft budget is not withdrawn, aggregate revenues and expenditures (global and sections) are fixed.
	5 Debate regarding the totality of each section: amendments regarding withdrawing entire sections can be presented. If approved, then is also voted then in a Parliament plenary session. If approved, the section is withdraw and Government must present another draft budget for the section.
	6 Debate regarding articles and expenditure statements: debate regarding draft laws articles and detailed section expenditures are held within the specific Parliament committees. Amendments can be presented in these committees and if not passed, can also be presented in the final debate. Amendments to articles or expenditures estimates that increase expenditures estimates must be balanced by a reduction of the expenditures estimates in the same section (departments and depending entities).
	7 Final Budget debate: debate and vote regarding the amendments presented and the approval (or not) of the Budget.

Data source: Catalan Parliament's regulations (articles 131 to 134).

Dimension PI-18.3 Timing of budget approval

116. In the last 3 completed fiscal years (2019, 2018 and 2017), only the Budget for FY2017 was passed by the Catalan Parliament, and it was 3 months after the start of the fiscal year. In fiscal years 2018 and 2019, the Budget was not passed and the extended budget mechanism was used for the entire fiscal year.

Table 18.3: Timing of budget approval

Budget for FY	Date of budget approval
2019	Budget was not passed
2018	Budget was not passed
2017	Budget was passed on March 28, 2017

Data source: Department of Economy and Finance.

Dimension PI-18.4 Rules for budget adjustments by the executive

117. Regulations for in-year budget changes/modifications by the executive are clearly stated in the Annual Budget Law, as far in the Catalan Public Finance Law.

118. [Catalan Public Finance Law](#) sets the general public financial management regulations for the Catalan Government, covering all stages and matters regarding budgeting. General rules regarding budget modifications and virements are set in the following sections and articles:

- 2nd Section: Budget estimates regime for the Catalan Government and the depending administrative entities (articles 35 to 45)
- 3rd Section: Budget execution and outturn (articles 46-51)

119. The annual budget laws, being consistent with the Catalan Public Finance Law, specify concrete regulations and rules regarding in-year budget adjustments. The [Budget Law for FY2020](#) has the following contents regarding budget adjustments by the executive:

- Budget estimates and their modifications (articles 4 to 16) and Budget management rules (articles 17 to 22)

Budget estimates and their modifications (articles)	Budget management rules (articles)
4 Budget estimates	17 Public universities budgets
5 Budget estimates linkages/pools	18 Expenditure increase limitations
6 Revenue modifications	19 Past expenditure commitments
7 Expenditure modifications principles	20 Earmarked revenues and expenditures
8 Budget estimates transfers/virements	21 Multi-year expenditure commitments
9 Budget estimates generation	22 Capital projects identification and monitoring
10 Expandable budget estimates	
11 Use of past cash surpluses	
12 Budget estimates modification powers and responsibilities	
13 Budget estimates balances retentions	
14 Transfers to certain entities, fiscal rules accomplishment and past cash surpluses management	
15 Internal transfers	
16 Contingency Fund	

- Other relevant budget management regulations are those related with Personnel expenditures (articles 24 to 36) and Financial and credit operations (articles 37 to 42).

PILLAR 6: Accounting and reporting

120. This pillar measures whether accurate and reliable records are maintained, and information is produced and disseminated at appropriate times to meet decision-making, management, and reporting needs.

PI-28. In-year budget reports

121. This indicator assesses the comprehensiveness, accuracy and timeliness of information on budget execution. In-year budget reports must be consistent with budget coverage and classifications to allow for monitoring of budget performance and, if necessary, timely use of corrective measures. The assessment of this indicator covers the SNG budget unit and over the last completed FY. Due to better date of publication information access, FY2020 has been considered for this indicator as the last completed FY, which in any case can be considered as representative of the main characteristics of FY2019.

INDICATORS/ DIMENSIONS	SCORE	ASSESSMENT OF PERFORMANCE
PI-28. In-year budget reports (M1)	A	The M1 aggregation of the scores for the dimensions 28.1 to 28.3 (A, A, and A) results on a global A score.
28.1. Coverage and comparability of reports	A	Budget execution reports and data are fully comparable with the original budget and provide complete aggregate and detailed data.
28.2. Timing of in-year budget reports	A	Budget execution reports and data are generally available within two weeks after the end of the reported month (IME Report in three weeks).
28.3. Accuracy of in-year budget reports	A	Budget execution reports are generated by robust financial information systems and produced by the General Internal Auditor's Office and DG Budget, and there are not material concerns regarding data accuracy.

Dimension PI-28.1 Coverage and comparability of reports

122. Regarding budget execution, Catalan Government provides a set of different products to satisfy different information needs:

- **Monthly Budget Execution Data:** Individual and public sector consolidated budget execution data is monthly provided by Excel files and a data visualization tool (Power BI). Information about budget modifications and stages of budget execution (estimates authorization, contract/commit, obligations and payments) is made available. This data is published within the two weeks after the end of the reported month.
- **Monthly Budget Execution Reports (IME):** Monthly Budget Execution is analyzed and explained with the IME Report. This report provides an analysis on the budgetary aggregates and balances, the global evolution of revenues and expenditures, and a detailed analysis of the budget execution of each department. Data is compared regarding the initial budget estimates and with the last year execution. The institutional perimeter of this report is the consolidated administrative public sector, which accounts for a large part of the whole public sector perimeter. A brief and simpler version of the IME Report ("IME in 2 minutes" (2020 & 2019)) is also available. These reports are made available within 2-3 weeks after the end of the reported month.
- **Budget Execution Open Data:** Jointly with the Monthly Budget Execution Data, open data sets are also available to the public.

- **Monthly Financial Statements of Public Sector Entities:** Monthly data (starting from 2019) of the financial statements (Balance Sheet and Profit and Loss Statement) of ESA public sector entities is available in a data visualization tool and in [open data files](#).
- **Monthly Consolidated Budget Execution series:** Homogeneous monthly administrative public sector consolidated budget execution data (since 2012 to date) for major categories of revenues (chapters, main taxes and revenues) and expenditures (chapters) of the economic classification is provided for statistical and analytical purposes.

Table 28.1: In-year budget reports

Coverage and classification			Timeliness		Accuracy		
Allows direct comparison to original budget (Y/N)	Level of detail A=All budget items P= Partial aggregation M= Main administrative headings E=Main economic headings	Includes transfers to de-concentrated units (Y/N)	Frequency W/M/Q N= >Q'ly	Within: 2/4/8 weeks N= >8weeks	Material concerns (Y/N)	H/Y Analysis prepared (Y/N)	Payment information E=Exp C=Commit
Y	"A"(public sector perimeter) and "p" (administrative public sector perimeter) Both aggregate and detailed information is published	Y	M (monthly)	2 Except for the month of December, which takes around 4 weeks	N	Y Monthly Reports analyze and explains budget execution key events	E and C (Data of all expenditure execution stages is provided)

Data source: Monthly Budget Execution Data and Reports.

Dimension PI-28.2 Timing of in-year budget reports

123. In-year execution reports are published monthly, including reports documents, open databases and data visualization tools. All budget execution data and reports are generally published within two weeks after the end of the reported month, with the exception of IME Report, which is published after three weeks. Data and reports regarding December, due to the annual year-end accounting closure actions, take more time be published, being the Monthly Budget Execution Data available a month after the end of the fiscal year and the IME Report released eight weeks (late February/early March) after December 31.

Dimension PI-28.3 Accuracy of in-year budget reports

124. In-year budget execution reports and data are produced using robust existing financial information systems (SAP GECAT (ERP), SAP STEP (Analysis and Reporting) and PANGEA (for entities' financial information)). Data is under the control and review of the General Internal Auditor's Office (*Intervenció General*) and there are not material concerns about data accuracy. Detailed budget execution data is available (visualization tool, and Excel and Open Data files), with aggregate and line-item detail of the different budget modifications and the execution stages (initial estimates, modified estimates,

authorizations (stage “A”), contracted/committed amounts (stage “D”), obligations (stage “O”) and payments (stage “P”).

PI-29. Annual financial reports

125. This indicator assesses the extent to which annual financial statements are complete, timely, and consistent with generally accepted accounting principles and standards. This is crucial for accountability and transparency in the PFM system. It contains three dimensions and uses the M1 (WL) method for aggregating dimension scores. The assessment covers the SNG budget units over the last completed FY for dimensions 29.1 and 29.2, and the last 3 FYs’ financial reports for dimension 29.3.

INDICATORS/ DIMENSIONS	SCORE	ASSESSMENT OF PERFORMANCE
PI-29. Annual financial reports (M1)	C+	The M1 aggregation of the scores for the dimensions 29.1 to 29.3 (A, C, and A) results on a global C+ score.
29.1. Completeness of annual financial reports	A	Complete and comparable Annual Financial Reports are formulated for every fiscal year. Aggregate and detailed data is provided, in consolidated and individual terms.
29.2. Submission of reports for external audit	C	Annual Financial Report is submitted to the Catalan Regional Audit Office within 9 months after the end of the fiscal year.
29.3. Accounting standards	A	Applied accounting standards are consistent and related with generally accepted international standards and accounting standards and criteria are disclosed in the annual financial reports.

Dimension PI-29.1 Completeness of annual financial reports

126. The Annual Financial Report (*Compte General*) is prepared annually and contains budgetary and financial information of all the entire government's public sector (in ESA terms and according to Catalan Government's definition of public sector)¹⁸. Statements provided include budget annual statements, fiscal rules outcomes, financial statements (consolidated and for all entities). The published financial statements are: Balance Sheet, Profit & Loss, Change in Net Worth, Cash Flow, Budget Outturn (Revenues, Expenditures and Budget position), Fiscal rules outcomes and annexes including information regarding assets, liabilities, contracts, financial covering along with a large documentation regarding other annual relevant information. The basis for main annual financial statements is accrual accounting, for fiscal rules outcomes is national accounting (ESA) and for budget-related statements (Budget Outturn) is obligation-based/modified cash accounting.

Table 29.1.1: Annual financial reports

Prepared annually (Y/N)	Completeness				Date of submission for external audit	
	Comparable with approved budget (Y/N)	Information F=Full P=Partial B=Basic	Cash flow statement (Y/N)	Balance Sheet C=Cash only FO=Financials only F=Full	Date of submission	Within: (3/6/9 months)
Y	Y	F	Y	F	Before July 31	9

Data source: Department of Economy and Finance, [Annual Financial Report \(Compte General\)](#)

¹⁸ Annual Financial Report data is also available in Excel files.

Table 29.1.2: Annual Financial Report FY2019 structure and contents

Annual Financial Report (<i>Compte General</i>)	
A. General Annual Financial Report	B. Annual Financial Statements of the Catalan Healthcare Service and administrative entities
Presentation/Summary	C. Annual Financial Statements of commercial, financial and industrial administrative entities
A. Balance Sheet	D. Annual Financial Statements of administrative entities ruled by private regulations
B. Profit & Loss Statement	E. Annual Financial Statements of consortiums with majority shareholding
C. Change in Net Worth	F. Annual Financial Statements of public companies with majority shareholding
D. Cash Flow Statement	G. Annual Financial Statements of foundations with majority shareholding
E. Budget Outturn Statement	H. Annual Financial Statements of independent entities created with a singular regime
1. Revenue Outturn	
2. Expenditure Outturn	
3. Budget results	
F. Accounting Memory	
0. Introduction	
1. Organization and activity	
2. Public Sector economic, financial and patrimonial situation	
3. Capacity/Need for Financing information according ESA	
4. Public services indirect management and agreements	
5. Statement's presentation basis	
6. Recognition and valuation rules	
7. Material fixed assets	
8. Property investments	
9. Intangible assets	
10. Financial loans and other similar operations	
11. Financial assets	
12. Financial liabilities	
13. Accounting hedges	
14. Guarantees	
15. Foreign currency	
16. Assets created/purchased by other entities and other stocks	
17. Accounting provisions and contingencies	
18. Transfers, grants, donations and other revenues	
19. Environmental information	
23. Non-budgetary cash operations	
24. Administrative procurement. Selection procedures.	
25. Received deposits	
26. Budget information	
27. Multi-year future expenditure commitments	
28. Real investments territorial distribution	
29. Financial and budgetary program performance indicators	
30. Information about the cost of activities	
31. Administrative public sector consolidated statements	
32. Public sector consolidated statements	
33. Aggregate financial statements of entities outside public sector perimeter	
34. Centers with autonomous economic regime	
36. Subsequent events	

Data source: *Compte General 2019*.

Dimension PI-29.2 Submission of reports for external audit

127. According to the [Catalan Public Finance Law](#) (article 81), The General Internal Auditor's Office (*Intervenció General*) must formulate the Annual Financial Report (*Compte General*) and submit it to the Catalan Regional Audit Office (*Sindicatura de Comptes de Catalunya*) before July 31 of each year. Consolidated financial statements should be also elaborated and integrated with the Annual Financial Report, which then should be submitted no later than October 1 of each year. Catalan Government has complied with these deadlines, with the exception of 2019's report, which due to COVID-19 events, an extension of submission deadline was approved.

Table 29.2: Annual financial reports date of submission for external audit

FY	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019*
Date	21/07/2010	12/07/2011	31/07/2012	30/07/2013	30/07/2014	31/07/2015	27/07/2016	27/07/2017	31/07/2018	30/07/2019	27/11/2020

Data source: Department of Economy and Finance, Annual Financial Report (*Compte General*)

* Due to COVID-19 events, *Compte General* formulation and submission for external audit was delayed. An exceptional time extension of its submissions for external audit was authorized by the approval of the [Decree-Act 25/2020](#) (article 7).

Dimension PI-29.3 Accounting standards

128. Catalan Government accounting system is ruled by the [Spanish General Public Accounting Plan](#) (*Plan General de Contabilidad Pública*) (PGCP), approved in 2010, and the [Catalan General Public Accounting Plan](#) (*Pla general de comptabilitat pública de la Generalitat de Catalunya*) (PGCPGC), passed in 2017. Spanish 2010's PGCP meant the introduction and adaptation to the Spanish public sector of the IFAC'S NIC-SP/IPSAS (as it is explained on its preamble), and the repeal of the 1994's PGCP. In order to be consistent with the renewed Spanish PGCP (integration of NIC-SP/IPSAS) and for introducing some improvements in the accounting criteria of certain operations, Catalan Government approved a new PGCPGC in 2017, repealing the previous from 1996. Both accounting plans (Spanish and Catalan) are congruent between them and consistent with the European recommendations regarding public accounting harmonization and consistent with the adoption of the NIC-SP/IPSAS.

129. On the other hand, fiscal aggregates calculations and statistics follow the [guidelines provided by the Spanish General Comptroller of the State Administration](#) (*Intervención General de la Administración del Estado*) (IGAE), which are the translation for this EU member state of the European guidelines concerning national accounting and public sector statistics (the European System of national and regional Accounts (ESA)). Thus, fiscal aggregates information is based on ESA-2010 and so with generally accepted standards for fiscal statistics. Although accounting structures is based on the mentioned standards, information could be also shown according to other fiscal statistics standards (e.g. IMF's Government Finance Statistics Manual of 2014).

130. In the Annual Financial Report (*Compte General*), accounting criteria and standards are disclosed in several sections of its contents (e.g. sections [F.0](#) (introduction), [F.5](#) (Statement's presentation basis) and [F.6](#) (Recognition and valuation rules)).

3. CONCLUSIONS OF THE ANALYSIS OF PFM SYSTEMS

3.1 Integrated assessment across the PIs

3.1.1. Budget reliability

131. Despite of the NA scores and if considering extended budgets similarly to enacted budgets, Catalan Budget has shown a low or moderate degree of variation between initial estimates and actual data (PI-1), as well for changes on its composition, both for revenue and expenditure sides of the budget, thus implying a high reliability and credibility of initial budget estimates. This fact is especially relevant considering that in the last three fiscal years, one fiscal year (2018) was entirely executed on the budget extension mode, as far no Budget 2018 was passed (and so, was more exposed to potential modifications to adapt to policy priority changes regarding last budget).

132. Revenues (PI-3), excluding transfers from central government, has shown little variation between initial and actual estimates (actual revenues were between 97% and 106% of budgeted revenue in two of the last three fiscal years), and variance on its composition has been less than 5% in two of the last three fiscal years.

133. From the expenditure side (PI-2), while very low composition variation have been observed by the economic classification, on program classification side variation has been higher (but still modest), especially impacted by expenditure increased in the Healthcare policy/function. Contingency Fund estimates had a moderate value, less than 3%, with an average of a 1.1% of total initial estimates.

3.1.2. Transparency of public finances

134. Generally, the Catalan budgetary system shows a very high degree of transparency, with clear and complete budget structures and classifications (PI-4) and an outstanding variety of different documents and data resources available for the public for the entire budget cycle (PI-5, 6, 8 and 9). Such situation is consistent with the previous efforts from the Catalan Government to improve the quality and coverage of budgetary data and reports, the publication of open data sets and data visualization tools, the elaboration of accessible budget documents (such the budget presentation, infographics and the Citizen Budget), the introduction of a performance information (since 2006) and recent efforts to strengthen policy evaluation.

135. Nevertheless, Catalan Government still have some margin of improvement regarding fiscal and budget documentation (PI-5, 6 and 9), performance and evaluation information (PI-8) and, principally, regarding public consultation and participation in the budget elaboration process (PI-9bis).

136. Despite the fact that budget documentation (PI-5) and access to fiscal information (PI-9) have been assessed with a high level of performance (B), results could be improved to the highest PEFA standards if just few additional (non-basic) documentation would be included within the budget system. Such documentation would be the deficit financing composition, financial assets information, a summary of fiscal risks and contingent liabilities and the structured explanation of budget implications of new policy initiatives in the annual budget documentation; and reducing the time for publishing the audit reports from the Public Audit Office (to a deadline of 12 months), improve the timing for the publication of the Annual Financial Report (from 7 to 6 months) and the regular production of Pre-Budget/Mid-Year Budget Review reports.

137. Even though program performance information (PI-8) is published, still there is some range of improvement concerning performance data quality and relevance (where indicators are mainly related to inputs, activities and outputs, with a low number of relevant outcome indicators) and, from the reporting side, to provide a better structured annual program performance system, analogous to the program performance plans. In this case, by not only providing performance indicators actual values and justification of important accomplishment deviations, but also further explanation about the results obtained with the resources effectively used. Regarding policy performance evaluation, even important steps have been produced in the last years, just few programs and projects of some departments are annually evaluated, and their reports published, still not being a solid systematic practice.

138. In the Catalan budgeting system, there are no formal processes in place to facilitate public consultation and participation regarding the budget elaboration (PI-9bis). Just indirect consultations and participation processes are in practice because of general participation system all across the government and because of specific consultation processes of some departments.

3.1.3. Management of assets and liabilities

139. In regard of monitoring public corporations (PI-10), Catalan Government performs a follow up system of all depending entities (including public corporations) during budget execution, periodically formulating forecasts of potentials risks regarding deviations on their financial position in regard of the initial budget estimates. These forecasts are kept internal within the Department of Economy and Finance. From the annual reporting side, complete public sector individual and consolidated annual financial statements and reports are produced (within the *Compte General*), including all depending entities (extra-budgetary units and public corporations), but these are available to the public within 9 months after the end of the fiscal year, later that benchmark period of 6 months.

140. Fiscal risks (PI-10) forecasts are not publicly available within the annual budget documentation or in the budget execution reports. This information and the corresponding reports are internally institutionalized (known as *Risks Reports*), where different specific risks (revenue execution deviations, deferred health spending, financial results of entities and other) are detected and quantified since the start of the fiscal year and updated periodically during the budget execution. Nevertheless, within the fiscal risks under monitoring, contingent liabilities such public sector guarantees are not fully covered. It is on the Annual Financial Report (*Compte General*) where current PPPs and the materialization of fiscal risks are documented.

141. On public investment management (PI-11), some of the major capital projects (those over €10 million of budget impact) are currently appraised by the ex-ante economic evaluation system of the Economic and Social Impact Reports (IIES), being these reports systematically published since 2020. In addition, there exists a central prioritization criterion, but still not fully institutionalized nor publicly disclosed. All capital projects do include published multi-year expenditure estimates (at least for four fiscal years (budgeted year plus three forward years)), nevertheless future project-related current expenditures are not forecasted nor published. A physical and financial monitoring of projects is performed and the status of projects is available to the public, however a complete annual report on capital expenditure projects is not carried out.

3.1.4. Policy-based fiscal strategy and budgeting

142. Relating to medium-term budget framework (PI-14) of the Catalan Government (firstly introduced in 2008), medium-term revenue and expenditure forecasts (including baseline forecasts) are

performed, but its use is mainly focused to provide a general resource envelope to the annual budget and to support expenditure ceilings setting processes. Thus not being still totally integrated with the annual budget and not providing detailed line-item multi-year estimates for the entire budget. MTBF aggregate data is published within the annual budget documentation, but just at the highest aggregate level of the economic classification (chapters), not making available to the public current existing details of multi-year estimates by departments, programs or line-item groups. The used hypothesis and criteria regarding the medium-term budget estimates is summarized in the annual budget documentation, but there is no comparison and explanation between current and past multi-year forecasts.

143. Although multi-year impact of proposed policy changes or measures are submitted by departments during the budget elaboration process, this information is kept for internal use. In budget documentation, main policy changes or measures are shown and explained, and amounts quantified, but for just the budgeted year.

144. Annual budget elaboration (PI-17) is formalized by a complete budget circular, with the issuance of the main budget priorities, the budget structures to be used, clear deadline for the main tasks to be developed and the corresponding forms, guidelines and training resources. Although Catalan Government seeks to develop a top-down budgeting systems, expenditure ceilings (general and sector/department) are not formally approved and communicated before the issuance of the budget circular and the start of the bottom-up stage of the budget elaboration process. Global ceiling (just for the budgeted year) is formally approved just before the end of the budget requests' process and department ceilings are announced after submitting their requests. Even so, informal tentative multi-year ceilings are communicated to departments to limit their requests, but without being binding and officially approved ceilings.

145. In the last decade Catalan Government budgets have generally not been approved on time (before the start of the fiscal year) and sometimes not even presented until the fiscal year already started. In the last three fiscal years, only Budget 2017 was submitted to the Parliament at least one month before the start of the fiscal year, and no budget was passed by the Parliament within one month after the start of the fiscal year. Moreover, Budget 2018 was not passed, using for the entire fiscal year the budget extension mechanism. Political instability in Catalonia, where in 11 years (2010-2021) there have been 5 election processes (so, legislature mandates last less than regular 4 years) may have impacted the regular functioning of the budget cycle.

146. Legislative scrutiny of the budget (PI-18) is set on the Catalan parliament regulation and it is focused on aggregate and detailed spending and on revenue measures and not on medium-term fiscal strategy. Amendment powers are relatively limited and scrutiny process is carried out both by global and specific debates, using specific committees for each budgetary section/department, but without any public consultation arrangements. Nevertheless, as no budget scrutiny was held in the last completed fiscal year (2019), some dimensions of this indicator has been assessed as D*. Annual budget laws and Catalonia's Public Finance Law set clear and specific regulations for in-year budget changes/modifications by the executive branch.

3.1.5. Accounting and reporting

147. Catalan PFM system have robust in-year and annual budgetary and financial reporting procedures, with different complete, comparable and accessible documents and data, which are published and available to the public in a regular and predictable basis.

148. Catalan Government in-year budget reporting system (PI-28) is based on a monthly reporting basis, where open data, data visualization tools and explanatory reports (IME) are available to the public. Data and its visualization is generally available within two weeks after the ending of the reported month, while IME is available around 3 weeks after. Budget execution information provided both aggregate and detailed revenue and expenditure data, with comparison with initial estimates and actual values of past fiscal years, and covers usual institutional perimeters such individual entities, administrative public sector, AP-SEC (ESA entities) and the overall public sector. Data allows to track the different stages of budget execution and IME compute main budget position aggregates in terms of budgetary accounting and facilitates a detailed explanation regarding the execution of revenues and expenditures by economic classification and departments (with detail of the execution of their programs and chapters). Nevertheless, budget execution information and documentation does not provide information about the existing fiscal risks and contingent liabilities nor outturn projections.

149. Main annual financial report (*Compte General*) (PI-29) is a complete and comparable report, containing all relevant annual budget and financial statements (such Budget outturn, fiscal rules actual values, Balance Sheet, Profit and Loss Statement, Changes in Net Worth and Cash Flow Statement) and related information (including non-financial performance information), covering all public sector perimeter and with individual and consolidated figures. According to current regulation, this report is published and submitted to the Catalan Public Audit Office before July 31 of each year. In addition, Catalan Government, by the Spanish and its own general accounting plan, introduced NIC-SP/IPSAS accounting procedures, thus applying generally accepted international standards. Accounting standards and criteria are disclosed in the Annual Financial Report.

150. However, even *Compte General* is a comprehensive and complete report, it does not entirely mirror the explaining capacity of the annual budget documents, mainly for providing detailed explanation of the budget execution (departments, programs...) and updating the medium-term fiscal strategy, and fails to include robust information about the cost of public outputs (as is set in the Catalonia's Public Finance Law).

3.2 Strengths and weaknesses of the PFM systems

151. PEFA SNG self-assessment has made easier detecting the main strengths and weaknesses of the Catalan Government budgetary system concerning some of the main aims of public financial management, such fiscal discipline, strategic allocation of resources and efficient use of resources for service delivery.

3.2.1. Fiscal discipline

152. Strengths: Catalan Government budget has shown a low level of variation on aggregate and composition terms, being a credible and reliable budget, and so facilitating the accomplishment of fiscal targets. Currently strong fiscal/budgeting monitoring and reporting processes are in place, both for budget execution and outturn, with an internal follow up of major fiscal risks. To its fiscal planning, Catalan Government Budget system uses a medium-term fiscal framework, based on the accomplishment of fiscal rules targets, and a medium-term budget framework that provides a resources envelope for budget decisions and annual budget formulation, helping to accommodate expenditure planning into the accomplishment of fiscal targets.

153. Weaknesses: On the other hand, Catalan budget system lacks of recurrent and structured processes of debt sustainability analysis, long-term budget outlook analysis, the definition of explicit long-term fiscal strategies, which in the case of the Catalan Government, could mean a useful tool to return to a more sustainable path. This will be helpful to be better prepared to the fiscal implication of an ageing population. Furthermore, regarding a medium-term perspective of fiscal and budgetary planning, there is a need to count with a complete medium-term macroeconomic framework, accompanied by possible scenarios and a sound analysis of its implications (sensitivity) on the medium-term projections of revenues and expenditures. Moreover, concerning translating fiscal strategy into budgetary planning, approved aggregate expenditure ceilings are still annual, multi-year department ceilings are not binding and not formally approved, being both issued after the start of the budget request stage. In addition, baseline projections and multi-year impact of spending proposals already have been introduced, but need to be reinforced to assure its quality and its effective use as forward estimates and for analyzing and providing transparency to the policy continuation and changes related budget impacts. Finally, once annual budget is implemented, although fiscal risks monitoring actions are currently developed, these are still mainly internal and do not fully cover relevant risks related to contingent liabilities (such guarantees).

3.2.2. Strategic allocation of resources

154. Strengths: Catalan budget system currently has strong and solid budget structures, including program and projects structures, which facilitate prioritization processes. Furthermore, the development for 15 years of a performance budgeting system may have helped to obtain more strategy-linked budget orientations and requests, including providing associated performance targets. The current integration of Sustainable Development Goals (SDGs) and social progress and welfare indicators may help to reinforce the strategic allocation of resources regarding key general outcomes. In addition, the increasing systematization of ex-ante evaluations for major current and capital projects may be helping to strengthen value-for-money allocation decisions and the introduction since 2017 of spending reviews would help to improve fiscal space creation and prioritization decisions.

155. Weaknesses: For a better strategic allocation of resources, budget priorities and prioritization criteria must be further developed and disclosed, both for the aggregate and capital expenditures. These priorities should support setting and approving binding multi-year department/sector expenditure ceilings, which to be operational should be issued and communicated together with the budget circular. Besides that, performance information does not play a relevant use in budget decision-making and its introduction on the budget requests ought to be strengthen. Lastly, even policy evaluations and spending reviews have been introduced, its use is not yet fully systemized and does not cover a relevant range of resources.

3.2.3. Efficient use of resources for service delivery

156. Strengths: Catalan budget system gives clear and detailed information about the allocation of resources within the different units and entities of the public sector, and the corresponding purposes and goals, with a high level of reporting and transparency procedures about the use of resources. Furthermore, existing annual program performance planning and reporting may have helped to add transparency and pressure for improved performance within the overall Catalan Government public sector.

157. Weaknesses: In contrast, key information to support an efficient use of resources is still incomplete or its quality needs to be improved. From one side, only few units and entities have a cost accounting system and are able to provide accurate estimates about the cost of service delivery. From the other side,

performance information contained in the performance budgeting system still relies on input and output data, rather than relevant data such outcome, quality and efficiency indicators. Additionally, performance reporting should be more structured, informative, and accessible to help citizens to better understand what is obtained from the use of resources. Nevertheless, there is not a strong and explicit pressure or incentives within the Catalan Government system in regard of performance (e.g. clear managerial performance responsibilities, sanctions and bonuses...), as far other performance-oriented reforms have not been introduced. As a final point, and as mentioned earlier, even policy evaluations and spending reviews have been introduced, are not still fully institutionalized and integrated within the overall management system.

Table 3.2: Summary of the strengths and weaknesses of the Catalan budgetary system

	Strengths	Weaknesses
Fiscal discipline	<ul style="list-style-type: none"> ▪ Budget reliability ▪ Strong budget monitoring and reporting processes ▪ MTFE and some elements of MTBF in place 	<ul style="list-style-type: none"> ▪ Lack of structured and recurrent long-term fiscal analysis and planning ▪ Lack of complete medium-term macroeconomic scenarios ▪ Not binding medium-term expenditure ceilings ▪ Medium-term projections need to be improved and fully integrated with the annual budget ▪ Fiscal risks monitoring (contingent liabilities) and reporting (public)
Strategic allocation of resources	<ul style="list-style-type: none"> ▪ Solid budget structures ▪ Performance budgeting system introduced ▪ Introduction of strategic and outcome orientation (SDGs, SPI...) ▪ Increasing systematization of policy evaluations and introduction of spending reviews 	<ul style="list-style-type: none"> ▪ Budget priorities and prioritization criteria (general and for capital expenditures) not fully developed and disclosed ▪ Multi-year ceilings not formally approved and communicated before bottom-up stage ▪ Performance information plays little role in the budget request process ▪ Spending scrutiny/evaluation processes do not still cover a relevant range of resources
Efficient use of resources for service delivery	<ul style="list-style-type: none"> ▪ Clear allocation of resources, responsibilities and expected performance ▪ Existing program performance planning and reporting requirements 	<ul style="list-style-type: none"> ▪ Cost accounting only applied by few units and entities ▪ Performance information relevance and quality ▪ Performance reporting only based on program indicators actual values ▪ There is not a complete performance-oriented administrative reform agenda ▪ Spending scrutiny/evaluation processes do not still cover a relevant range of resources

4. GOVERNMENT PFM REFORMS

158. Large budget reforms in the Catalan Government during the XXI century started in 2005/2006 by introducing performance-based budgeting, increasing the budget elaboration process formalization and widening the budget institutional perimeter for a sound fiscal and budgetary control of the whole public sector. While this first wave of reforms were progressively being developed, in 2008/2009 medium-term budget frameworks implementation started as well a new system of fiscal/budgetary monitoring and risks identification was in progress. From 2010 to 2016, reform related procedures and elements were improved and further developed, such the structure and quality of the program performance information, the elaboration of multi-year expenditure baseline projections and the set of budgetary documentation and transparency tools.

159. Even though the budgeting system has been significantly enhanced, performance information still played a little role on resource allocation and management, budget elaboration process was primarily bottom-up based and budget decisions were made in an annual year view not fully considering the existing multi-year resource envelope. In addition, due to the impact of the great recession, Catalan Government debt climbed from a 7.8% to a 35.6% of GDP, compromising its fiscal sustainability and the capacity to deal with coming challenges such the impact of an ageing population.

160. Within this framework, Catalan Government initiated a second wave of budget reforms in 2017/2018 with the aim to improve fiscal discipline and sustainability, the strategic allocation of resources and the operational efficiency and effectiveness. This reform initiative set 5 strategic lines and 2 cross-sectional elements, with the following goals and related main actions implemented during 2017-2020 period:

- Strategic lines:
 - Performance budgeting: The goals and contained projects in this strategic line are related to simplifying the current Annual Program Performance Plan system, improving the quality of performance information and its relevance during the budget requests and negotiation stages, as well as improving the program performance reporting system.
 - Medium and long-term fiscal/budget planning: Long-term fiscal sustainability analysis and the [impact on expenditures of an ageing population](#) was respectively developed in 2016 and 2019, but being occasional and introductory exercises. Referring to the MTBF system, baseline budget projections system was improved, policy changes multi-year costing were formally included within the budget requests required documentation and (aggregate) MTBF and multi-year capital expenditures started being public in the documentation of Budget FY2019.
 - Spending Reviews: Spending reviews were introduced in 2018 in order to help creating fiscal space by improving spending efficiency and detecting saving options. A spending review methodology was developed and a first pilot review was carried out for the penitentiary services and alternative penal measures program. The spending review of this program helped to identify 35 improvement measures and quantified saving options of around 5% of program expenditures. Subsequent waves of spending reviews were started, nevertheless, challenges regarding its institutionalization, the selection criteria and the high time requirements of staff to perform the spending reviews made stop this line in 2019/2020 in order to redesign it.

- Policy Evaluation: In 2017 a plan to boost economic evaluation for the entire Catalan Government was developed, including reinforcing evaluation requirements, providing training and technical assistance and developing [evaluation guidelines](#) (both general and sector specific) and [tools](#) (e.g. Library of Benefits and Costs, Economic Evaluation Tool, Evaluability protocol...). In addition evaluation was strengthened by introducing regulation changes with the Budget law FY2020 and by the creation of the [Evaluation Promotion Fund \(PROAVA\)](#), the [Catalan Government Evaluation Network \(CoAVA\)](#) and the [Public Policy Evaluation Interdepartmental Commission \(CIAVA\)](#).
- Fiscal/Budget monitoring: with the aim to reduce potential deviation on the fiscal rules targets, improved processes and methodologies were put in place. This included an improved system of in-year outturn projections and a closer monitoring of entities' financial results and healthcare deferred spending.
- Cross-sectional elements:
 - Budget transparency: Bringing closer and accessible the budget information and data to the citizens was one of the cross-section elements within the reform strategy and also incardinated in the general Government transparency policy, where developed actions were part of consecutive [Open Government Plans](#). Developed actions included the [Open Budget data visualization tool](#), the [Citizen Budget](#), the use of [infographics](#) and [dynamic data visualizations](#), improved budget execution [reports](#) and [data, financial information of entities](#), the [publication of ex-ante IIES evaluation reports](#) and the improvement of the [Annual Financial Report](#).
 - Capacity building and training: To make the implementation of these new reform projects easier, an associated training plan was set. The developed training actions put the focus both in assuring a [general knowledge](#) for all government personnel about the fiscal and budgetary of the Catalan Government, as well as to specially provide [specific analytical training](#) to financial management staff of departments and entities. These training actions included topics such economic policy evaluation, spending reviews, cost calculation and analysis, forecasting techniques, MTBF and multi-year spending projections, efficiency analysis and structured financing/PPPs methods.

161. In addition to these reform main lines and elements, Catalan Government recently started (both for Budget FY2020) its first steps to introduce Gender-responsive Budgeting and to use Sustainable Development Goals (SDGs) and social progress and welfare indicators for prioritization and evaluation purposes.

162. After the 2-3 years of implementation of this new budget reform wave, Catalan Government become interested to assure a comprehensive and paced progress of its budgetary system. Moreover, an interest to better diagnose the quality and performance of its budgetary system was raised and the decision to use the considered most robust and comprehensive assessment framework, the PEFA framework, was taken. Thus, the present partial PEFA assessment of the Catalan Government has been conceived as a relevant tool to provide a diagnosis of the current budgetary system and to support the definition and prioritization of reform projects.

ANNEXES

Annex 1. Performance indicator summary

Indicator /Dimension	Score	Description of requirement met
PILLAR I: BUDGET RELIABILITY		
PI-1 AGGREGATE EXPENDITURE OUTTURN	NA	Indicator and dimension scores are not available (NA) because in just one of the three considered completed fiscal years the budget was passed. If initial estimates of the extended budgets were considered as passed budgets the score would have been "A" with the following assessment: Catalan Government aggregate budget expenditure outturn has been between 95% and 105% of the approved aggregate budgeted expenditure in two (FY2017 and FY2018) of the last three years
PI-2 EXPENDITURE COMPOSITION OUTTURN	NA	Not available as well as all related dimensions are not available. If extended budgets were considered as passed budgets the score would have been "B+".
PI-2.1 Expenditure composition outturn by function	NA	Dimension score is not available (NA) because in just one of the three considered completed fiscal years the budget was passed. If initial estimates of the extended budgets were considered as passed budgets the score would have been "B" and the assessment the following: Variance in expenditure composition by program classification was less than 10% in all the last three fiscal years (FY2017, FY2018 and FY2019).
PI-2.2 Expenditure composition outturn by economic type	NA	Dimension score is not available (NA) because in just one of the three considered completed fiscal years the budget was passed. If initial estimates of the extended budgets were considered as passed budgets the score would have been "A" and the assessment the following: Variance in expenditure composition by economic classification was less than 5% in two of the last three fiscal years (FY2018 and FY2019).
PI-2.3 Expenditure from contingency reserves	NA	Dimension score is not available (NA) because in just one of the three considered completed fiscal years the budget was passed. If initial estimates of the extended budgets were considered as passed budgets the score would have been "A" and the assessment the following: Actual expenditure charged to a contingency vote was on average less than 3% of the original budget (an average of 1.1% in all last three fiscal years).
PI-3- REVENUE OUTTURN	NA	Not available as well as all related dimensions are not available. If extended budgets were considered as passed budgets the score would have been "A".
PI-3.1 Aggregate revenue outturn	NA	Dimension score is not available (NA) because in just one of the three considered completed fiscal years the budget was passed. If initial estimates of the extended budgets were considered as passed budgets the score would have been "A" and the assessment the following: Actual revenue has been between 97% and 106% of budgeted revenue in two (FY2018 and FY2019) of the last three fiscal years.
PI-3.2 Revenue composition outturn	NA	Dimension score is not available (NA) because in just one of the three considered completed fiscal years the budget was passed. If initial estimates of the extended budgets were considered as passed budgets the score would have been "A" and the assessment the following: Variance in revenue composition has been less than 5% in two (FY2017 and FY2018) of the last three fiscal years.

PILLAR II: TRANSPARENCY OF PUBLIC FINANCES		
PI-4 BUDGET CLASSIFICATION	A	Budget formulation, execution, and reporting are based on every level of the organic/administrative, economic, and program classification of the Catalan Government, along with other supporting budget classifications (project, fund, territory...). Even though Economic and Program classifications do not exactly follow the standards presented in the Government Finance Statistics Manual 2014 (GFSM), straightforwardly Catalan budgetary classifications/structures can be adapted to show data according to GFSM.
PI-5 BUDGET DOCUMENTATION	B	Annual budget documentation presents all basic elements, and the following additional elements: 6) Macroeconomic assumptions 7) Debt stock, 11) Documentation on the medium-term fiscal forecasts and 12) Quantification of tax expenditures.
PI-6 SUBNATIONAL GOVERNMENT OPERATIONS OUTSIDE FINANCIAL REPORTS	A	The M2 aggregation of the scores for the dimensions 6.1, 6.2 and 6.3 (A, A and B) results on a global A score.
PI-6.1 Expenditure outside financial reports	A	All expenditures, including budgetary and off-budget expenditure operations, are reported in the Annual Financial Report (<i>Compte General</i>). Expenditures from budgetary, extra-budgetary and public corporations units included in the report.
PI-6.2 Revenue outside financial reports	A	All revenues, including budgetary and off-budget revenue operations are reported in the " Annual Financial Report " (<i>Compte General</i>). Revenues from budgetary, extra-budgetary and public corporations units included in the report.
PI-6.3 Financial reports of extra-budgetary units	B	Annual financial reports of all depending entities (all EBU's and public corporations) are approved by their government bodies, audited and submitted to the General Internal Auditor's Office (Intervenció General) within six months of the end of the fiscal year. These include information regarding their revenues, expenditures, and all assets and liabilities.
PI-8 PERFORMANCE INFORMATION FOR SERVICE DELIVERY	B+	The M2 aggregation of the scores for the dimensions 8.1, 8.2 8.3 and 8.4 (A, A, A and C) results on a global B+ score.
PI-8.1 Performance plans for service delivery	A	Annual Budget documentation includes the document " Annual Program Performance Plans " (<i>Memòries de programa</i>) in which for all public sector perimeter, program resources, services and activities, goals and performance indicators and targets are set.
PI-8.2 Performance achieved for service delivery	A	Progress or accomplishment regarding program performance targets is annually reported in the " Annual Financial Report " (<i>Compte General</i>), in section 30.5 , it is as well available in Excel format in the " Program performance indicators monitoring " website.
PI-8.3 Resources received by service delivery units	A	All resources obtained (grants, subsidies, earmarked funds, fees, sales, asset disposal...) by service delivery units are registered by the corresponding department financial and accounting services, within the whole government accounting system. Detailed spending information is available for all units public sector perimeter and for all budgetary classifications, and, in the " Annual Program Performance Plans ", a summary of the program resources (personnel and expenditures according to the economic classification) is provided.
PI-8.4 Performance evaluation for service delivery	C	Performance evaluation is conducted through policy evaluation initiatives (both from line departments and from the Department of Economy and Finance), the required economic evaluations (<i>Informes d'Impacte Econòmic i Social</i> (IIES)) for major spending projects to be approved by the Government and the development of spending reviews. Although evaluating actions are increasing, its systematics is still not totally integrated in the management cycle and evaluations have been only performed for some departments at least once within the last three years.

PI-9 PUBLIC ACCESS TO FISCAL INFORMATION	B	Catalan Government publishes 3 basic elements and 2 of the additional elements according to the PEFA SNG framework. Basic element 2 (Enacted budget) is considered not available "NA" as last completed budget was not enacted.
PI.9bis. PUBLIC CONSULTATION	D+	The M2 aggregation of the scores for the dimensions 9bis.1, 9bis.2 and 9bis.3 (D, C and C) results on a global D+ score.
PI-9bis.1 Public consultation in budget preparation	D	No public consultation or participation processes are in place concerning the budget elaboration process.
PI-9bis.2 Public consultation in the design of service delivery programs	C	Participation processes are carried out only for some government programs, strategies and services. Reports regarding the opinions, observations and proposals made by citizens, as well as its feedback and conclusions are published for each participation process.
PI-9bis.3 Public consultation in investment planning	C	The Department of Territory and Sustainability provides public exhibition processes regarding their capital projects before its formal approval/programming.
PILLAR III: MANAGEMENT OF ASSETS AND LIABILITIES		
PI-10 FISCAL RISK REPORTING	C+	The M2 aggregation of the scores for the dimensions 10.1 and 10.3 (C and B) results on a global C+ score.
PI-10.1 Monitoring of public corporations	C	Audited financial statements of all public sector entities are published within the Annual Financial Report (Compte General), which is published before the July 31st, thus, within nine months after the end of the fiscal year.
PI-10.2 Monitoring of subnational governments	NU (not used)	Dimension not assessed as far is not concerned to the budgetary functions of the Catalan Government
PI-10.3 Contingent liabilities and other fiscal risks	B	Key fiscal risks are detected, quantified and monitored during the budget execution, but reports are internal and not made available to the public. Annual Financial Report covers the results of fiscal risks and contingent liabilities in some specific sections.
PI-11 PUBLIC INVESTMENT MANAGEMENT	C+	The M2 aggregation of the scores for the dimensions 11.1 to 11.4 (C, C, C and A) results on a global C+ score.
PI-11.1 Economic analysis of investment proposals	C	Major investments proposals (over €10M) are required to be appraised under the Economic and Social Impact Reports (IIES) system. This system provides general guidelines and evaluation reports have been published starting from 2020. The analyses are reviewed by the Directorate-General of Budget. Nevertheless, even the existence of this requirement, economic analyses have been conducted to assess some major investment projects.
PI-11.2 Investment project selection	C	General prioritization criteria is in place, by using IIES Reports' evidence, annual budget priorities and some prioritization is also done by the central infrastructures entity. Nevertheless, the criteria is not published and not comprehensive, mainly affecting major capital projects.
PI-11.3 Investment project costing	C	Multi-year estimates of the capital projects are included in the budget documentation, but only capital expenditures are costed and published. Estimates do not include future recurrent expenditures.

PI-11.4 Investment project monitoring	A	Physical and financial monitoring of capital projects is carried out by several units and current capital projects status is available by Infrastructures.cat.
PILLAR IV: POLICY-BASED FISCAL STRATEGY AND BUDGETING		
PI-14. MEDIUM-TERM BUDGET STRATEGY	C+	The M2 aggregation of the scores for the dimensions 14.1 to 14.4 (B, B, C and D) results on a global C+ score.
PI-14.1 Underlying forecasts for medium-term budget	B	Underlying key assumptions about the medium-term revenues and expenditures forecasts are summarized and explained within the budget documentation.
PI-14.2 Fiscal impact of policy proposals	B	Almost all policy changes/measures are shown in the budget documentation, but just showing their impact for the budgeted year. Medium-term impact of the policy proposals is produced during the budget elaboration process but is not made available in the budget documentation.
PI-14.3 Medium-term expenditure and revenue estimates	C	Medium-term revenue and expenditures estimates are only available for aggregates of the economic classification in the budget documentation. Estimates regarding the program and administrative classification are internal.
PI-14.4 Consistency of budget with previous year's estimates	D	No comparison nor explanation of the changes between current and past medium-term estimates is provided in the budget documentation.
PI-17 BUDGET PREPARATION PROCESS	C+	The M2 aggregation of the scores for the dimensions 17.1 to 17.3 (A, C and D) results on a global C+ score.
PI-17.1 Budget calendar	A	A clear budget instruction is issued for all public sector perimeter, along with multiple budget request forms to be fulfilled. A deadline of around 8 working weeks regarding most of the forms is provided.
PI-17.2 Guidance on budget preparation	C	Complete guidelines and clear deadlines for submitting the budget requests are set, nevertheless formal ceilings are defined after the issuance of the budget circular and after getting the bottom-up information from departments and entities. Tentative informal ceilings are used in the bottom-up stage.
PI-17.3 Budget submission to the subnational council	D	Only one Draft Budget (FY2017) has been submitted to the Parliament at least one month before the start of the fiscal year.
PI-18 LEGISLATIVE SCRUTINY OF BUDGETS	D	The M2 aggregation of the scores for the dimensions 18.1 to 18.4 (D*, D*, D and D*) results on a global D score. If the last completed year would have been 2020 instead of 2019, the score would be "C+".
PI-18.1 Scope of budget scrutiny	D*	Parliament's budget scrutiny is usually focused on aggregate and detailed spending and on revenue measures, but not on medium-term fiscal strategy and priorities. Nevertheless, in the last completed fiscal year (2019) there was no scrutiny of the budget by the Legislature. If the last completed year would have been 2020, the score would be "C".
PI-18.2 Legislative procedures for budget scrutiny	D*	Legislative procedures for budget scrutiny are set by law (Parliament regulation), and global and detailed scrutiny procedures are usually carried out, by using the specific budget committees for each budgetary section/department. There are no arrangements for public consultation. Nevertheless, in the last completed fiscal year

		(2019) there was no scrutiny of the budget by the Legislature. . If the last completed year would have been 2020, the score would be “B”.
PI-18.3 Timing of budget approval	D	No Budget was passed in 2018 and 2019 and the 2017 was approved 3 months into the FY2017.
PI-18.4 Rules for budget adjustment by the executive	D*	Clear and specific regulations for in-year budget changes/modifications by the executive are set in the Annual Budget Law, as far in the Catalonia’s Public Finance Law. Nevertheless, in the last completed fiscal year (2019) there was no scrutiny of the budget by the Legislature. . If the last completed year would have been 2020, the score would be “A”.
PILLAR VI: ACCOUNTING AND REPORTING		
PI-28 IN-YEAR BUDGET REPORTS	A	The M1 aggregation of the scores for the dimensions 28.1 to 28.3 (A, A, and A) results on a global A score.
PI-28.1 Coverage and comparability of reports	A	Budget execution reports and data are fully comparable with the original budget and provide complete aggregate and detailed data.
PI-28.2 Timing of in-year budget reports	A	Budget execution reports and data are generally available within two weeks after the end of the reported month (IME Report in three weeks).
PI-28.3 Accuracy of in-year budget reports	A	Budget execution reports are generated by robust financial information systems and produced by the General Internal Auditor’s Office and DG Budget, and there are not material concerns regarding data accuracy.
PI-29 ANNUAL FINANCIAL REPORTS	C+	The M1 aggregation of the scores for the dimensions 29.1 to 29.3 (A, C, and A) results on a global C+ score.
PI-29.1 Completeness of annual financial reports	A	Complete and comparable Annual Financial Reports are formulated for every fiscal year. Aggregate and detailed data is provided, in consolidated and individual terms.
PI-29.2 Submission of reports for external audit	C	Annual Financial Report is submitted to the Catalan Regional Audit Office within 9 months after the end of the fiscal year.
PI-29.3 Accounting standards	A	Applied accounting standards are consistent and related with generally accepted international standards and accounting standards and criteria are disclosed in the annual financial reports.

Annex 2.1. Evidence for scoring indicators

Indicators (PEFA SNG framework)	Evidence
1. Aggregate expenditure outturn	<ul style="list-style-type: none"> ■ Annual Financial Reports 2017, 2018 and 2019 ■ Open Budget visualization tool
2. Expenditure composition outturn	
3. Revenue outturn	
4. Budget classification	<ul style="list-style-type: none"> ■ Budget FY2020 budget classification structures, codes and explanation
5. Budget documentation	<ul style="list-style-type: none"> ■ Annual budget documentation for Budgets FY2020 and FY2019
6. SNG operations outside financial reports	<ul style="list-style-type: none"> ■ Annual Financial Report 2019 ■ Catalan Public Finance Law
8. Performance information for service delivery	<ul style="list-style-type: none"> ■ Annual Program Performance Plans ■ Program performance indicators monitoring website and files ■ Annual Financial Report 2019 (section 30.5) ■ Catalan Institute for Policy Evaluation (IVÀLUA) website and reports ■ Catalonia's Repository of Policy Evaluations ■ Economic and Social Impact Reports (IIES) ■ Spending reviews website ■ Department of Labor, Social Affairs and Families website and evaluations reports ■ Information and data provided by officials of the Department of Economy and Finance
9. Public access to fiscal information	<ul style="list-style-type: none"> ■ Budgets FY2010 and FY2020 documentation ■ Past budgets documentation and information ■ Budget execution data ■ Budget execution reports (IME) ■ Annual Financial Report ■ Catalonia's Public Audit Office website and reports ■ Public Sector entities' Economic and Financial data visualization tool ■ DG Economic Analysis website
9bis. Public consultation	<ul style="list-style-type: none"> ■ Catalan Government participation processes portal (Participa.gencat) ■ Department of Territory and Sustainability public exhibition processes website ■ Information provided by officials of the Department of Economy and Finance
10. Fiscal risk reporting	<ul style="list-style-type: none"> ■ Catalan Public Finance Law ■ Annual Financial Report 2019 ■ Past Annual Financial Reports ■ Information and data provided by officials of the Department of Economy and Finance
11. Public investment management	<ul style="list-style-type: none"> ■ Economic and Social Impact Reports (IIES) ■ Budget FY2019 outturn data ■ Real investments Annex FY2019 ■ Real investments Annex FY2020 ■ Information and data provided by officials of the Department of Economy and Finance ■ Infrastructures.cat website
14. Medium-term budget strategy	<ul style="list-style-type: none"> ■ Explanatory Report document Budget FY2020 (section 7.3) - Medium term budget framework 2020-2023 ■ Budget elaboration forms and guidelines for FY2020 ■ Information and data provided by officials of the Department of Economy and Finance
17. Budget preparation process	<ul style="list-style-type: none"> ■ Budget FY2020 elaboration instruction/circular ■ Budget preparation FY2020 website ■ Catalan Parliament website ■ Information and data provided by officials of the Department of Economy and Finance

Indicators (PEFA SNG framework)	Evidence
18. Legislative scrutiny of budgets	<ul style="list-style-type: none"> ■ Parliament's regulation ■ Catalan Parliament website ■ Catalan Public Finance Law ■ Budget Law for FY2020 ■ Information provided by officials of the Department of Economy and Finance
28. In-year budget reports	<ul style="list-style-type: none"> ■ Budget execution data ■ Budget execution reports (IME) ■ Budget Execution Open Data ■ Monthly Financial Statements of Public Sector Entities ■ Monthly Consolidated Budget Execution series ■ Information provided by officials of the Department of Economy and Finance
29. Annual financial reports	<ul style="list-style-type: none"> ■ Annual Financial Report website ■ Annual Financial Report 2019 ■ Catalan Public Finance Law ■ Spanish General Public Accounting Plan ■ Catalan General Public Accounting Plan ■ Guidelines provided by the Spanish General Comptroller of the State Administration to calculate fiscal aggregates and rules targets accomplishment ■ Information provided by officials of the Department of Economy and Finance

Annex 2.2. List of persons interviewed or asked

Name	Position	Institution	Telephone
David Canada Zapater	General Internal Auditor/Comptroller	Catalan Government	+34 93 316 20 00
Joan Guerrero	Comptroller for control and analysis of the national accounting system and budget stability	Catalan Government	+34 93 316 20 65
Josep Maria Sánchez Pascual	Director of Financing Policy, Assurances and Treasury	Catalan Government	+34 93 552 81 87
Marta Curto Grau	Director of Economic Analysis	Catalan Government	+34 93 552 81 43
Anna Tarrach Colls	Budget director	Catalan Government	+34 93 316 20 96
Esther Pallarols Llinàs	Head of Spending Analysis & Monitoring	Catalan Government	+34 93 316 20 49
Inmaculada Nadal Carnicé	Head of Budget Management	Catalan Government	+34 93 316 21 25
Jordi Sort Miret	Head of Public Sector Entities and Capital Expenditures Financial Planning	Catalan Government	+34 93 316 21 70
Alicia Corral Solà	Head of Personnel Expenditures	Catalan Government	+34 93 316 20 56
Montserrat Bassols Santamaria	Head of Financial Sustainability and Financing	Catalan Government	+34 93 552 81 23
Maria José del Blanco Pérez	Head of Economic Evaluation of Public Policies	Catalan Government	+34 93 567 21 27

Annex 3. Tentative budgetary reforms as result of the PEFA assessment

PEFA partial self-assessment has helped to diagnose the current situation of the Catalan Government budgetary system, identifying the main strengths and weaknesses on different dimensions. Aligned with the goals defined in the 2nd wave of budgetary reform, and using PEFA assessment inputs, a list of 35 tentative reform actions have been set internally by DG Budget for the 2021-2024 period. This suggestion of reform actions will be presented to the coming Government after the Catalan elections held during the first quarter of 2021.

These 35 actions are principally related to pillars II (13 actions), III (7 actions) and IV (10 actions), facing the weaknesses detected in the corresponding indicators and dimensions. The implementation of these reform actions are expected to substantially improve the budgetary system, and so the PEFA scores. Specifically, the 65.7% of the reform actions are expected to improve PEFA scores. The other actions, even though do not reflect a change on PEFA scores, are considered to be relevant to progress towards the reform goals.

Some of the reform actions are not new to the Catalan Government, where the PEFA assessment helped to confirm and verify previous detected areas where improvements were needed. In this sense, 31.4% of the reform actions are currently under development, being focused in pillars II and IV. For the rest of reform actions PEFA assessment has brought the opportunity to define them or to highlight the need to formally program previous envisaged actions.

Among the planned actions, most of them are under the functions of the DG Budget (74.3%) or under the functions of the Department of Economy and Finance (85.7%), involving other key units such the General Internal Auditor's Office and the DG of Economic Analysis. Actions outside the functions of the Department of Economy and Finance are primarily associated to the Legislative branch, more precisely to the Parliament and to the Catalonia's Public Audit Office. In these cases, conceived reform actions will be shared with the corresponding units or bodies and will encourage mixed working groups for its development.

Each of the defined reform actions has been prioritized, according to a classification including the categories of "critical", "high priority", "medium priority" and "low priority". This prioritization exercise has been developed according to the internal priorities of the DG Budget, its feasibility and management capacity and considering the main weaknesses that the PEFA assessment has shown. With this prioritization, 65.7% of actions have been considered as critical or with high priority, while 34.3% have been tagged as medium or low priority. Prioritization has considered the relevance of actions and the true capacity of its implementation, supporting identifying where efforts and resources should be primarily mobilized in the 2021-2024 reform period.

Chart 4.2.1: Reform actions by PEFA pillar

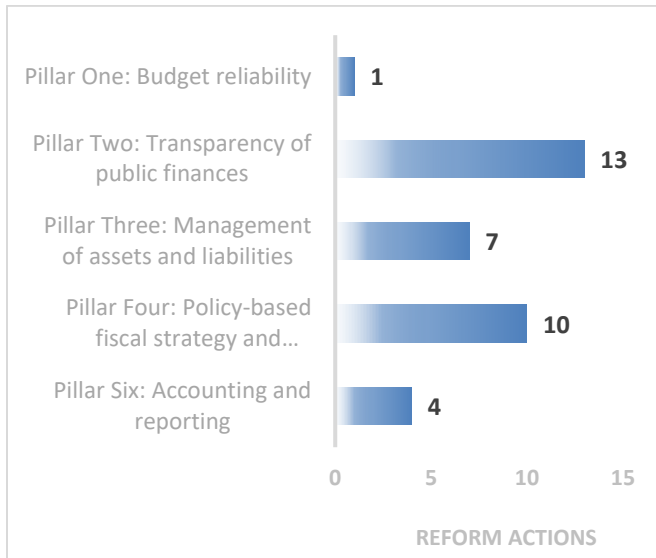


Chart 4.2.2: Reform action that would improve PEFA scores (%)

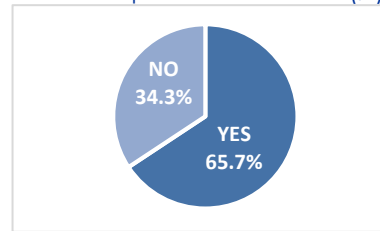


Chart 4.2.3: Reform actions already in progress (%)

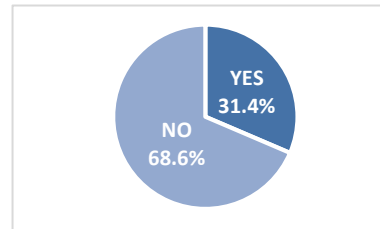


Chart 4.2.4: Reform actions under DG Budget functions (%)

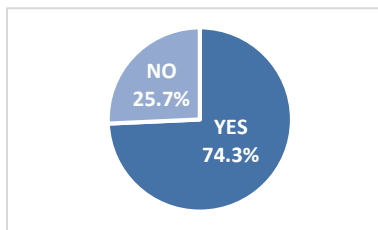
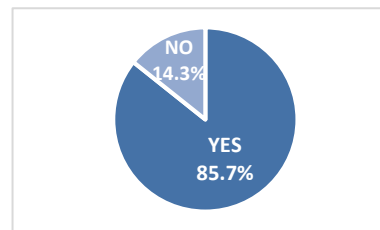


Chart 4.2.5: Reform actions under Department of Economy and Finance functions (%)



To summarize the 35 planned reform actions, there is a brief description of each of the PEFA pillars provided below:

- **Pillar One: Budget reliability:** Even though been awarded with an “A” score, aggregate revenue outturn showed certain degree of variability (104.1% on average over initial estimates) with some relevant negative deviations on main tax revenues. To improve accuracy and reliability of revenue forecasts, and so to enhance at the same time the MTBF system, current tax **revenue forecasting methods will be reviewed** and, if feasible, improved.
- **Pillar Two: Transparency of public finances:** reform actions in this pillar could be grouped in four different lines, budget structures, budget documentation and access to fiscal information, performance and evaluation and public consultation and participation in the budget process.
 - Catalan Government **budget structures** have been assessed as complete and robust, nevertheless, to enhance its use for planning and analysis purposes, some detailed desired **improvements** have been identified. This involves the full development of the sub-program classification level for the entire government, the allocation of revenues according to the program structure (fees, sales, grants/transfers...), providing guidelines and assuring a homogeneous conception of organic structure in each department and

re-allocating, to the corresponding program, those few personnel expenditures still allocated in general administration programs.

- To improve budget transparency a set of new budget documentation and information is planned to be produced in the coming years. These covers the creation of the **Pre-Budget Report** to better inform Parliament and Citizens of the current budget situation and the envisaged key aggregates and priorities for the coming budget, encouraging **Catalonia's Public Audit Office to advance the timing** for issuing its **reports** and including new or improved sections within the annual budget documentation. These comprises providing better information about the **deficit financing and composition** and the **stock of financial assets**, developing and publishing of **medium-term forecasts** with different **scenarios** regarding the main economic aggregates and making public, in a specific section, the **budget implications of introduced policy changes** (regarding the budget baseline) in both revenues and expenditures.
 - Regarding performance and evaluation, five relevant reform actions have been planned. This includes 1) the creation of specific mixed working groups aiming to **improve the quality and relevance of program performance information**; 2) better formalization of the program performance reporting by the creation and publication of the **Annual Program Performance Reports**; 3) to support better planning, efficiency analysis and expenditure scrutiny, a working group has been created to progressively develop and implement a **cost accounting system**, built from the lessons and experience of past failed experiences (2006); 4) reinforcing and completing the ongoing projects to make more **systematic policy evaluation**, strengthen its requirements, spreading its recurrent use by the Government and department evaluation plans and fully integrating its use for budget decision making and; 5) after stopping the process to analyze its weaknesses and improvement options, a **reformed model of spending reviews** will be implemented.
 - To introduce public consultation and participation in the budget process, a planned reform action will be consisting on designing and implementing a system of **budget public consultations and participation**, both regarding overall budget policy issues and concerning main policy areas to obtain relevant inputs for the budget elaboration process.
- Pillar Three: Management of assets and liabilities: reform projects for this pillar embrace actions to face relevant weaknesses concerning fiscal risks monitoring and reporting and the management of capital expenditures:
 - Planned reform actions to improve fiscal risks monitoring and reporting consist from one side, to encourage promoting the required regulations and procedures changes for obtaining a **time advancement to submit the Annual Financial Report (Compte General)** within 6 months after the end of the fiscal year. From the other side, **improving fiscal risks detection regarding guarantees and other contingent liabilities and reporting to the public** within the annual budget documentation and the in-year budget reports the **situation of the detected fiscal risks and contingent liabilities**.
 - From the area of capital expenditures management, a whole reinforcement and development of the multi-year capital programming system is intended. Therefore, IIES

evaluation requirements will be enforced to assure that **all major capital projects** have a solid ex-ante **appraisal**, the central **capital project prioritization** criteria will be formalized and enhanced by using economic evaluations results and appraisal/analysis with other tools (e.g. Multi-criteria analysis for non-major projects), the development of requirements and guidelines to provide multi-year **recurrent expenditures related to capital projects** and the creation of an structured **Annual Report on Capital Expenditures** to better inform about the situation of capital projects.

- **Pillar Four: Policy-based fiscal strategy and budgeting:** planned reform actions in this pillar can be organized according to its indicators. Hence, the medium-term budget strategy, the budget preparation process and the Legislative scrutiny of budgets.
 - Improving and effectively integrating the long and medium-term concentrates some of the reform actions considered as critical. These reform actions are oriented to **institutionalize long-term fiscal analysis and strategy** in the Catalan Government and improving and providing further information to the citizens regarding the MTBF. From the long-term view of the budget, for the coming years it is planned to structure and formalize recurrent long-term fiscal sustainability analysis and the corresponding definition of long-term fiscal strategies and goals. Currently a working group for implementing this action has been created. From the MTBF side, related actions involve providing **further detail on the assumptions used** for revenue forecasts and for developing expenditure projections, providing information about the **medium-term impact of policy changes**, a **comparison** between current and previous MTBF estimates and the inclusion in the budget documentation of a **greater level of detail** of the multi-year estimates.
 - Reform actions related to budget preparation process are oriented to provide a more performance-oriented and a top-down approach to the existing process. This is reflected by developing and approving aggregated and sector **expenditure ceilings before the issuance of the budget circular** and **enhancing the budget request process**, extending current deadlines (to 8-10 weeks) and focusing upon policy changes proposals, where costing current policies will be performed in previous stages of the budget elaboration. In addition to encourage **presenting Draft budget on time**, regulations changes can be introduced by enforcing a requirement to present a Draft Budget to the Parliament every fiscal year (even when being in elections processes) at least before November the 1st.
 - About improving Legislative scrutiny of budget, reform actions have been planned, nevertheless these would be based on encouraging and providing support to implement such changes, but the final responsibility will be held by the Parliament itself. These actions comprise encouraging the development of **public consultations arrangements during the budget scrutiny process**, as well to promote and discuss with the Parliament the potential introduction of regulation **improvements** about **draft budget scrutiny and approval system**. These changes involve including the presentation and debate, on the initial stages of the scrutiny, of the medium-term fiscal/budget strategy and priorities and providing increased powers to, under certain restrictions, to amend and modify the budget.

- Pillar Six: Accounting and reporting: Foreseen reform actions in this pillar are referred to improving in-year budget execution reports and annual financial reports.
 - Concerning in-year budget execution reports, despite having an outstanding PEFA score, Catalan Government considered there is still some margin of improvement. Specifically at **including fiscal risks information and outturn projections** and **public sector and AP-SEC/ESA consolidated figures** in the IME monthly budget execution report.
 - Actions related to the Annual Financial Report (*Compte General*) rely on encouraging the necessary arrangements and regulation changes **to submit *Compte General* to the *Sindicatura* within 6 months after the end of the fiscal year** and to **add to *Compte General* new sections** in order to better mirror the contents and explanatory power of the annual budget documentation. These new sections will include a detailed explanation of the budget execution (by department, programs...), an explanation of the update/changes in the medium-term fiscal aggregates and budget framework, and, as annexes or related documentation, the Annual Program Performance Reports, the Annual Report on Capital Expenditures and, when available, information about the cost of provided goods and services.

Decided final reform actions will be properly programmed, with clear stages, deadlines, resource needs and the definition of the senior official responsible for its implementation. DG Budget will be in charge of monitoring and reporting (at least annually) of the degree of development of the reform actions.

In order to assess the success of the development of these reform actions, Catalan Government expects to perform another PEFA assessment on 2025, so covering data and actions of the completed fiscal years 2022, 2023 and 2024 and the budget elaboration process of 2025.

In the next pages, the two following tables gathers all 35 reform actions by its related reform line and according the type of actions involved or the stage of the budget process where is located. In all tables, the associated PEFA indicators of the reform actions are shown.

Summary of planned Budget reform projects as result of the PEFA assessment (by reform line and related type of action)

	Implementation & Management	Transparency	Training & Capacity building	New IT requirements
Performance Budgeting	<ul style="list-style-type: none"> * Performance information improvement * Annual Program Performance Report * Budget structures improvement * Capital projects prioritization 	<ul style="list-style-type: none"> * Annual Program Performance Report * Capital projects prioritization 	<ul style="list-style-type: none"> * Performance information improvement * Annual Program Performance Report * Capital projects prioritization * Sub-program full development 	Medium (Annual Program Performance reports)
	PI-4, PI-8 and PI-11	PI-8 and PI-11	PI-4, PI-8 and PI-11	PI-4, PI-8 and PI-11
Multi-year budget planning	<ul style="list-style-type: none"> * Institutionalize long-term fiscal analysis and strategy * Medium-term economic scenarios * Revenue forecasting review * New policies budget impact * Recurrent expenditure of capital projects * MTBF assumptions * MTBF policy changes * Detailed MTBF * MTBFs comparison * Budget requests enhancement * Ceilings before circular 	<ul style="list-style-type: none"> * Institutionalize long-term fiscal analysis and strategy * New policies budget impact * Recurrent expenditure of capital projects * MTBF assumptions * MTBF policy changes * Detailed MTBF * MTBFs comparison 	<ul style="list-style-type: none"> * Institutionalize long-term fiscal analysis and strategy * Revenue forecasting review * Recurrent expenditure of capital projects * Ceilings before circular 	Medium (Improved functionalities for MTBF and its integration with the annual budget process)
	PI-3, PI-5, PI-11, PI-14 and PI-17	PI-5, PI-11 and PI-14	PI-3, PI-11 and PI-17	
Policy Evaluations & Spending reviews	<ul style="list-style-type: none"> * Systematic evaluation * Spending reviews reform * Major capital projects appraisal * Cost accounting development 	<ul style="list-style-type: none"> * Systematic evaluation * Spending reviews reform * Major capital projects appraisal * Cost accounting development 	<ul style="list-style-type: none"> * Systematic evaluation * Major capital projects appraisal * Cost accounting development 	High (Cost accounting)
	PI-8 and PI-11	PI-8 and PI-11	PI-8 and PI-11	PI-8 and PI-11
Fiscal/Budget monitoring	<ul style="list-style-type: none"> * Pre-Budget Report * Contingent liabilities * Fiscal risks and projections in Execution Reports / Fiscal Risks reporting 	<ul style="list-style-type: none"> * Pre-Budget Report * Contingent liabilities * Fiscal risks and projections in Execution Reports / Fiscal Risks reporting 	--	None/Low
	PI-9, PI-10 and PI-28	PI-9, PI-10 and PI-28		
Transparency	<ul style="list-style-type: none"> * Deficit financing & composition * Financial stock assets * <i>Sindacatura</i> Reports time advancement * Budget consultation & participation * Time advancement of <i>Compte General</i> * Annual report on Capital Expenditures * Consultations in Legislative scrutiny * Public sector and AP-SEC consolidated figures in budget execution reports * Annual Financial Report additional contents 	<ul style="list-style-type: none"> * Deficit financing & composition * Financial stock assets * <i>Sindacatura</i> Reports time advancement * Budget consultation & participation * Time advancement of <i>Compte General</i> * Annual report on Capital Expenditures * Consultations in Legislative scrutiny * Public sector and AP-SEC consolidated figures in budget execution reports * Annual Financial Report additional contents 	<ul style="list-style-type: none"> * Annual report on Capital Expenditures * Budget consultation & participation * Consultations in Legislative scrutiny 	NA
	PI-5, PI-9, PI-9bis, PI-10, PI-11, PI-18, PI-28 & PI-29	PI-5, PI-9, PI-9bis, PI-10, PI-11, PI-18, PI-28 & PI-29	PI-9bis, PI-11 and PI-18	
Other	<ul style="list-style-type: none"> * Draft Budget on time * Improvements in Parliament's draft budget scrutiny 		<ul style="list-style-type: none"> * Improvements in Parliament's draft budget scrutiny 	None/Low
	PI-17 and PI-18		PI-18	

Summary of planned Budget reform projects as result of the PEFA assessment (by reform line and budget cycle stages)

	Budget elaboration	Budget approval	Budget execution	Budget outturn
Performance Budgeting	<ul style="list-style-type: none"> * Performance information improvement * Capital projects prioritization * Budget structures improvement PI-4, PI-8 and PI-11			<ul style="list-style-type: none"> * Annual Program Performance Report PI-8
Multi-year budget planning	<ul style="list-style-type: none"> * Institutionalize long-term fiscal analysis and strategy * Medium-term economic scenarios * Revenue forecasting review * New policies budget impact * Recurrent expenditure of capital projects * MTBF assumptions * MTBF policy changes * Detailed MTBF * MTBFs comparison * Budget requests enhancement * Ceilings before circular PI-3, PI-5, PI-11, PI-14 and PI-17			
Policy Evaluations & Spending reviews	<ul style="list-style-type: none"> * Systematic evaluation * Major capital projects appraisal PI-8 and PI-11			<ul style="list-style-type: none"> * Systematic evaluation * Spending reviews reform * Cost accounting development PI-8
Fiscal/Budget monitoring	<ul style="list-style-type: none"> * Fiscal risks and contingent liabilities PI-9		<ul style="list-style-type: none"> * Pre-Budget Report * Fiscal risks and projections in Execution Reports / Fiscal Risks reporting PI-9 and PI-28	<ul style="list-style-type: none"> * Fiscal Risks reporting PI-10
Transparency	<ul style="list-style-type: none"> * Budget consultation & participation * Deficit financing & composition * Financial stock assets PI-5, PI-9 and PI-9bis	<ul style="list-style-type: none"> * Consultations in Legislative scrutiny PI-18	<ul style="list-style-type: none"> * Public sector and AP-SEC consolidated figures in budget execution reports PI-28	<ul style="list-style-type: none"> * Annual report on Capital Expenditures * Annual Financial Report additional contents * Time advancement of <i>Compte General</i> * <i>Sindacatura</i> Reports time advancement PI-9, PI-11, PI-18 and PI-29
Other		<ul style="list-style-type: none"> * Draft Budget on time * Improvements in Parliament's draft budget scrutiny PI-17 and PI-18		

Annex 4. Calculation of budget outturns for PI-1, PI-2 and PI-3

PI-1 Aggregate expenditure outturn, PI 2.1 Expenditure composition outturn by function and 2.3 Expenditure from contingency reserves

€ Million

Data for year = 2017						
Policy (2nd level of program classification)	Budget	Actual	adjusted budget	deviation	absolute deviation	percent
41. Healthcare	8,700.9	9,804.5	9,042.2	762.2	762.2	8.4%
42. Education	5,612.6	5,812.6	5,832.8	-20.2	20.2	0.3%
71. Financial support to Local Governments	3,443.7	3,623.9	3,578.8	45.2	45.2	1.3%
31. Social Protection	1,956.4	1,932.9	2,033.2	-100.2	100.2	4.9%
12. General administration and services	1,744.1	1,473.4	1,812.5	-339.1	339.1	18.7%
52. Transportation	1,429.7	1,386.7	1,485.8	-99.1	99.1	6.7%
22. Security and civil protection	1,219.1	1,192.8	1,266.9	-74.1	74.1	5.8%
21. Justice	884.8	874.6	919.5	-44.9	44.9	4.9%
91. Public debt	2.3	73.5	2.3	71.2	71.2	3035.0%
33. Employment promotion	752.3	631.5	781.8	-150.3	150.3	19.2%
61. Agriculture. livestock and fishing	398.6	431.5	414.2	17.2	17.2	4.2%
53. Information society. IT and knowledge	273.6	278.9	284.4	-5.5	5.5	1.9%
57. Research. development and innovation	262.0	297.3	272.3	25.0	25.0	9.2%
43. Housing and urban actions	190.0	239.0	197.5	41.5	41.5	21.0%
44. Culture	190.6	165.9	198.1	-32.1	32.1	16.2%
55. Environmental actions	164.4	145.4	170.9	-25.5	25.5	14.9%
11. Generalitat higher management and Government	99.3	98.3	103.2	-4.9	4.9	4.7%
65. Tourism	58.2	38.7	60.5	-21.8	21.8	36.1%
63. Energy and mines	10.6	8.0	11.0	-3.1	3.1	27.8%
47. Sports	66.1	70.9	68.7	2.2	2.2	3.2%
Rest	380.7	351.9	395.6	-43.8	43.8	11.1%
Allocated expenditure	27,840.0	28,932.2	28,932.2	0.0	1,929.2	
Interests	799.3	792.1				
Contingency	330.0	0.0				
Total expenditure	28,969.3	29,724.3				
Aggregate outturn (PI-1)						102.6%
Composition (PI-2) variance						6.7%
Contingency share of budget						1.1%

€ Million

Data for year = 2018						
Policy (2nd level of program classification)	Budget	Actual	adjusted budget	deviation	absolute deviation	percent
41. Healthcare	8,700.9	9,953.9	9,199.5	754.4	754.4	8.2%
42. Education	5,612.6	6,028.2	5,934.2	94.0	94.0	1.6%
71. Financial support to Local Governments	3,443.7	3,659.6	3,641.0	18.6	18.6	0.5%
31. Social Protection	1,956.4	2,023.8	2,068.5	-44.7	44.7	2.2%
12. General administration and services	1,744.1	1,428.4	1,844.0	-415.6	415.6	22.5%
52. Transportation	1,429.7	1,366.2	1,511.7	-145.5	145.5	9.6%
22. Security and civil protection	1,219.1	1,187.0	1,289.0	-101.9	101.9	7.9%
21. Justice	884.6	882.9	935.3	-52.4	52.4	5.6%
91. Public debt	2.3	19.6	2.4	17.2	17.2	723.0%
33. Employment promotion	730.5	752.3	772.3	-20.0	20.0	2.6%
61. Agriculture, livestock and fishing	398.6	465.9	421.4	44.5	44.5	10.6%
53. Information society, IT and knowledge	273.6	290.2	289.3	0.9	0.9	0.3%
57. Research, development and innovation	262.0	262.4	277.0	-14.6	14.6	5.3%
43. Housing and urban actions	189.9	237.1	200.8	36.3	36.3	18.1%
44. Culture	174.4	152.4	184.4	-32.0	32.0	17.4%
55. Environmental actions	163.2	131.4	172.6	-41.2	41.2	23.9%
11. Generalitat higher management and Government	99.3	98.9	104.9	-6.1	6.1	5.8%
65. Tourism	58.2	62.9	61.6	1.3	1.3	2.1%
63. Energy and mines	10.7	9.6	11.3	-1.6	1.6	14.3%
47. Sports	66.1	64.3	69.9	-5.6	5.6	8.0%
Rest	377.1	312.7	398.7	-86.0	86.0	21.6%
Allocated expenditure	27,796.9	29,389.7	29,389.7	0.0	1,934.3	
Interests	799.3	849.6				
Contingency	330.0	0.0				
Total expenditure	<u>28,926.2</u>	<u>30,239.3</u>				
Aggregate outturn (PI-1)						104.5%
Composition (PI-2) variance						6.6%
Contingency share of budget						1.1%

€ Million

Data for year = 2019						
Policy (2nd level of program classification)	Budget	Actual	adjusted budget	deviation	absolute deviation	percent
41. Healthcare	8,700.9	10,499.6	9,766.5	733.1	733.1	7.5%
42. Education	5,612.6	6,309.0	6,300.0	9.0	9.0	0.1%
71. Financial support to Local Governments	3,443.7	3,734.5	3,865.4	-130.9	130.9	3.4%
31. Social Protection	1,953.1	2,179.0	2,192.3	-13.3	13.3	0.6%
12. General administration and services	1,713.7	1,821.3	1,923.5	-102.2	102.2	5.3%
52. Transportation	1,429.8	1,416.4	1,604.9	-188.5	188.5	11.7%
22. Security and civil protection	1,255.1	1,277.6	1,408.8	-131.2	131.2	9.3%
21. Justice	882.5	921.0	990.6	-69.6	69.6	7.0%
91. Public debt	2.3	18.5	2.5	15.9	15.9	629.5%
33. Employment promotion	730.5	785.0	820.0	-35.0	35.0	4.3%
61. Agriculture, livestock and fishing	398.6	446.7	447.5	-0.8	0.8	0.2%
53. Information society, IT and knowledge	273.9	299.3	307.4	-8.1	8.1	2.6%
57. Research, development and innovation	262.0	290.8	294.1	-3.3	3.3	1.1%
43. Housing and urban actions	189.9	267.7	213.2	54.5	54.5	25.6%
44. Culture	174.4	160.0	195.8	-35.8	35.8	18.3%
55. Environmental actions	163.2	143.2	183.2	-40.1	40.1	21.9%
11. Generalitat higher management and Government	98.8	102.1	110.9	-8.8	8.8	7.9%
65. Tourism	58.2	73.6	65.4	8.3	8.3	12.7%
63. Energy and mines	11.6	66.5	13.0	53.5	53.5	411.0%
47. Sports	66.0	65.5	74.1	-8.5	8.5	11.5%
Rest	379.4	327.6	425.8	-98.3	98.3	23.1%
Allocated expenditure	27,800.1	31,204.8	31,204.8	0.0	1,748.5	
Interests	799.3	802.2				
Contingency	325.5	0.0				
Total expenditure	<u>28,924.9</u>	<u>32,007.0</u>				
Aggregate outturn (PI-1)						110.7%
Composition (PI-2) variance						5.6%
Contingency share of budget						1.1%

Year	for PI-1.1	for PI-2.1	for PI-2.3
	Total exp. Outturn	Composition variance	Contingency share
2017	102.6%	3.5%	1.1%
2018	104.5%	3.3%	
2019	110.7%	2.9%	

PI-2.2 Expenditure composition outturn by economic type

€ Million

Data for year = 2017						
Economic head (Chapter)	Budget	Actual	adjusted budget	deviation	absolute deviation	percent
Compensation of employees	7,532.4	7,450.5	7,728.8	-278.3	278.3	3.6%
Use of goods and services	7,660.5	8,253.5	7,860.2	393.3	393.3	5.0%
Real capital investments	589.9	487.8	605.3	-117.4	117.4	19.4%
Interest	799.3	792.1	820.1	-28.0	28.0	3.4%
Current transfers	10,835.2	11,447.3	11,117.7	329.6	329.6	3.0%
Capital transfers	532.4	546.7	546.3	0.4	0.4	0.1%
Financial assets	689.5	746.4	707.5	38.9	38.9	5.5%
Contingency fund	330.0	0.0	338.6	-338.6	338.6	100.0%
Total expenditure	28,969.3	29,724.3	29,724.3	0.0	1,524.6	
Composition variance						5.1%

€ Million

Data for year = 2018						
Economic head (Chapter)	Budget	Actual	adjusted budget	deviation	absolute deviation	percent
Compensation of employees	7,532.5	7,762.1	7,874.4	-112.4	112.4	1.4%
Use of goods and services	7,658.9	8,354.5	8,006.5	348.0	348.0	4.3%
Real capital investments	586.7	448.3	613.3	-165.0	165.0	26.9%
Interest	799.3	849.6	835.6	14.0	14.0	1.7%
Current transfers	10,797.0	11,637.3	11,287.2	350.1	350.1	3.1%
Capital transfers	532.4	501.4	556.6	-55.2	55.2	9.9%
Financial assets	689.5	686.2	720.8	-34.5	34.5	4.8%
Contingency fund	330.0	0.0	345.0	-345.0	345.0	100.0%
Total expenditure	28,926.2	30,239.3	30,239.3	0.0	1,424.3	
Composition variance						4.7%

€ Million

Data for year = 2019						
Economic head (Chapter)	Budget	Actual	adjusted budget	deviation	absolute deviation	percent
Compensation of employees	7,537.0	8,242.7	8,340.1	-97.4	97.4	1.2%
Use of goods and services	7,661.2	8,773.9	8,477.6	296.3	296.3	3.5%
Real capital investments	586.4	501.8	648.8	-147.0	147.0	22.7%
Interest	799.3	802.2	884.5	-82.2	82.2	9.3%
Current transfers	10,792.1	12,055.0	11,942.1	112.8	112.8	0.9%
Capital transfers	517.1	561.4	572.2	-10.8	10.8	1.9%
Financial assets	706.3	1,070.0	781.5	288.5	288.5	36.9%
Contingency fund	325.5	0.0	360.2	-360.2	360.2	100.0%
Total expenditure	28,924.9	32,007.0	32,007.0	0.0	1,395.3	
Composition variance						4.4%

Year	2017	2018	2019
Composition variance	5.1%	4.7%	4.4%

PI-3. Revenue outturn

€ Million

Data for year = 2017						
Economic head (Article)	Budget	Actual	adjusted budget	deviation	absolute deviation	percent
10. Taxes on income	8,490.6	9,107.2	9,035.2	72.0	72.0	0.8%
21. Taxes on value-added	6,266.2	6,700.0	6,668.1	31.9	31.9	0.5%
22. Taxes on specific consumption	2,855.8	2,765.8	3,038.9	-273.1	273.1	9.0%
20. Taxes on capital transfers	1,755.7	1,948.4	1,868.3	80.1	80.1	4.3%
11. Taxes on capital	1,139.6	1,045.3	1,212.7	-167.4	167.4	13.8%
81. Loans and cash advances reimbursements	83.2	190.4	88.5	101.9	101.9	115.1%
49. External current transfers	345.1	280.2	367.3	-87.1	87.1	23.7%
31. Sales and fees from services provision	240.6	415.4	256.0	159.4	159.4	62.2%
39. Other taxes	204.7	249.2	217.8	31.4	31.4	14.4%
28. Other indirect taxes	232.8	235.9	247.7	-11.9	11.9	4.8%
79. External capital transfers	70.6	84.5	75.2	9.3	9.3	12.4%
32. Administrative fees	67.8	71.6	72.2	-0.6	0.6	0.8%
38. Refunds	13.4	28.0	14.2	13.8	13.8	97.0%
36. Special contributions	24.1	24.7	25.6	-0.9	0.9	3.4%
78. Capital transfers from families, institutions, NGOs...	0.0	0.5	0.0	0.5	0.5	--
54. Non-financial property revenues	8.4	18.0	8.9	9.1	9.1	101.8%
60. Sale of land	0.0	0.9	0.0	0.9	0.9	--
Sum of rest	80.3	116.1	85.4	30.7	30.7	35.9%
Total revenue	21,878.7	23,282.1	23,282.1	0.0	1,081.7	
Overall variance						106.4%
Composition variance						4.6%

€ Million

Data for year = 2018						
Economic head (Article)	Budget	Actual	adjusted budget	deviation	absolute deviation	percent
10. Taxes on income	9,505.0	9,544.5	9,668.9	-124.4	124.4	1.3%
21. Taxes on value-added	7,271.0	7,352.8	7,396.4	-43.6	43.6	0.6%
22. Taxes on specific consumption	2,911.6	2,882.2	2,961.9	-79.6	79.6	2.7%
20. Taxes on capital transfers	2,009.0	2,034.9	2,043.6	-8.8	8.8	0.4%
11. Taxes on capital	1,082.5	1,118.7	1,101.2	17.5	17.5	1.6%
81. Loans and cash advances reimbursements	193.5	119.9	196.9	-77.0	77.0	39.1%
49. External current transfers	322.6	303.3	328.2	-24.9	24.9	7.6%
31. Sales and fees from services provision	240.6	375.5	244.7	130.8	130.8	53.4%
39. Other taxes	204.7	276.2	208.2	68.0	68.0	32.6%
28. Other indirect taxes	237.1	248.4	241.2	7.2	7.2	3.0%
79. External capital transfers	70.6	101.5	71.8	29.7	29.7	41.3%
32. Administrative fees	67.8	76.6	69.0	7.6	7.6	11.0%
38. Refunds	13.4	28.6	13.6	15.0	15.0	110.3%
36. Special contributions	24.1	25.3	24.5	0.8	0.8	3.5%
78. Capital transfers from families, institutions, NGOs...	0.0	50.0	0.0	50.0	50.0	--
54. Non-financial property revenues	5.2	10.5	5.3	5.2	5.2	99.0%
60. Sale of land	0.0	10.6	0.0	10.6	10.6	--
Sum of rest	84.3	101.9	85.8	16.1	16.1	18.7%
Total revenue	24,243.0	24,661.2	24,661.2	0.0	716.6	
Overall variance						101.7%
Composition variance						2.9%

€ Million

Data for year = 2019						
Economic head (Article)	Budget	Actual	adjusted budget	deviation	absolute deviation	percent
10. Taxes on income	10,493.5	10,629.0	10,932.7	-303.7	303.7	2.8%
21. Taxes on value-added	7,275.7	7,248.8	7,580.2	-331.4	331.4	4.4%
22. Taxes on specific consumption	2,827.9	2,856.3	2,946.2	-89.9	89.9	3.1%
20. Taxes on capital transfers	2,097.5	2,101.7	2,185.3	-83.6	83.6	3.8%
11. Taxes on capital	1,140.6	1,208.1	1,188.3	19.8	19.8	1.7%
81. Loans and cash advances reimbursements	117.3	463.5	122.2	341.4	341.4	279.4%
49. External current transfers	322.6	357.4	336.1	21.3	21.3	6.3%
31. Sales and fees from services provision	239.7	332.5	249.7	82.8	82.8	33.1%
39. Other taxes	179.6	308.4	187.1	121.3	121.3	64.8%
28. Other indirect taxes	255.2	256.0	265.8	-9.8	9.8	3.7%
79. External capital transfers	70.6	185.1	73.6	111.5	111.5	151.5%
32. Administrative fees	44.2	77.3	46.1	31.2	31.2	67.8%
38. Refunds	13.4	53.1	13.9	39.2	39.2	281.7%
82. Deposit return	0.0	33.8	0.0	33.8	33.8	--
36. Special contributions	24.1	26.4	25.1	1.3	1.3	5.4%
78. Capital transfers from families, institutions, NGOs...	0.0	23.9	0.0	23.9	23.9	--
54. Non-financial property revenues	5.0	14.8	5.2	9.6	9.6	182.5%
60. Sale of land	0.0	13.5	0.0	13.5	13.5	--
Sum of rest	59.9	30.1	62.4	-32.3	32.3	51.7%
Total revenue	<u>25,166.8</u>	<u>26,219.9</u>	26,219.9	0.0	1,701.2	
Overall variance						104.2%
Composition variance						6.5%

Year	Total revenue deviation	Composition variance
2017	106.4%	4.6%
2018	101.7%	2.9%
2019	104.2%	6.5%

Annex 5.1.1 Catalan program budget classification

Program classification until the program level. Classification goes until the sub-program level (4th digit).

Area	Policy	Program	Name		
1	11		RUNNING INSTITUTIONS AND GENERAL ADMINISTRATION		
			<i>GENERALITAT HIGHER MANAGEMENT AND GOVERNMENT</i>		
		111	Higher bodies of the Catalan Government and external control		
		112	Government action impulse and coordination		
		113	Citizen attention and dissemination of Catalan Government services		
		114	Self-government impulse and statutory deployment		
		12		<i>ADMINISTRATION AND GENERAL SERVICES</i>	
			121	General administration and management	
			122	Personnel recruiting and training and research	
			124	Gambling control and regulation and public lottery administration	
			125	Catalan Government financial management	
		13		<i>CITIZEN PARTICIPATION AND ELECTION PROCESSES</i>	
			131	Institutional affairs, peace and human rights	
132	Election process organization, management and monitoring				
2	21		GENERAL PUBLIC SERVICES		
			<i>JUSTICE</i>		
		211	Justice administration and public prosecutor		
		212	Youth justice and crime victim attention		
		213	Penitentiary services and alternative penal measures		
		214	Civil law, arbitration and legal entities		
		215	Personnel training in the justice area		
		22		<i>SECURITY AND CIVIL DEFENSE</i>	
			221	Public security	
			222	Traffic and road safety	
			223	Fire prevention and extinction and rescues	
			224	Security personnel training	
		23		<i>FOREIGN AFFAIRS AND DEVELOPMENT COOPERATION</i>	
			231	Foreign affairs	
			232	Development cooperation	
		3	31		SOCIAL PROTECTION AND PROMOTION
					<i>SOCIAL PROTECTION</i>
310	Social Interventions funded by 0,7% of Personal Income Tax				
313	Support to families				
314	Immigrant assistance				
315	Personal autonomy promotion				
316	Equality and diversity respect				
317	Inclusion and fight against poverty				
318	Childhood and adolescence attention				

Area	Policy	Program	Name	
4	32		<i>SOCIAL PROMOTION</i>	
		321	Youth policies	
		322	Women policies	
		323	Civic action and voluntary work	
		324	Relationship with confessions	
		33		<i>EMPLOYMENT PROMOTION</i>
			331	Employability
			333	Labor equality, quality and integration
			335	Agrarian and fishing vocational training
				PUBLIC SOCIAL GOODS AND SERVICES
		41		<i>HEALTH</i>
			411	Primary healthcare
			412	Specialized healthcare
			414	Public health
			415	Internal transfers for healthcare services
			419	Other healthcare services
		42		<i>EDUCATION</i>
			421	General education
			422	University education
			424	Complementary education services
			425	Education grants and aid
			426	Teaching personnel training
		43		<i>HOUSING AND OTHER URBAN ACTIVITIES</i>
			431	Housing
			432	Neighborhoods and historical centers
		44		<i>CULTURE</i>
			441	Culture creators and companies
			442	Culture internationalization
			443	Cultural heritage
			444	Cultural associations
			445	Cultural institutions
		45		<i>CATALAN LANGUAGE</i>
		451	Promotion of Catalan language	
	46		<i>CONSUMPTION</i>	
		461	Consumption regulation, control and information	
	47		<i>SPORTS</i>	
		471	Physical activities and sport	

Area	Policy	Program	Name
5	51		PUBLIC ECONOMIC GOODS AND SERVICES
			<i>WATER CYCLE</i>
	52	511	Water cycle
			<i>TRANSPORTATION</i>
	53	521	Roads
		522	Rail infrastructures
		523	Public transportation support
		524	Ports and sea transportation
		525	Airports and air transportation
		526	Logistics and support to commodities transport
		527	Road traveler transportation infrastructures
			<i>INFORMATION AND KNOWLEDGE SOCIETY AND TELECOMMUNICATIONS</i>
		531	E-infrastructures
		532	Digital society
	54	533	Social media
			<i>URBAN AND TERRITORIAL PLANNING</i>
		542	Territorial and urban planning
		543	Land regulation and promotion for industrial and services use
	55	544	Coastal actions
			<i>ENVIRONMENTAL ACTIVITIES</i>
		551	Natural environment and biodiversity protection and preservation
		552	Waste-treatment infrastructure and management
		553	Environmental awareness policies
	56	554	Environmental control and prevention
			<i>RURAL AND AGRARIAN INFRASTRUCTURES</i>
		561	Rural development infrastructures
	57	562	Irrigation infrastructures and plot ordering
			<i>RESEARCH, DEVELOPMENT AND INNOVATION</i>
		571	Research and development
		572	Food industry science and technology research and development
		573	Biomedical and health sciences research and development
	58	574	Innovation
		<i>OTHER ECONOMIC ACTIONS</i>	
581		Cartography, geology and geophysics	
582		Meteorology	
583		Official statistics	
	584	Policy evaluation and opinion surveys	

Area	Policy	Program	Name
6			PROMOTING AND REGULATING PRODUCTIVE SECTORS
		61	<i>AGRICULTURE, STOCKBREEDING AND FISHING INDUSTRY</i>
		611	Animal and vegetable health and production controls
		612	Agrarian and fishing industries regulation, restructuring and support
		613	Food industry support, commercialization and market regulation
		614	Agrarian and fishing corporation structures modernization and improvement
		616	Rural life economic diversification and support
		62	<i>INDUSTRY</i>
		621	Industry security and risk prevention
		622	Industry support
		63	<i>ENERGY AND MINING INDUSTRY</i>
		631	Energy
		634	Mining industry and radiological protection
		64	<i>COMMERCIAL SECTOR</i>
		641	Commercial sector and craftwork regulation and promotion
		65	<i>TOURISM</i>
		651	Tourism regulation and promotion
		66	<i>BUSINESS DEVELOPMENT</i>
		661	Entrepreneurship and businesses promotion
		662	Internationalization and foreign commerce promotion
		67	<i>OFFICIAL CREDIT AND FINANCIAL SECTOR</i>
		671	Financial sector regulation and promotion and local governments financial tutelage
		672	Official credit
68	<i>COMPETITION DEFENSE</i>		
681	Competition promotion and defense		
7			FINANCIAL SUPPORT TO LOCAL GOVERNMENTS
		71	<i>FINANCIAL SUPPORT TO LOCAL GOVERNMENTS</i>
		711	Financial support to local governments
		712	Local government's share of Central Government's revenues
713	Support to local governments' works and services		
8			CONTINGENCY FUND
		81	<i>CONTINGENCY FUND</i>
811	Contingency fund		
9			PUBLIC DEBT
		91	<i>PUBLIC DEBT</i>
911	Public debt		

Annex 5.1.2 Program classification equivalence with COFOG

COFOG divisions and groups		Catalan budgetary programs (or sub-programs)
701	General public services	
7011	Executive and legislative organs, financial and fiscal affairs, external affairs	111 Higher bodies of the Catalan Government and external control 112 Government action impulse and coordination 114 Self-government impulse and statutory deployment 121 General administration and management 124 Gambling control and regulation and public lottery administration 125 Catalan Government financial management 126 Public equipment and investments management 131 Institutional affairs, peace and human rights 231 Foreign affairs
7012	Foreign economic aid	232 Development cooperation
7013	General services	113 Citizen attention and dissemination of Catalan Government services 122 Personnel recruiting and training and research 581 Cartography, geology and geophysics 582 Meteorology 583 Official statistics 584 Policy evaluation and opinion surveys
7014	Basic research	571 Research and development
7015	R&D General public services	
7016	General public services n.e.c.	132 Election process organization, management and monitoring 811 Contingency fund
7017	Public debt transactions	911 Public debt
7018	Transfers of a general character between different levels of government	711 Financial support to local governments 712 Local government's share of Central Government's revenues 713 Support to local governments' works and services
702	Defense	
7021	Military defense	
7022	Civil defense	
7023	Foreign military aid	
7024	R&D Defense	
7025	Defense n.e.c.	
703	Public order and safety	
7031	Police services	221 Public security 222 Traffic and road safety
7032	Fire protection services	223 Fire prevention and extinction and rescues
7033	Law courts	211 Justice administration and public prosecutor
7034	Prisons	213 Penitentiary services and alternative penal measures
7035	R&D Public order and safety	
7036	Public order and safety n.e.c.	212 Youth justice and crime victim attention 214 Civil law, arbitration and legal entities 215 Personnel training in the justice area 224 Security personnel training 225 Civilian protection

COFOG divisions and groups		Catalan budgetary programs (or sub-programs)
704	Economic affairs	
7041	General economic, commercial, and labor affairs	333 Labor equality, quality and integration 461 Consumption regulation, control and information 661 Entrepreneurship and businesses promotion 662 Internationalization and foreign commerce promotion 641 Commercial sector and craftwork regulation and promotion 681 Competition promotion and defense 671 Financial sector regulation and promotion and local governments financial tutelage 672 Official credit
7042	Agriculture, forestry, fishing, and hunting	561 Rural development infrastructures 562 Irrigation infrastructures and plot ordering 611 Animal and vegetable health and production controls 612 Agrarian and fishing industries regulation, restructuring and support 614 Agrarian and fishing corporation structures modernization and improvement 616 Rural life economic diversification and support
7043	Fuel and energy	631 Energy
7044	Mining, manufacturing, and construction	621 Industry security and risk prevention 622 Industry support 634 Mining industry and radiological protection
7045	Transport	521 Roads 522 Rail infrastructures 523 Public transportation support 524 Ports and sea transportation 525 Airports and air transportation 526 Logistics and support to commodities transport 527 Road traveler transportation infrastructures
7046	Communication	531 E-infrastructures 532 Digital society
7047	Other industries	651 Tourism regulation and promotion 441 Culture creators and companies
7048	R&D Economic affairs	572 Food industry science and technology research and development 574 Innovation
7049	Economic affairs n.e.c.	543 Land regulation and promotion for industrial and services use (land for industry)
705	Environmental protection	
7051	Waste management	552 Waste-treatment infrastructure and management
7052	Waste water management	511 Water cycle (water waste management)
7053	Pollution abatement	553 Environmental awareness policies 554 Environmental control and prevention
7054	Protection of biodiversity and landscape	551 Natural environment and biodiversity protection and preservation
7055	R&D Environmental protection	
7056	Environmental protection n.e.c.	544 Coastal actions
706	Housing and community amenities	
7061	Housing development	431 Housing (housing development and public housing) 543 Land regulation and promotion for industrial and services use (housing purposes)
7062	Community development	432 Neighborhoods and historical centers 542 Territorial and urban planning 543 Land regulation and promotion for industrial and services use
7063	Water supply	511 Water cycle (water supply)
7064	Street lighting	
7065	R&D Housing and community amenities	
7066	Housing and community amenities n.e.c.	

COFOG divisions and groups		Catalan budgetary programs (or sub-programs)
707	Health	
7071	Medical products, appliances, and equipment	411 Primary healthcare (pharmacy products) 419 Other healthcare services (equipment, diagnostics services and emergency transportation)
7072	Outpatient services	411 Primary healthcare
7073	Hospital services	412 Specialized healthcare
7074	Public health services	414 Public health
7075	R&D Health	573 Biomedical and health sciences research and development
7076	Health n.e.c.	415 Internal transfers for healthcare services
708	Recreation, culture, and religion	
7081	Recreational and sporting services	471 Physical activities and sport
7082	Cultural services	442 Culture internationalization 443 Cultural heritage 444 Cultural associations 451 Promotion of Catalan language 445 Cultural institutions
7083	Broadcasting and publishing services	533 Social media
7084	Religious and other community services	321 Youth policies 323 Civic action and voluntary work 324 Relationship with confessions
7085	R&D Recreation, culture, and religion	
7086	Recreation, culture, and religion n.e.c.	
709	Education	
7091	Pre-primary and primary education	421A Nursery schools 421 General education (pre-primary and primary education)
7092	Secondary education	421 General education (secondary education)
7093	Postsecondary nontertiary education	331F Vocational training 335 Agrarian and fishing vocational training 421 General education (adults education/life-long learning)
7094	Tertiary education	422 University education
7095	Education not definable by level	
7096	Subsidiary services to education	424 Complementary education services 425 Education grants and aid 426 Teaching personnel training
7097	R&D Education	
7098	Education n.e.c.	
710	Social protection	
7101	Sickness and disability	315 Personal autonomy promotion (disabilities)
7102	Old age	313D Old people active life 315 Personal autonomy promotion (long-term care and residential services)
7103	Survivors	
7104	Family and children	313 Support to families 318 Childhood and adolescence attention
7105	Unemployment	331 Employability
7106	Housing	431 Housing (housing social benefits and attention)
7107	Social exclusion n.e.c.	310 Social Interventions funded by 0,7% of Personal Income Tax 314 Immigrant assistance 316 Equality and diversity respect 317 Inclusion and fight against poverty
7108	R&D Social protection	
7109	Social protection n.e.c.	322 Women policies

Annex 5.1.3 Annual Program Performance Plans structure

Structure of the Annual Program Performance Plans for the department group document (Budget FY2020).

DEPARTMENT GROUP							
PROGRAM							
GOVERNMENT PLAN GOAL <small>(goal to which program contributes)</small>							
DEPARTMENT PLAN GOAL <small>(goal to with program contributes)</small>							
Program situation diagnoses <i>Social problem/need faced by the program</i> : (12 lines maximum)							
<i>Target population</i> : (6 lines maximum)							
<i>Detailed description of the social problem/need</i> : (30 lines maximum)							
<i>Program regulation framework</i> : (6 lines maximum)							
Mission statement (7 lines maximum)							
Program strategy <i>Final outcome to be obtained</i> : (9 lines maximum)							
<i>Intermediate outcomes to be obtained</i> : (18 lines maximum)							
<i>Relationship between goods and services provided (Outputs) and expected Outcomes</i> : (25 lines maximum)							
Program Strategic and Operating Goals (36 lines maximum) (Strategic goals those included in the corresponding Department plan)							
Program performance indicators (12 indicators maximum)	Unit	Related Goal	2017 Actual	2018 Actual	2019 Budget	2020 Budget	202X Budget

Program expenditures (EUR)	Public Sector consolidated amount
1 Personnel expenditures	
2 Expenditures on goods and services	
3 Interest expenditures	
4 Current transfers	
6 Real investments	
7 Capital transfers	
8 Financial assets	
9 Financial liabilities	
Total expenditures	

Main resource allocation decisions regarding last fiscal year (20 lines maximum)

Personnel staff position allocated to the program

Linkage/association with inter-department plans (12 lines maximum)

Linkage/association with other plans (10 lines maximum)

Gender impact of the program (20 lines maximum)

Needed cooperation with other public administrations to face the social problem/need (20 lines maximum)

Annex 5.2.1 Catalan economic budget classification (Revenues)

Economic classification broken down until the 3rd digit (concept). Classification goes until 9th digit.

Economic classification by chapter, articles and concepts	Economic classification by chapter, articles and concepts
1 Direct taxes 10 Taxes on income 100 Personal Income Tax (regional part) 105 Tax on large commercial establishments 11 Taxes on capital 110 Inheritance and donations tax 111 Wealth tax 112 Tax on empty housing 113 State tax on bank deposits 114 Tax on legal persons non-profitable assets	3 Fees, sales and other revenue 30 Sales of goods 300 Sales of goods 301 Sales of publications 302 Sales of waste material 303 Sales of reprography 309 Other sales 31 Service fees 310 Administration and collection 311 Tuition fees 312 Accommodation and maintenance fees 313 Guarantees and financial operations insurance fees 317 Healthcare services provision 318 Social assistance services provision 319 Other services provision 32 Fees 320 Public fees 321 Other public fees 34 Other public revenues 341 Gambling revenues 342 Civil protection levy 343 Water cycle charge 344 Waste management fund 345 Other public fees 36 Special contribution revenues 360 Special contributions revenues 38 Repayments 380 Closed fiscal years repayments 381 Current fiscal years repayments 39 Other revenues 390 Surcharges and fines 391 Other extinguished tributes 392 Lottery revenues 399 Miscellaneous income
2 Indirect taxes 20 Taxes on transfers and documented legal acts 200 Tax on property transfers 201 Tax on documented legal acts 202 Tax on companies societal operations 21 Taxes on value-added 210 Value-added tax (share) 22 Taxes on special consumptions 220 Tax on tobacco products (share) 221 Tax on alcohol drinks (share) 222 Tax on hydrocarbons (autonomous rate) 223 Energy tax 224 Vehicle registration tax 226 Special taxes settlements 227 Tax on stays in tourist accommodation establishments 228 Tax on the provision of content by providers of electronic com. services 229 Tax on beverage with excess sugar 23 Environmental taxes 231 Tax on the production of electric energy of nuclear origin 232 Tax on the emission of gases and particles into the atmosphere prod. by ind. 233 Tax on the emission of gases and particles into the atmosphere (aviation) 234 Tax on the emission of carbon dioxide into the atmosphere (motor vehicles) 28 Other indirect taxes 29 Extinct taxes 290 Luxury tax 291 Bingo tax	

Economic classification by chapter, articles and concepts
4 Current transfers
40 Spanish Central Government
402 Spanish Central Government
403 Spanish Autonomous Communities
404 Consortium under the Spanish Central Government
405 Spanish Central Government companies and public entities
406 Social Security
407 Spanish Central Government foundations
41 Government of Catalonia
410 Government of Catalonia, for operating costs
43 Catalan Government administ. entities & Catalan Health Service
430 Catalan Government administrative entities and Catalan Health Service
431 Catalan Government commercial and financial administrative entities
44 Other public sector entities, public universities and other
440 Catalan Government entities under public law subject to private law
441 Catalan Government commercial companies
442 Consortium under the Catalan Government entities
443 Catalan Government foundation
444 Other commercial companies, classified as Public Sector-ESA
445 Other consortium, classified as Public Sector-ESA
446 Other foundations, classified as Public Sector-ESA
448 Other participated entities, classified as Public Sector-ESA
449 Public universities
45 Autonomous Communities
450 Autonomous Communities
451 Consortium under other Spanish autonomous communities
46 Local governments
460 Local governments
461 Consortium under local governments
462 Provincial deputation
463 Other local entities
47 Private companies
470 Private companies
48 Families, nonprofit institutions and other entities
480 Families
481 Foundations
482 Non profit institutions and other entities
49 Exterior
493 European Union
499 Other current transfer out of the country

Economic classification by chapter, articles and concepts
5 Property revenues
51 Interest revenues from advances, loans and credit insurances
510 Interest revenues from advances and loans
511 Interest revenues from credit insurances
52 Deposit interest revenues
520 Deposit interest revenues
521 Other interest revenues from deposits
53 Other financial revenues
530 Dividend collection
531 Positive differences on financial transactions
532 Interest revenues from debt securities
533 Benefits derived from sales of financial assets
534 Other financial revenues
54 Non-financial property revenues
540 Rents
541 Stockbreeding exploitations and concessions rights
543 Administrative franchise
544 Other non-financial property revenues
6 Real investments disposal
60 Sale of land and natural assets
600 Sale of land and natural assets
61 Sale of buildings and other constructions
610 Sale of buildings and other constructions
62 Sale of equipment, facilities and tools
620 Sale of equipment, facilities and tools
63 Sale of transportation materials
630 Sale of transportation materials
64 Sale of furniture and utensils
640 Sale of furniture and utensils
65 Sale of data processing equipment and telecommunications
650 Sale of data processing equipment and telecommunications
66 Sale of general use goods
660 Sale of general use goods
67 Sale of other tangible fixed assets
670 Sale of other tangible fixed assets
68 Sale of intangible fixed assets and repayments
680 Sale of intangible fixed assets
681 Capital operations repayment
682 Revenues derived from 1% cultural allocation
69 Revenues from interventions done on behalf of Generalitat
690 Revenues from Catalan Government for provision
691 Revenues from Catalan Government administrative entities for provision
693 Revenues from other public sector entities or attached for provision
694 Revenues from other participated entities for provision
695 Revenues from other public administrations for provision
696 Revenues from other public administrations, other entities for provision

Economic classification by chapter, articles and concepts
7 Capital transfers
70 Spanish Central Government
702 Spanish Central Government
703 Spanish Autonomous Communities
704 Consortium under Spanish Central Government
705 Public companies and other entities from Spanish Central Government
706 Social Security
707 Spanish Central Government foundations
71 Government of Catalonia
710 Government of Catalonia
72 Catalan Healthcare Service, ICS and ICASS
720 Catalan Health Service, ICS and ICASS
73 Catalan Government administrative entities and SCS
730 Catalan Government administrative entities and Catalan Health Service
731 Catalan Government commercial and financial administrative entities
74 Other public sector entities, public universities and other
740 Catalan Government entities under public law subject to private law
742 Consortium under the Catalan Government entities
743 Catalan Government foundations
744 Other commercial companies, classified as Public Sector-ESA
745 Other consortium, classified as Public Sector-ESA
746 Other foundations, classified as Public Sector-ESA
748 Other participated entities, classified as Public Sector-ESA
749 Public universities
75 Autonomous Communities
750 Autonomous communities
751 Consortium under other Spanish autonomous communities
76 Local governments
760 Local governments
761 Consortium under local governments
762 Provincial deputation
763 Other local entities
77 Private companies
770 Private companies
78 Families, nonprofit institutions and other entities
780 Families
781 Foundations
782 Non profit institutions and other entities
79 Exterior
793 European Union
799 Other current transfer out of the country

Economic classification by chapter, articles and concepts
8 Financial assets
80 Debt repayment
801 Debt repayment in euros
802 Debt repayment in foreign euros
81 Loans and advancements repayment
810 Long term public sector loans and advancements repayment
811 Short term public sector loans and advancements repayment
812 Long term outside public sector loans and advancements repayment
813 Short term outside public sector loans and advancements repayment
814 Personnel loans repayment
815 Guarantees recovery
82 Deposit and bonds reimbursement
820 Deposit reimbursement
821 Bonds reimbursement
83 Capital contributions to public sector and participated entities
830 Catalan Government contributions to own resources
831 Catalan Gov. administrative entities and SCS contrib. to own resources
832 Capital contributions from other public sector entities o
834 Other entities contributions, classified as Public Sector-ESA
835 Catalan public sector extraordinary contrib. to compensate accum. loses
84 Other capital contributions
840 Spanish central public sector capital contributions
841 Autonomous communities public sector capital contributions
842 Local government entities
843 Other operators contributions
85 Sale of securities
850 Securities sales from Catalan Government companies own resources
851 Securities sales from other companies own resources
852 Fixed income securities sales from Catalan Government entities
853 Fixed income securities sales from other entities
86 Other financial investments
860 Other financial investments
87 Cash surpluses generated on previous fiscal years
870 Cash surpluses generated on previous fiscal years
88 Repayment of patrimonial contributions
880 Repayment of patrimonial contributions
89 Other financial assets variation
890 Other financial assets variation
9 Financial liabilities
90 Public debt in euros
900 Debt repayment in euros
91 Loan and other credits in euros
910 Long-term public loans in euros
911 Long-term loans and other credits in euros outside public sector
912 Long-term loans in euros outside public sector
913 Short-term loans and other credits in euros outside public sector
92 Public debt, loans and other credits in foreign currency
920 Public debt in foreign currency
921 Loans in foreign currency
93 Bonds and other deposits received
930 Bonds received
931 Deposits received
95 Other financial liabilities variations
950 Other long-term financial liabilities variations
951 Other short-term financial liabilities variations

Annex 5.2.2 Catalan economic budget classification (Expenditures)

Economic classification broken down until the 3rd digit (concept). Classification goes until 9th digit.

Economic classification by chapter, articles and concepts	Economic classification by chapter, articles and concepts
<p>1 Employee compensation</p> <p>10 High ranked personnel 100 High ranked personnel</p> <p>11 Temporary personnel 110 Temporary personnel</p> <p>12 Public servants 120 Basic remuneration 121 Supplementary remuneration</p> <p>13 Personnel under workers stature regime 130 Personnel under workers stature regime 131 Personnel under workers stature regime</p> <p>15 Performance incentives and extraordinary activities 150 Performance incentives 151 Extraordinary activities</p> <p>16 Social security contribution and assurances 160 Social security contribution</p> <p>17 Pensions and other social benefits 170 Pensions 171 Contribution to pensions scheme 172 Other social benefits 173 Social spending</p>	<p>22 Material, supplies and other 220 Office supplies 221 Supplies 222 Communications 223 Transports 224 Insurance expenses 225 Tributes 226 Miscellaneous costs 227 Service provided by natural or legal persons. 228 IT services</p> <p>23 Service compensation 230 Subsistence, locomotion and travel allowances 231 Other compensations 232 Food subsidies 233 Social Action Fund</p> <p>24 Publications 240 Expenditure on publishing</p> <p>25 Public services provided by external means 251 Provision of services by outside resources</p>
<p>2 Current expenditures on goods and services</p> <p>20 Rents and levies 200 Rents and levies of land, natural assets, buildings and other constructions 201 Rents and levies of transportation materials 202 Rents and levies of data processing equipment, software and reprography 203 Rents and levies of other tangible fixed assets 204 Other rents and levies</p> <p>21 Conservation and repair 210 Conservation, repair and maint. of land, natural assets, buildings and other 211 Conservation, repair and maintenance of transportation materials 212 Conserv., repair and maint. of processing equip., software and reprography 213 Conservation, repair and maintenance of other tangible fixed assets 214 Other spending on conservation, repair and maintenance</p>	<p>3 Interests and financial fees</p> <p>30 Public debt financial expenditures in euros 300 Public debt interests in euros 302 Cost of public debt issuing, adjusting and cancellation in euros 309 Other public debt financial expenditures in euros</p> <p>31 Loans financial expenditures in euros 310 Loan interests in euros 312 Cost of loans issuing, adjusting and cancellation in euros 319 Other loans financial expenditures in euros</p> <p>32 Public debt financial expenditures in foreign currency 320 Public debt interests in foreign currency 322 Cost of public debt issuing, adjusting and cancellation in foreign currency 323 Public debt exchange differences in foreign currency 329 Other public debt financial expenditures in foreign currency</p> <p>33 Loans financial expenditures in foreign currency 330 Loan interests in foreign currency 332 Cost of loans issuing, adjusting and cancellation in foreign currency 333 Loans exchange differences in foreign currency 339 Other loans financial expenditures in foreign currency</p> <p>34 Other financial expenditures 340 Other financial expenditures 342 Fees and other banking charges 349 Other financial expenditures</p>

Economic classification by chapter, articles and concepts
4 Current transfers
40 Spanish Central Government
400 Spanish Central Government
401 National Institute of Social Security
402 Spanish Autonomous Communities
403 Public companies and other public entities
404 Consortium under the Spanish Central Government
409 Other dependent entities under Spanish Central Government
41 Government of Catalonia
410 Government of Catalonia
43 Catalan Government administrative entities and SCS
430 Catalan Government administrative entities and Catalan Health Service
431 Catalan Government commercial and financial administrative entities
44 Other public sector entities, public universities and other
440 Catalan Government entities under public law subject to private law
441 Catalan Government commercial companies
442 Consortium under the Catalan Government entities
443 Catalan Government foundations
444 Other commercial companies, classified as Public Sector-ESA
445 Other consortium, classified as Public Sector-ESA
446 Other foundations, classified as Public Sector-ESA
447 Other entities, classified as Public Sector-ESA
448 Other participated entities, classified as Public Sector-ESA
449 Public universities
45 Autonomous Communities
450 Autonomous Communities
451 Consortium under other Spanish autonomous communities
459 Other dependent entities under other Spanish autonomous communities
46 Local governments
460 Local governments
461 Consortium under local governments
462 Transfers to Conselh Generau dera Val d'Aran
463 Waste management fund
464 Catalan Unified Plan of Works and Services
469 Other dependent entities under local governments
47 Private companies
470 Private companies
473 Waste management fund
479 Fares compensation for the infrastructure use

Economic classification by chapter, articles and concepts
48 Families, nonprofit institutions and other entities
480 Families
481 Foundations
482 Non profit institutions and other entities
483 Awards
484 Trade unions
485 Social interventions funded by 0,7% income tax assignment
488 Educational agreements
489 Pharmacy (medical prescriptions)
49 Exterior
490 Exterior
5 Contingency fund
50 Contingency fund
500 Contingency fund
6 Real investments
60 Investment on land and natural assets
600 Investment on land and natural assets
603 Investment on leasing contracts for lands and natural assets
61 Investment on buildings and other constructions
610 Investment on buildings and other constructions
611 Contrib. to Catalan Gov. entities for invest. in buildings on behalf of Gov.
613 Investment on leasing contracts for buildings and other constructions
62 Investment on equipment, facilities and tools
620 Investment on equipment, facilities and tools
623 Investment on leasing contracts for equipment, facilities and tools
63 Investment on transportation materials
630 Investment on transportation materials
633 Financial leasing contracts investments on transportation materials
64 Investment on furniture and utensils
640 Investment on furniture and utensils
641 Contributions to public sector entities
643 Investment on leasing contracts for furniture and utensils
65 Investment on data processing equipment and telecom.
650 Investment on data processing equipment and telecommunications
653 Financial leasing contracts investments data processing equip. and telecom.
66 Investment on general use goods
660 Investment on general use goods
661 Contrib. to entities for investments in infrastructures on behalf Gov.
67 Investment on other tangible fixed assets
670 Investment on other tangible fixed assets
673 Investment on leasing contracts for other tangible fixed assets
68 Investment on intangible fixed assets
680 Investment on intangible fixed assets
683 Investment on leasing contracts for intangible fixed assets

Economic classification by chapter, articles and concepts
7 Capital transfers
70 Spanish Central Government
700 Spanish Central Government
701 Social Security National Institute
702 Spanish Autonomous Communities
703 Public companies and other public entities from Spanish Central Gov.
704 Consortium under the Spanish Central Government
709 Other dependent entities from Spanish Central Government
71 Government of Catalonia
710 Government of Catalonia
73 Catalan Government administrative entities and SCS
730 Catalan Government administrative entities and Catalan Health Service
731 Catalan Government commercial and financial administrative entities
74 Other public sector entities, public universities and other
740 Catalan Government entities under public law subject to private law
741 Catalan Government commercial companies
742 Consortium under the Catalan Government entities
743 Catalan Government foundations
744 Other commercial companies, classified as Public Sector-ESA
745 Other consortium, classified as Public Sector-ESA
746 Other foundations, classified as Public Sector-ESA
747 Other entities, classified as Public Sector-ESA
748 Other participated entities, classified as Public Sector-ESA
749 Public universities
75 Autonomous Communities
750 Autonomous communities
751 Consortium under other Spanish autonomous communities
759 Other entities under Spanish autonomous communities
76 Local governments
760 Local governments
761 Consortium under local governments
762 Catalan Unified Plan of Works and Services
763 Subsidies for catastrophic damage and urgent actions
764 Other dependent entities under local governments
765 Transfers to Conselh Generau dera Val d'Aran
77 Private companies
770 Private companies
78 Families, nonprofit institutions and other entities
780 Families
781 Foundations
782 Non profit institutions and other entities
785 Social Interventions funded by Personal Income Tax assignment
79 Exterior
790 Exterior

Economic classification by chapter, articles and concepts
8 Financial assets
80 Debt purchase in euros
800 Debt purchase in euros
81 Debt purchase in foreign currency
810 Debt purchase in foreign currency
82 Loans and advances within public sector
820 Long-term loans and advances within public sector
821 Short-term loans and advances within public sector
83 Loans and advances outside public sector
830 Long-term loans and advances outside public sector
831 Loans and advances of any not documented debt via securities
84 Deposits and bonds
840 Deposits constituted
841 Guarantees deposits
85 Temporal purchase of companies shares
850 Temporal purchase of companies shares
87 Capital contrib. to public sector, attached and participated entities
870 Contributions to endowment fund of entities, SCS and public law companies
871 Capital contributions to Catalan Government commercial companies
872 Consortium under the Catalan Government own funds contribution
873 Capital contributions to Catalan Government foundations
874 Capital contrib. to others commercial companies, classified PS-ESA
875 Own funds contributions to others consortiums, classified Public Sector-ESA
876 Capital contributions to others participated entities
879 Catalan public sector extraordinary contrib. compensate accumulated loses
89 Other financial assets variations
890 Other financial assets variations
9 Financial liabilities
90 Debt repayment in euros
900 Debt repayment in euros
91 Loan and other credit repayment in euros
910 Long-term loans repayment in euros
911 Repayment of loans and other credits in euros public sector or attached
912 Repayment long-term loans and other in euros entities outside public sector
913 Repayment of short-term loans in euros outside public sector
92 Public debt repayment in foreign currency
920 Public debt repayment in foreign currency
93 Loans and other credit repayment in foreign currency
930 Loans repayment in foreign currency
94 Bonds and deposits reimbursement
940 Bonds received reimbursement
941 Deposits received reimbursement
95 Other financial liabilities variations
950 Other long-term financial liabilities variations
951 Other short-term financial liabilities variations

Annex 6.1.1 Economic and Social Impact (IIES) Report contents

Report form, economic evaluation calculations forms and guidance are available at the following [web link](#).

Name of the initiative: <i>Plan, program or project name</i>	Date: <i>DD/MM/YYYY</i>
Sponsoring department: <i>Name of the sponsoring department</i>	Version: <i>Draft/Final</i>
Unit or entity: <i>Name of the unit or entity</i>	Responsible / Contact: <i>Name of the responsible officer</i> <i>E-mail and telephone</i>
	Amount: <i>In € million</i>

0. Executive summary (~ 1 page)
Which is the social problem or need to be addressed? Why Catalan Government should intervene?
Which are the goals of the initiative? Which are the expected effects of the initiative?
Which alternatives are considered?
Which are the benefits and costs of each considered alternative?
Which are the main identified risks?
Which is the selected alternative and why?
Which is the expected system of monitoring and ex-post evaluation?

1. Situation diagnosis
2. Initiative goals
3. Considered alternatives
4. Alternatives analysis: Identification of benefits and costs
5. Benefits and costs discounting and decision criteria indicators
6. Risks and sensitivity analysis
7. Justification of the selected alternative
8. Monitoring and ex-post evaluation system of the initiative
9. Annexes

Annex 6.1.2 Economic and Social Impact (IIES) Report checklist

[checklist](#) to guide and help sponsoring departments to assess the completeness of their reports.

Section		Relevant questions	
0	Executive summary	Social problems or needs to be addresses are clearly identified?	<input type="checkbox"/>
		Is Catalan Government intervention justified?	<input type="checkbox"/>
		Are goals well defined?	<input type="checkbox"/>
		Clear alternatives are identified and their benefits and cost analyzed?	<input type="checkbox"/>
		Are main risks clearly identified?	<input type="checkbox"/>
		The selected alternative decisions is clear and justified?	<input type="checkbox"/>
		A monitoring and evaluation system is explained?	<input type="checkbox"/>
1	Situation diagnosis	Is current situation well explained and clear which is the concrete social problem or need that the initiative aims to address?	<input type="checkbox"/>
		Is it's justified why Catalan Government should intervene?	<input type="checkbox"/>
		Are target population, main agents and stakeholders properly identified?	<input type="checkbox"/>
		It is explained if past evaluations, analysis have been performed regarding the initiative or similar initiatives?	<input type="checkbox"/>
2	Initiative goals	A main outcome/impact goal is clearly identified?	<input type="checkbox"/>
		Main goal is coherent with Government Plan goals?	<input type="checkbox"/>
		Goals are set complying SMART criteria?	<input type="checkbox"/>
		Key performance indicators and targets have been set?	<input type="checkbox"/>
3	Considered alternatives	Are different alternatives effectively presented to achieve the goals?	<input type="checkbox"/>
		There is any reference to literature, past experiences, best practices, research papers or evaluations to justify/support the presented options (evidence)?	<input type="checkbox"/>
		It is well reasoned the elimination of some options (long list → short list of alternatives)?	<input type="checkbox"/>
		Have been considered stakeholders' inputs when setting the different alternatives?	<input type="checkbox"/>
4	Alternatives analysis: Identification of benefits and costs	Baseline case have been properly identified (counter factual: no changes do minimum...)?	<input type="checkbox"/>
		Analysis time-period is properly set?	<input type="checkbox"/>
		All relevant benefits and costs have been identified (including externalities)?	<input type="checkbox"/>
		Benefits and costs have been measured in non-monetary units?	<input type="checkbox"/>
		Benefits and costs have been properly monetized?	<input type="checkbox"/>
		Hypothesis, criteria and data sources are well specified?	<input type="checkbox"/>
		Non-monetized case are properly justified?	<input type="checkbox"/>
		Benefits and costs have been considered in incremental terms?	<input type="checkbox"/>
		Taxes, transfers and financial expenditures have been eliminated?	<input type="checkbox"/>
		Prices have been corrected using shadow prices when necessary?	<input type="checkbox"/>
		Costs have been considered in real terms (adjusting inflation)?	<input type="checkbox"/>
		Distributive and equity effects over different agents or stakeholders have been identified?	<input type="checkbox"/>
Used economic evaluation technique have been properly justified? (Cost-Benefit Analysis, Cost-Effectiveness Analysis and Multi-Criteria Analysis)	<input type="checkbox"/>		
5	Benefits and costs discounting and decision criteria indicators	Benefits and costs have been properly discounted regarding the year of reference?	<input type="checkbox"/>
		Discount rate, other than the generally recommended, have been justified?	<input type="checkbox"/>
		Decision criteria results have been properly calculated? (NPV, IRR, Benefit-Cost ratio, other)?	<input type="checkbox"/>
		Other criteria have been considered (distributive, equity...)?	<input type="checkbox"/>
		There is an analysis of the results?	<input type="checkbox"/>
6	Risks and sensitivity analysis	Most influential variables on the final results have been identified?	<input type="checkbox"/>
		Main risks and uncertainty have been identified and variation intervals justified?	<input type="checkbox"/>
		Different scenarios have been shown regarding key benefits and costs?	<input type="checkbox"/>
		Results changes are clearly identified if some hypothesis change?	<input type="checkbox"/>
		Upward and downward limits regarding uncertainty in some of the key benefits and costs are identified?	<input type="checkbox"/>
7	Justification of the selected alternative	It is well justified the selected alternative?	<input type="checkbox"/>
		It is the selected alternative well presented to the decision-maker?	<input type="checkbox"/>
8	Monitoring and ex-post evaluation system of the initiative	A monitoring system for the initiative is explained?	<input type="checkbox"/>
		There is any ex-post evaluation expected? (Implementation, impact or economic)?	<input type="checkbox"/>
		The initiative is susceptible to have an experimental evaluation by using control groups?	<input type="checkbox"/>
		There is a specific reserved or forecasted amount of resources to perform the evaluations?	<input type="checkbox"/>

Annex 6.1.3 Spending Review Report structure and contents

Report form and contents explanation are available at the following [web link](#).

1. Program descriptive analysis
<ul style="list-style-type: none">▪ 1.1 General description▪ 1.2 Current and potential target population▪ 1.3 Program main components and products▪ 1.4 Program organization▪ 1.5 Territorial distribution▪ 1.6 Budget and financing▪ 1.7 Legal framework▪ 1.8 Program theory and hypothesis▪ 1.9 Goals and performance measures
2. Program and component strategic analysis
<ul style="list-style-type: none">▪ 2.1 Strategic alignment▪ 2.2 Duplications and overlaps▪ 2.3 Continuation justification▪ 2.4 Review of the planning, monitoring and evaluation system▪ 2.5 Performance evaluation or analysis background▪ 2.6 Quality of performance information▪ 2.7 Program performance evolution analysis
3. Program and component economy and efficiency analysis
<ul style="list-style-type: none">▪ 3.1 Evolution of the budget and its execution▪ 3.2 Quality and completeness of budget information▪ 3.3 Application and use of budget line items (line-item zero-based review)▪ 3.4 Expenditure recurrence▪ 3.5 Expenditure flexibility▪ 3.6 Direct and indirect expenditures▪ 3.7 Efficiency analysis: program optimal size and output unit cost analysis▪ 3.8 Revenues and financing improvements
4. Conclusions, recommendations, measures implementation commitments and monitoring
<ul style="list-style-type: none">▪ 4.1 Used documentation, qualitative information and data▪ 4.2 Observed limitations▪ 4.3 Conclusions▪ 4.4 Recommendations▪ 4.5 Recommendations implementation commitments▪ 4.6 Monitoring group

