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EUROSTAT

Directorate D: Government Finance Statistics (GFS)
Unit D-2: Excessive deficit procedure (EDP) 1

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FINAL FINDINGS

**Eurostat technical visit to the former Yugoslav Republic of
Macedonia**

24-25 June 2015

Executive summary

Eurostat carried out a technical visit to the former Yugoslav Republic of Macedonia (fYRoM) on 24-25 June 2015. The main purpose of the visit was to review the institutional responsibilities for the compilation and reporting of EDP and to assess the preparatory work of the statistical authorities in the EDP statistical framework, in line with rules of ESA 2010 and the Manual on Government Deficit and Debt (MGDD). In particular, the visit focused on the institutional setup, the data sources for government finance statistics and covered a number of methodological issues which are frequently discussed in regular Excessive Deficit Procedure (EDP) visits to EU Member States. The visit also aimed at familiarising the statistical authorities with the structure of the EDP tables and the relevant rules for calculating government deficit and debt. The visit resulted in a number of action points to be implemented by the national statistical authorities in the following period.

As regards the institutional responsibilities, it was agreed that the State Statistical Office (SSO) of the former Yugoslav Republic of Macedonia would assume the responsibility for compiling and reporting to Eurostat the EDP data. For this purpose, a number of action points were set, aiming to assist the SSO in this process, enhance the cooperation among the institutions, improve the SSO's access to source data and reinforce the SSO capacity. It was also agreed that the SSO would prepare a detailed Action Plan, which would include a medium term strategy for the transmission of EDP and GFS statistics on an ESA 2010 basis. Moreover, it was agreed that the statistical authorities would include in the coming National Statistical Programme, the GFS and EDP statistics as high priorities.

The statistical authorities committed themselves to make the necessary steps for the improvement of the quality and timeliness of the data. As a key provider of data, the Ministry of Finance (MoF) agreed to provide preliminary fiscal data allowing the provision of the April EDP notifications. The National Bank (NBRM) committed itself to continue its work on developing financial accounts, both for stocks and transactions. The three institutions agreed to work together to establish a better reporting system, especially for the local government units.

Eurostat explained in detail the EDP tables to be compiled and sent to Eurostat twice a year, currently at the end of April and end of October.

The participants in the meeting discussed the delimitation of the general government sector. It was agreed that the statistical authorities would use a common list of general government units for the reporting of GFS and EDP data. Moreover, it was agreed that for a number of borderline cases discussed during the visit, the SSO would send to Eurostat more detailed information, including the laws and statuses establishing them, as well as their analysis and proposal for the sector classification. Eurostat took note of the reclassification of public hospitals in the government sector.

Finally, some methodological issues were identified in the meeting and separate action points were set relating to the recording of taxes and social contributions on an accrual basis, the recording of EU funds in national accounts, as well as relating to specific government transactions such as capital injections and dividends.

A number of action points agreed would allow the SSO to submit to Eurostat, by end October 2015, pilot EDP tables, compiled on a best effort basis, including the completed Questionnaire table 9.1 on government guarantees.

When establishing the deadlines of the action points, Eurostat took into account the current state of play for the implementation of ESA 2010 and the Manual on Government Deficit and

debt (MGDD) in the field of the national accounts for the general government sector and EDP statistics. It also took into account the expected progress on methodological issues prior to the first official sending of the EDP tables and the related questionnaire, on a best effort basis. However, to date, Eurostat has not received any official EDP data. Moreover, with one exception (sending the bridge tables for the transition of public accounts to national accounts), no report was sent to Eurostat (action points were not implemented).

Introduction

Eurostat carried out a technical visit on 24-25 June 2015. The aim was to take stock of the institutional responsibilities for the government deficit and debt (EDP) statistics and to explain the compilation and the methodological aspects of EDP statistics. Moreover, it aimed at agreeing on steps to be taken by the statistical authorities to start compiling the EDP tables and the related questionnaires, as soon as possible, with a view of the first official transmission in October 2015. In particular, the visit focused on the institutional arrangements, the underlying data sources available to produce EDP and government finance statistics (GFS) according to ESA 2010 and on methodological issues, such as delimitation of the government sector, definition of government debt, accrual recording of taxes and social contributions, government guarantees and capital injections.

Ms Lena Frej Ohlsson (Head of Unit D2 - Excessive Deficit Procedure (EDP) 1) headed Eurostat's delegation. Ms Lenka Valenta (Unit D1- Excessive Deficit Procedure and methodology) and Ms Cecilia Pop (EDP desk officer for fYRoM) also represented Eurostat.

The national statistical authorities were represented by the State Statistical Office (SSO), the Ministry of Finance (MoF) and the National Bank (NBRM).

With regard to procedural arrangements, Eurostat explained that the *Main Conclusions and Action Points* would be sent within days to the national statistical office for comments. The *Provisional Findings* would be sent in draft form for review. After the agreement of the national statistical authorities, the *Final Findings* will be published on the website of Eurostat.

Eurostat appreciated the good co-operation with the statistical authorities, the documentation provided before the visit as well as the beneficial discussions.

1. Introduction and overview of EDP statistics work

Eurostat expressed its appreciation for the documentation provided prior to the visit, by the three national statistical authorities, and thanked the SSO for organising the meeting.

Eurostat described the EDP-related procedures applied to the EU Member States explaining, in particular, those of which apply also to candidate countries:

- The aim of the EDP visits is, in general, to review the data sources, the implementation of ESA 2010 methodology and the completion of EDP tables and the questionnaires. The content of the technical visits to candidate countries is similar to the content of EDP visits to EU Member States.
- The reporting after the meeting: the main conclusions and action points, the provisional findings and the final findings.
- The publication of the final findings on the dedicated domain of Eurostat's website.
- The legal basis for the EDP and GFS, as well as Eurostat's Manual on Government Deficit and Debt (MGDD); Eurostat's decisions and Eurostat's guidance notes on accounting rules (all are available on the dedicated domain of the Eurostat website).
- Work processes: the government debt and deficit (EDP) notifications, the EDP inventory, Eurostat's advice to EU Member States, EDP dialogue visits, EDP Statistics Working Group (EDPS WG), ad-hoc information requests by Eurostat.

Moreover, Eurostat presented the organisation of Directorate D, its aims, tasks and the work of each unit.

Eurostat explained the work with the candidate countries, as well as its intention to publish the final findings of the visit to Skopje on its website, along with those related to the technical visits to the other candidate countries. A report on the progress for EDP statistics will be provided by Eurostat to ECFIN in February 2016.

Eurostat encouraged the statistical authorities, and in particular the SSO, to attend the meetings organised by Directorate D (e.g. trainings organised on GFS and EDP statistics, as well as the EDP Statistics Working Group and specific Task Forces), where methodological and practical issues related to the compilation of government accounts are discussed.

At the request of the NBRM, about the status and use of the EDP data, Eurostat explained that the EDP tables are analysed and published for EU Member States. The data for candidate countries will be published when they are considered of acceptable quality. Concerning the implementation of the Regulations for 6- pack and 2- pack, although they are not a legal obligation for candidate countries, Eurostat encouraged the SSO to include the provisions of the related data in the Action Plan, with a view of reporting the information requested, including the contingent liabilities, on a best effort basis.

2. Institutional responsibilities for EDP and national accounts for government (GFS) data compilation and reporting

Introduction

Before the visit, the statistical authorities sent to Eurostat the Memorandum of Understanding (MoU) signed in September 2009 between the SSO, the MoF and the NBRM. The MoU establishes the cooperation in certain fields of macroeconomic and financial statistics.

Moreover, Eurostat received the organisational chart of the SSO, showing all key functions, as well as a flowchart indicating the institutions involved in the provision and processing of the data for the government sector (the SSO, the MoF, the NBRM and the Central Register).

Discussions

Eurostat enquired about the institutional arrangements and the division of responsibilities for the compilation of GFS and EDP data. In particular, Eurostat enquired about the intention of the SSO to start compiling and transmitting EDP tables in the future.

The statistical authorities explained that the SSO has the primary responsibility for the compilation of quarterly and annual non-financial accounts, including the non-financial sector accounts, as well as for the dissemination of data. For the general government sector, the SSO cooperates with the MoF in obtaining the data on revenue and expenditure for the central and local government, on a quarterly and annual basis, as well as other data needed to compile the sector accounts. For the Social Insurance Funds, included in the government sector, the NBRM provides the basic data.

The statistical authorities also explained that, according to the existing MoU, the MoF has the responsibility for the preparation of the EDP report, in cooperation with the SSO. The MoF is responsible to report the total public debt, which is published on a quarterly basis and is submitted annually, for information, to the Parliament. The MoF produces monthly reports

for the budget execution at central government level and an annual report for the budget execution for the general government (the central government and the municipalities).

Eurostat welcomed the fact that the data for revenue and expenditure are available at the MoF on a quarterly and annual basis, with a detail which enables the SSO to produce the bridge tables showing the transition from public accounts to national accounts. It was agreed that the bridge tables would be provided to Eurostat, after the visit.

According to the agreement (called Contract) signed in April 2013 between the SSO and NBRM, the NBRM is responsible for the compilation of financial accounts by institutional sectors, according to the national accounts methodology in force. The NBRM is also responsible for the monetary statistics. The NBRM compiles the annual financial accounts (stocks data). However, due to insufficient quality of the data, for the moment, it does not publish them. As a result of close cooperation with the MoF and the SSO, the NBRM identified some inconsistencies in the data and intends to improve the data sources to compile better quality financial accounts, especially for the government sector.

Eurostat asked how the distribution of tasks among the statistical authorities, for the compilation of the EDP tables works in practice. The SSO explained that the EDP notification tables are a joint responsibility of the SSO and the MoF through an informal working group. For the government deficit, the data, including the working balances in EDP tables 2, on a cash basis, are obtained from the MoF (the Treasury) as well as from the Central Register. A statistical survey is used to compile the data on investment. The SSO compiles the government net lending/net borrowing, on a cash basis.

Eurostat took note that the SSO publishes the national accounts data on its website. However, the net lending/net borrowing is published for the total economy and there is no detail for the general government sector and its sub-sectors.

Eurostat enquired about the data for the Social Insurance Funds and if they can borrow on their own behalf. The MoF explained that the data are available and that the funds can borrow, however only with the approval of the government.

For the sector classification of institutional units (sectorisation), the SSO explained that there is an official expert group, which includes the SSO, the MoF and the institution of the Central Register. The working group meets very often to discuss borderline cases. However, the SSO takes the final decision on sectorisation, as it is responsible for the application, harmonisation and the use of the standard classification of institutional sectors according to ESA.

The SSO was wondering which of the statistical authorities should take the responsibility for compiling EDP data, taking into account that currently the responsibility is shared.

Eurostat explained that for GFS and EDP statistics, Eurostat's counterpart is, normally, the statistical office, which should work closely with the MoF and the National Bank. The statistical office is responsible for the implementation of the ESA and EDP methodology and should be the institution sending the data to Eurostat. Eurostat also stressed that for the consistent development of GFS and EDP tables, the SSO should assume full responsibility for the compilation and transmission of both GFS and EDP tables. However, it was agreed that financial accounts would continue to be under the responsibility of the NBRM. In this context, Eurostat noted that it would be important that both the SSO and the NBRM have sufficient resources to cope with the new tasks, and pointed out that the transfer of responsibilities is a process which normally takes time.

The statistical authorities explained that the SSO, the MoF and the NBRM cooperate well among themselves. Representatives from the three institutions meet regularly to discuss on-

going matters relating to the compilation of the GFS. They also informed Eurostat of their intention to update the existing MoU, in view of the extended responsibilities of the SSO.

Eurostat advised for a formalisation of the working groups dealing with national accounts and EDP statistics and took note of the willingness of the NBRM to include this provision in the updated MoU with the SSO.

Eurostat welcomed the existence of the MoU concluded by the SSO, the MoF and the NBRM and supported the planned updating of these documents (by the end of 2015). Moreover, it stressed that good cooperation among the three institutions is essential for accomplishing better completeness and timeliness of GFS and EDP data.

It was agreed that the SSO would prepare and send to Eurostat a new Action Plan, which would include a detailed medium term strategy for the transmission of EDP (and GFS) statistics on an ESA 2010 basis. The action plan will provide a description of the actions planned to be undertaken, including a clear timetable. The detailed medium term strategy should cover a number of elements, among which data transmission arrangements, internal reporting processes, work on sector classification of institutional units, reinforcement of human resources capacities, etc.

Eurostat encouraged the SSO to compile and send a pilot EDP notification in October 2015, on a best effort basis.

Concerning the audit of the data, the statistical authorities explained that the final accounts of the central and local budget are presented to the Parliament, together with the audit report, which is published. However, the audit report relates only to the central government.

Eurostat encouraged the statistical office to sign formalised agreement with the National Court of Auditors, which would improve the exchange of information between the two parties.

Conclusions

Action point 1. Eurostat welcomed the current update of the existing Memorandum of Understanding (MoU) between the SSO, MoF and NBRM, especially in the area of GFS and EDP statistics compilation, including defining the duties between the three institutions. The SSO will send to Eurostat the updated signed MoU. *Deadline: end December 2015*¹

Action point 2. Eurostat encouraged the formalisation of the two technical working groups between the SSO, MoF and NBRM, dealing with the compilation of financial accounts and EDP statistics.

Action point 3. The SSO will send to Eurostat the experimental bridge tables between public accounts and ESA transactions, already prepared for the year 2012. *Deadline end July 2015*²

Action point 4. The statistical authorities will draft and send to Eurostat an Action Plan, including a detailed medium term strategy for the compilation and transmission of EDP (and GFS) statistics on an ESA 2010 basis. The strategy should cover a number of elements, among which internal reporting and compilation processes, work on sector classification of institutional units, arrangements for data transmission to Eurostat, human resources

¹ Action point not implemented.

² SSO sent the experimental bridge table on 30 July 2015, containing the information for the expenditure and for the revenue.

capacities, etc. The strategy should also include a clear timetable for each of these elements.
*Deadline: end December 2015*³

Action point 5. Eurostat recommended that adequate resources for the compilation of government non-financial and financial accounts are allocated by the statistical authorities of the former Yugoslav Republic of Macedonia.

Action point 6. Eurostat invited the statistical authorities to participate in the regular EDPS WG and relevant methodological task forces organised by Eurostat.

Action point 12. Eurostat invited the SSO to assume the responsibility for compiling, in cooperation with the MoF and NBRM, and sending to Eurostat a pilot set of EDP tables, on a best effort basis. *Deadline: end October 2015*

3. Data sources for EDP/GFS statistics

Introduction

Before the visit, the national statistical authorities sent to Eurostat a short description of the data sources related to the compilation of national accounts for the government sector.

Discussions

According to the statistical authorities, the data sources for the compilation of **non-financial accounts** of the general government sector are:

- for the main units of general government, the treasury fiscal data (the budget execution data) are available at the MoF (Treasury department). These data cover the central and the local budgetary organisations and the social security funds. The data are on a cash basis and are detailed by unit, name of the programme, individual revenue and expenditure and type of account.

At the request of Eurostat, the SSO confirmed that there are no compilation problems, even for portioning of transactions, as the data are very detailed.

- for other government bodies (other central and local government institutions and public health institutions (hospitals)), the annual financial statements, as part of annual financial report (individual profit and loss account and balance sheet) are available.

The statistical authorities made clear that although, for the time being, the compilation of the government accounts is on a cash basis, the balance sheets of all budgetary units can be made available by the Central Register. However, it was stressed that the balance sheets data are not of sufficient quality, especially for the local government units and the social security funds. Therefore, the NBRM has problems to compile financial instruments, since when comparing with monetary statistics they found inconsistencies. Moreover, the structure and detail of the balance sheets do not serve the compilation of financial accounts. Therefore, the NBRM considers monetary statistics as a better data source.

The statistical authorities confirmed, once again, that the cooperation is good between them, as concerns central government data.

³ Action point not implemented.

Eurostat explained that the cash data are important data. However, ESA requests the national accounts to be compiled on an accruals basis. Therefore, the statistical authorities should make steps, as soon as possible, to comply with the accruals recording. Eurostat also explained the recording on an accrual basis in national accounts.

In this context, the MoF explained that there is a new law on the financial discipline, (requesting all budgetary users to pay the invoices within 60 days) and a new model of commitment control. However, the commitment system is more a “legal basis” than accruals, as requested by ESA and for the time being there is no system in place for the recording of accruals.

As far as the consolidation of transactions is concerned, the statistical authorities pointed out that the available information provides the detail that would allow the consolidation. However, no consolidation has been performed so far.

The SSO explained that for the EDP reporting, the timeliness is a major problem: the budget execution (which provides data on government revenue and expenditure) of the previous year is only available in July, while the data for other bodies are available in May, which is too late for the first transmission of EDP and ESA tables in a given year. Therefore, the reporting in the April is a matter of concern.

The NBRM explained the data sources for the compilation of the **financial accounts**: the NBRM compiles stock data for all sectors, including the general government sector. However, it does not compile financial transactions. The NBRM uses its own data sources, except for the annual aggregated balance sheets of the non-financial corporations, general government, households and non-profit institutions serving households, which are provided by the SSO. The NBRM data sources are Monetary Statistics (Depository Corporations Balance Sheet and Survey), Other Financial Institutions Balance Sheet and Survey and the External Statistics (International Investment Position Report and Gross External Debt and Claims Reports).

The NBRM stressed that they encounter some problems in the compilation of financial transactions. The main reason is that the budget presentation is not according to ESA or the IMF GFS. Therefore, due to reporting request by the international institutions, two bridges had to be produced until now: one between the national classification and IMF GFS and one between IMF GFS and ESA.

In the future, the NBRM will compile financial transactions and stocks, using also the Balance of Payments data source (transactions data) and Government securities databases available within NBRM (stocks and transactions).

Eurostat enquired if the NBRM intends to revise the requirements to the government units, taking into account the fact that the balance sheet data are incomplete for the financial accounts. The NBRM explained their cooperation with the MoF for the revision of the reporting requirements to serve also the statistical purposes. The NBRM will submit a template containing the data needed for the compilation of financial accounts, which is not available in the balance sheets. The template will cover information on transactions, other flows, consolidated and non-consolidated data. However, in their view, the whole system should be changed in order to provide more detailed accounting information.

Eurostat pointed out that it would be interested to see the template, once agreed by the MoF and the NBRM. Eurostat also stressed that the crucial point is that the three institutions use the same sector delimitation of government.

Eurostat asked the NBRM to describe the newly introduced Security by Security collection system on holdings of securities traded by residents abroad (for stocks and flows). The NBRM explained that this is a database providing information on the counterpart (who issues and who holds securities). The information on the secondary market will be obtained too. The NBRM is in the process of negotiating with the Central depository, to obtain the data as soon as possible (possibly in January 2016).

At the request of Eurostat, the MoF explained that, as far as government loans are concerned, the data are of good quality. For the government as a borrower, the MoF has the information about the final recipient (on-lending agreements). This applies for both central and local government (for the local government units, the on-lending goes from the central government). It was explained that there is a special law on local government, stipulating that the MoF controls the loans and securities borrowings of local government units.

Eurostat encouraged the statistical authorities to find solutions to improve the data reporting, especially for the local government, and to bring forward the data reporting, with a view of making available the data needed for the compilation of the April notifications.

Conclusions

Action point 9. The SSO and NBRM will analyse the available data sources in order to provide consolidated data for non-financial and financial accounts for GFS and EDP statistics purposes in the future. The SSO will send to Eurostat a report on the progress achieved. *Deadline: end December 2016*

Action point 10. Eurostat took note that the existing data sources are mostly on a cash basis and encourages the statistical authorities to invest resources in the implementation of the accrual recording in national accounts, as prescribed by ESA 2010. The SSO will send to Eurostat a progress report on the implementation. *Deadline: end December 2016*

Action point 11. Eurostat takes note that the source data, in particular the balance sheets for the local government units, are not of sufficient quality and detail to allow an appropriate compilation of non-financial and financial accounts. Eurostat encourages the three statistical authorities to review the accounting system and introduce the necessary improvements. The SSO will send to Eurostat a progress report on the implementation. *Deadline: end December 2017*

4. Revision policy and EDP Inventory

Introduction

Eurostat received from the SSO, before the visit, a short description of the revision policy as regards GDP, mainly for the implementation of ESA 2010.

Discussions

Eurostat explained that revisions to data between the first and the second EDP notifications are quite common in the countries submitting EDP tables. Generally, all EDP data are subject to revisions as new information is incorporated. Such revisions are usually the result of updated source data, audit findings or quality improvements in methodology. Most countries

have a formalised revision policy, which is aligned with the revision policies applied in the Central Banks and/or Ministries of Finance.

Eurostat asked about the revision policy at the SSO, in relation to the availability of data for the government units. The SSO explained that the budgetary data is available in June and the data from the Central register in May of each year, for the annual accounts of the previous year. For the calculation of GDP, the first results are published by the SSO in October. The second set of data from the Central register is available in November, after the accounts are audited and any errors are corrected.

Eurostat took note that for the April notifications, there are currently hardly any data available, unless there is an advanced provision of data from the Central register and from the Treasury of the MoF. The statistical authorities recognised that it would be difficult to obtain the data in March. However, the statistical authorities committed themselves to try finding a solution to advance the provision of data.

Concerning the availability of the data on expenditure and revenue needed for the April notifications, the MoF pointed out that preliminary data can be available, and agreed to provide these data in the future. It was agreed that the three institutions would look into the issue together. A report will be sent to Eurostat, containing information on the kind of data which can be provided by the MoF, and when, to allow the compilation of non-financial and financial transactions for government, for the April notifications.

Eurostat explained that all EU Member States are required to complete and publish on their websites the EDP Inventory, which is a detailed and comprehensive representation of the methods, procedures and sources used by the statistical authorities for the compilation of deficit and debt data and the underlying government sector accounts. EU Member States are required to update their existing EDP Inventories for the implementation of ESA 2010 by the end of 2015. The individual countries' EDP inventories are also published in the dedicated domain of the Eurostat website.

It was pointed out that Eurostat has already sent to the EDPS WG members a template of the new ESA 2010 based EDP Inventory so that the statistical offices could start working on it as soon as possible, and is expecting to be able to publish the updated Inventories for most EU Member States before the end of 2015.

Conclusions

Action point 7. Eurostat took note that the MoF is in a position to provide to the SSO and NBRM preliminary data on government expenditure and revenue, needed for the compilation of non-financial and financial accounts transactions for the April notifications. The SSO, in a close cooperation with the MoF, will send to Eurostat a report on the progress about the quality of the estimates. *Deadline: end December 2015*⁴

Action point 8. The SSO will provide a first version of the EDP inventory based on the currently available information, using the new template of the EDP Inventory made available by Eurostat. *Deadline: end October 2016*

5 and 6. Presentation of EDP tables and the related questionnaires

⁴ Action point not completed.

Introduction

As a preparatory work for the visit, the SSO was invited to send a set of EDP tables and the Questionnaire related to the EDP tables, compiled on a best effort basis. The discussions under this item of the agenda were based on Eurostat's explanations of the EDP tables and the Questionnaire related to EDP tables, as there was no table transmitted by the statistical authorities, prior to the visit.

Discussions

Eurostat explained that the EDP notification consists of a set of EDP tables (from 1-4), the Questionnaire related to the EDP tables (from 1-13), a supplementary table showing the government interventions to support financial institutions in the context of the financial crisis and any additional information and data needed for the assessment of the deficit and debt figures.

The discussions focused on the content of the EDP tables and the link to the information provided in the Questionnaire related to the EDP tables.

Eurostat described the EDP table 1, which contains the core information on government deficit and debt. The deficit is shown for each of the general government sub-sectors and the debt is detailed by categories of financial instruments. In addition, interest expenditure (consolidated) and gross fixed capital formation of general government should be reported in the table.

Eurostat explained, in particular, the content and the valuation of the stock of government debt, focussing on the difference between the face and the nominal value of the debt instruments (currency and deposits, debt securities and loans). Eurostat also pointed out that the debt should be consolidated between government units and should be reported gross.

The statistical authorities explained that it would be possible to report the deficit (central government and local government net lending/net borrowing) and the debt (debt securities and loans), on an experimental basis, although the definitions are not exactly as requested by ESA 2010 and the MGDD.

On EDP tables 2, Eurostat pointed out that there is no separate EDP table 2 for general government as a whole. The EDP tables 2 should be reported for the existing sub-sectors of general government, central government, local government and social security funds.

Eurostat explained that as table 2 acts as a bridge to link the public accounts concept to the national accounts concept of government balance, it is essential that all steps from the working balance to the net lending/net borrowing are shown in the table and that the figures are calculated in line with ESA 2010 rules. Eurostat insisted that consistency between EDP tables and ESA table 2 is ensured.

Eurostat further explained the main types of adjustments to the working balances in EDP tables 2 that the SSO should consider. The SSO should identify all financial transactions in the working balance show the corresponding adjustments under the appropriate adjustment lines.

It was clarified that, when the working balance is on a cash basis (as it is the case for fYRoM), adjustments for the time of recording on an accrual basis should be made (other accounts receivable and other accounts payable). Moreover, the delimitation of government sector (for the sub-sector to which the table relates) should be according to the ESA definition, which is not always the case for public accounts. Therefore, the balance of those units not belonging to the sub-sector should be removed and the net lending/net borrowing of

the units classified in the government, but not included in the working balance, should be added. In addition, non-financial transactions that are not in the working balance should be added, as well as other adjustments (debt assumptions, debt cancellations, etc.).

The statistical authorities confirmed that for EDP table 2A, the working balance is on a cash basis and for the time being there are no data for the accrual adjustments. However, some adjustments can be done for the sector delimitation.

Eurostat also explained the logic of EDP tables 3 and their link with EDP table 1 and EDP tables 2.

Unlike EDP table 2, EDP table 3 shows also the general government sector (consolidated between sub-sectors) and then one table for each sub-sector. Each of the tables 3B-3E is consolidated within the sub-sector.

The EDP tables 3 reconcile government surplus or deficit with the change in debt and shows transactions and other flows which contribute to the change in debt. These reconciliation items are also known as 'stock-flow adjustments'. The table explains the annual change in the level of the debt.

Eurostat explained each of the three main parts of the table: the surplus/deficit, the net acquisition of financial assets and the series of adjustments needed to define the scope, the valuation and the consistency between non-financial and financial balance.

Eurostat pointed out that EDP debt is defined as 'consolidated general government debt'. This means that the holdings of a general government unit of debt issued by other general government units are eliminated. Accordingly, the general government debt only includes the debt issued by general government that is held by units outside the general government sector.

Finally, Eurostat went through the different items that are required in EDP table 4. The statistical authorities pointed out that some problems might be encountered with the reporting of the trade credits, for which the data can only be obtained from a survey.

Conclusions

Eurostat took note that an experimental EDP table 2A could be partially compiled, on a cash basis. Due to the lack of financial accounts, the EDP tables 3 could not be compiled, for the time being.

7. Methodological issues and recording of specific government transactions

7.1. Compliance of the general government debt of the former Yugoslav Republic of Macedonia with government (EDP) debt definition

Introduction

Prior to the visit, the national statistical authorities provided a short description of the definition of the debt according to the national methodology.

Discussions

At the request of Eurostat, the MoF, the national institution calculating and publishing the government debt⁵, explained its definition and content.

The MoF explained that the issuers of the public debt are: the government of the Republic, the municipalities, the municipalities within the City of Skopje and the City of Skopje, public enterprises (at central and local government levels) and companies fully or predominantly owned by the central and local government.

There are three levels of debt: the public debt, the general government debt and the central government debt.

The MoF explained that the central government debt covers the financial liabilities in loans and in debt securities of the state and the public institutions established by the Republic.

The general government debt comprises the central government debt and the debt of municipalities, municipalities within the City of Skopje and the City of Skopje.

The public debt contains, besides the government debt, the debt of public enterprises and of companies fully or predominantly owned by the government, guaranteed by the government.

The MoF also explained the debt by instruments: loans taken from private creditors (e.g. commercial banks), securities issued on domestic market (structural bonds and continuous government securities), loans taken on external market (from multilateral, bilateral and private creditors) and securities issued on external capital markets (Eurobonds).

The public debt management policy is a part of the fiscal strategy of the Republic and the level of public debt is limited.

The MoF publishes, on its website, on a regular basis, the public debt and the government debt, according to the national methodology.

Eurostat enquired the increase of the public debt in recent years. The MoF explained that this was mainly due to the increase of the debt of local government (municipalities).

Eurostat noted that the national definition of public debt includes the debt of public corporations (irrespective of the classification inside or outside the government sector, according to ESA) as well as the debt guaranteed by government.

Eurostat explained the government (EDP) debt concept and pointed out that this concept of debt does not include government guarantees, which are contingent liabilities in national accounts, unless they have been activated and become part of government debt. Furthermore, the government (EDP) is to be reported at face value, and thus the debt instruments should not include any accrued interest, except in some cases foreseen by the MGDD.

According to the NRBM, the data sources do not provide correct information for the calculation of the government (EDP) debt, as the financial instruments figures contain interest.

Eurostat also explained that the government (EDP) debt should be reported on a consolidated basis, therefore the debt of units inside the government sector vis-à-vis each other should be consolidated. Moreover, it should include only the debt of public corporations classified within general government and not of those classified outside government sector.

Eurostat also pointed out that the general government sector delimitation should be the same for both government (EDP) debt and the government net lending/borrowing. Therefore, the

⁵ According to the Public Debt Law (Official Gazette 165/14)

SSO, the MoF and the NBRM should use a common delimitation of the government sector, when compiling GFS and EDP statistics.

Conclusions

Eurostat took note that, for the time being, the national definition of the government debt does not entirely correspond to the government (EDP) debt definition, in terms of content, coverage and valuation.

7.2. Delimitation of general government sector according to ESA 2010, 50% rule and qualitative criteria

Introduction

Prior to the visit, the SSO provided a list of 1067 units included in the general government and the Questionnaire on government controlled units classified outside the general government, including the so called “50% test” for 135 units.

Discussions

The register of general government units

Eurostat explained the ESA 2010 provisions related to the classification of units, in particular of government units (chapters 2 and 20) and the MGDD (chapter I.2) and pointed out the steps needed for the sector classification of a unit:

- a. if it is an institutional unit (ESA2010 §2.12 rules, according to which an entity can be considered as an institutional unit)
- b. if it is a public institutional unit (definition of control by the government over an entity - ESA 2010 §20.18 and §20.309 and the MGDD)
- c. if it is a non-market public institutional unit (the "market/non-market distinction" - ESA 2010 §20.19 to §20.28 and the MGDD)

Eurostat pointed out that the preparation of a register of general government units should be a joint process among the three institutions. Moreover, it stressed again that the three institutions should use a common list of units included in the general government for GFS and EDP reporting.

As already pointed out earlier, the SSO should be, in principle, the institution with the competence in the application of the national accounts methodology. Similarly, in the case of diverging views relating to the sector classification of a particular unit, the SSO should take the final decision. Eurostat also noted that in case of doubts the SSO could consult Eurostat.

The sub-sector classification of the Social Insurance Funds was discussed. At the request of Eurostat, the statistical authorities explained that these units collect social contributions and pay social benefits, using separate accounts. It seems that they have autonomy of decision and can qualify as separate institutional units. However, Eurostat requested an explanatory note in order to advise about their sub-sector classification.

Concerning the non-profit institutions, it was clarified that they should be classified within general government, if they are non-market and controlled by the government. The SSO stressed that according to ESA95 some non-profit units were classified in the government sector, however, when applying the ESA 2010 they were reclassified outside government sector.

In addition, the public hospitals was discussed. For the time being, the public hospitals are classified outside the general government sector, but the SSO will reclassify them inside the general government sector. Therefore, the MoF should consider this reclassification and record their debt as government debt, because the delimitation of government sector should be the same for the deficit and for the government (EDP) debt.

Eurostat explained that the register of general government units in national accounts terms should contain the core government units and all government controlled entities which are non-market. Eurostat explained the notion of control, according to ESA 2010 as well as the qualitative criteria, as described in ESA 2010 and in the MGDD.

The SSO stated that it is difficult to obtain information if a corporation sells only or mostly to government. Nevertheless, Eurostat stressed that for big public entities the analysis should be done on an individual basis.

The register of entities controlled by general government

Before the visit, the statistical authorities completed and provided to Eurostat the Questionnaire on government-controlled units classified outside general government. The liabilities and the operating profits/losses are from the business accounts and refer to the year 2013.

The list prepared by the SSO contained units where the government has 100% ownership and the market/non-market test (50% test) for the delimitation of the general government sector was provided for the period 2011-2013. It did not provide a breakdown by sub-sectors, however the SSO would be able to deliver it.

Eurostat thanked the statistical authorities for completing and sending the questionnaire and asked about the calculation of the 50% test.

The SSO explained that the test was applied to the units whose legal ownership was with the government.

Eurostat enquired about particular cases where losses were reported for the year 2013, but the test was over 100%, and units reporting surpluses while the test was below 50%. Eurostat also enquired about some particular units showing results close to the 50% threshold.

The SSO explained that the working group on sectorisation discusses the borderline cases and that some units might be reclassified for the year 2014. Eurostat stressed that the reclassification should apply from the year when the 50% criterion is not fulfilled anymore, in a forward looking perspective.

Eurostat explained the notions of "sales" and "production costs", and insisted on the difference between subsidies on products (part of sales for the purpose of the 50% test) and subsidies on production (not part of sales). In addition, particular attention should be paid to the calculation of the "net interest charge" which became a part of production costs under ESA 2010.

It was agreed that the SSO would recalculate how much of the production costs are covered by sales, applying correctly the definitions of sales and of production costs, as well as re-examine the results of the 50% test.

Review of specific units

Public hospitals

The statistical authorities explained that public hospitals are, for the time being, classified in the non-financial corporations sector (S.11). According to the current 50% criterion applied by the SSO, all public hospitals were considered market producers. The transfers from the Ministry of Health for the health services provided by hospitals were treated as sales. On the other hand, all public hospitals submit the same type of financial reports as any budgetary users.

Eurostat explained that public hospitals may be classified inside the general government sector or inside the non-financial corporations sector. The decision of including these specific units in general government, or not, is mostly linked to the concepts of control and the definition of “sales” in case of hospitals. According to national accounts definition, sales are all payments directly linked to the value or volume of output, and exclude transfers intended to cover financial deficits. In practice, the payments are considered sales if the price for health care in a public hospital is comparable to the price of similar service in a private one.

It was agreed that the SSO will apply the ESA rules and the MGDD provisions, with a view of the classification of public hospitals in the general government sector, already in June 2015.

Public Enterprise for State Roads

Eurostat enquired about the activity and sector classification of the Public Enterprise for State Roads (PESR). The views of the SSO and the NBRM diverged: while the SSO classified this entity in the central government sub-sector, the NBRM's view was that it should be classified in the non-financial corporations sector.

The statistical authorities explained that the enterprise was established in December 2012, by taking over the responsibilities, the assets, the rights, etc., of the Agency for State Roads. It is a government-controlled entity. It receives investment grants or equity injections from the central government to finance the construction of motorways. Its financial liabilities (mainly loans) are guaranteed by the government.

Eurostat enquired about the revenue of the PESR. The statistical authorities explained that the users of the motorways pay tolls, which are based on the type of vehicle and not on the number of kilometres. The company collects directly the tolls and in addition it is financed from 20% of excise duties that are paid in a separate account at the Treasury.

Eurostat explained the difference between taxes and sales of services and concluded that the tolls collected by PESR seem to be rather taxes than sales of a service.

It was agreed that the SSO will provide a note describing the criteria for the sector classification of the PESR.

Deposit Insurance Fund

The SSO explained that the Deposit Insurance Fund (DIF) is a specialised financial institution, controlled by the government. The DIF insures deposits of individuals in banks, foreign bank branches and savings houses. It contributes to provide stability in the banking and financial system of the country. It was also explained that the board is appointed by the government and the contributions from the commercial banks are compulsory. The DIF is currently classified as a financial auxiliary (S.126).

Eurostat enquired how the fees paid by the commercial banks to the DIF were established and if there is a government involvement e.g. loans to the DIF.

Eurostat asked to receive an English version of the Law establishing the DIF, in order to analyse it in depth, with a view of possible reclassification of the institution in the general government sector.

Macedonian Bank for Development Promotion

Eurostat enquired about the activity, financing and the control of the Macedonian Bank for Development Promotion (MBDP), which is, for the time being, classified as other financial intermediary (S.125).

The statistical authorities explained that the MBDP is an institutional unit controlled by the government. It operates according to the strategic policies, goals and the priorities of the government under the supervision of the MoF and in accordance with the banking regulation under the supervision of the NBRM. Moreover, it provides services below the market rate, does not take deposits and is mainly financed by the government. The government guarantees the liabilities of the bank because, according to the national legislation, all public units' debt is guaranteed by the government.

Eurostat enquired who decides on the on-lending. The statistical authorities explained that the bank decides on the on-lending and prescribes the eligibility criteria. However, the statistical authorities accepted that the bank does not put itself at risk.

As there were several factors pointing towards classification of the entity in the government sector, it was agreed that the sector classification should be further discussed, based on more detailed information. The statistical authorities agreed to provide their analysis, together with the English version of the status of the bank, with a view of possible reclassification of the MBDP within the general government sector.

Conclusions

Action point 13. Based on the information presented in the meeting, Eurostat recommends the reallocation of the three social security units currently recorded in the central government sub-sector (S.1311) to the social security funds sub-sector (S.1314). *Deadline: end October 2015*⁶

Action point 14. The SSO will review the calculation of the market/non-market test (50% test) for the public corporations included in the Questionnaire on government-controlled units

⁶ Eurostat has not received any documentation showing that this action point has been implemented.

classified outside general government, and decide on the appropriate sector classification according to ESA 2010 rules. *Deadline end October 2015*⁷

Action point 15. Eurostat takes note that all public hospitals have been reclassified inside the general government sector in June 2015.⁸

Action point 16. The SSO will analyse the Public Enterprise for State Roads in the light of ESA 2010 rules and will propose its appropriate statistical sector classification. The SSO will send a note to Eurostat explaining the analysis. *Deadline: end October 2015*⁹

Action point 17. The SSO will analyse the nature of the revenue of the Public Enterprise for State Roads and will send a note to Eurostat, stating the reasons for which the revenue are considered either sales of services or taxes in national accounts. *Deadline: end October 2015*

Action point 18. Eurostat pointed out that the three statistical authorities should use the same institutional coverage of the general government sector for statistical purposes. *Deadline: Continuous*

Action point 19. Following the discussions in the meeting, the statistical authorities are invited to re-analyse the classification of the Deposit Insurance Fund and the Macedonian Bank for Development Promotion and send to Eurostat the proposed sector classification. At the same time, the SSO will send to Eurostat the English version of the laws and statuses setting up these entities. *Deadline: end October 2015*¹⁰

7.3. Implementation of the accrual principle

Introduction

The main government revenue consists of taxes and social contributions, levied by central (social security funds are, for the time being, classified in central government sub-sector) and local government and recorded on cash basis.

Discussions

Taxes and social contributions

At the request of Eurostat, the SSO explained that all taxes are recorded in national accounts on a cash basis, no time-adjustment is applied. The data is obtained from the tax authorities, based on a contract signed between the two institutions.

Eurostat recalled the rules for the recording of taxes and social contributions, as defined in ESA 2010 (§4.26 and §4.82), "...when the activities, transactions or other events occur which create the liabilities to pay taxes". For the accrual compilation, the following methods can be used:

- a. Assessed amounts adjusted by a coefficient

⁷ Eurostat has not received any documentation showing that this action point has been implemented.

⁸ Eurostat was informed during the meeting that the public hospitals were part of general government since June 2015.

⁹ Action point not implemented.

¹⁰ Action point not implemented.

b. Assessed amounts recorded entirely as revenue, the amounts of taxes unlikely to be collected is recorded as capital transfers

c. Time adjusted cash, i.e. cash amounts are attributed to the period when the activity takes place.

The SSO explained that the payment schedule for VAT is monthly, quarterly and annually, depending on the size of the turnover. The income taxes are collected in advance, with a final payment in March of the next year. The capital taxes are deducted at source and the calculation is done monthly and annually.

Eurostat took note that the SSO and the tax authorities discussed the issue of the estimations of taxes on an accrual basis and recommended more efforts from both sides in order to be able to apply the accrual principle for the calculation of taxes.

For the social contributions, the SSO tried to estimate accrual social contributions taking into account the information on wages and salaries. However, the result should be compared with the data from the social security funds.

Eurostat recalled the rules for the time of recording of social contributions as defined in ESA2010 §4.964, "... *the time when the work that gives rise to the liability to pay the contribution is carried out...*", as far as employers and employees social contributions are concerned. For self-employed and non-employed persons, ESA states that they are accrued for the time "... when the liabilities to pay are created".

Eurostat considered that the time-adjusted cash method should be applied by the statistical authorities for the compilation of taxes and social contributions on an accrual basis, according to ESA 2010. The time-lag should be applied by types of taxes, taking into account the national legislation and the existing data sources.

The statistical authorities committed themselves to make steps towards the calculation of taxes and social contributions on an accrual basis.

Interest

Eurostat explained that interest should be reported on an accrual basis and should be consolidated within general government and within sub-sectors. The calculation of interest should be done on an instrument-by-instrument basis.

Conclusions

Action point 20. The SSO will cooperate closely with the national tax authorities and the MoF in order to introduce the accrual recording of taxes, as requested by ESA 2010. *Deadline: end December 2016*

7.4. Recording of specific government transactions

Government operations relating to the financial crisis

Introduction

Under this item of the agenda, the issue of government interventions in the context of the financial crisis was discussed.

Discussions

Eurostat explained the provisions of the MGDD related to the government controlled defeasance structures, stressing that when government is assuming all or the majority of the risks and rewards associated with the activities of a government-controlled defeasance structure, this structure should be classified in the general government sector. There are cases where the classification is done from the creation of the structure and other cases when the structure should be reclassified.

Eurostat explained that that when the reclassification implies a transfer of assets for an amount higher than its market value independently estimated, the difference should be recorded as a capital transfer from the government, with the assets added to the government balance sheet at market value.

Eurostat enquired if there was any financial institution, public or private, which had to be rescued by the government in the context of the financial crisis.

The NBRM pointed out that, with the exception of the Macedonian Bank for Development Promotion, all the other banks operating on the national territory are private banks. The statistical authorities explained that the national banking system is very conservative and since the beginning of the financial crisis the banks have increased their deposits in government financial instruments. Moreover, according to the national legislation, foreign banks are not allowed to withdraw their funds.

The NBRM confirmed that there was no government operation related to rescuing of any bank.

Conclusions

Eurostat took note of the fact that currently there are no defeasance structures and there have been no government interventions in the resolution of public banks.

Government guarantees (one-off and standardised), guarantee calls

Introduction

Prior to the visit, the MoF sent a list of government guarantees for the period 2011- 2014, which was the basis for the discussions under this item of the agenda.

Discussions

The MoF explained the amounts of guaranteed debt issued by public enterprises (27,9 million MKD) and of guaranteed debt of financial corporations (12,6 million MKD). In 2014, new guarantees were issued, amounting at 52,6 million MKD for infrastructure projects which will be implemented by a public enterprise. The new issued guarantees comprise the total amount of the loan.

The MoF explained that the public debt contains the amount of guaranteed debt, while the government debt does not.

Eurostat enquired if there were any fees paid to government by the entities for which the government guarantees the debt. The MoF explained that the fees to be paid represent 0.5% of the amount of the guarantee issued.

Eurostat noted that the amounts of calls on guarantees were not significant, compared to the total amounts of guaranteed debt. The MoF confirmed the observation and explained that it has the complete control of the debt guaranteed, including for local government (municipalities can guarantee the debt of corporations under their control, however, the amounts are not significant). The information on guarantees calls for local government is available in the municipalities accounts.

Eurostat explained the treatment of government guarantees in national accounts, focusing on the "three years calls" rule. Eurostat explained that under national accounts rules three repeated guarantee calls would lead to recording of the total outstanding debt under guarantee of the entities involved as government debt. However, when it is established to be unlikely that the debtor will repay its guaranteed debt, the whole outstanding amount of debt should be considered to be assumed by government.

Eurostat pointed out that the guarantee calls should be recorded as government expenditure when paid and took note that the amounts are very limited for the years 2011-2014.

It was noted that the data provided for the visit can be improved so that the table on guarantees (table 9) of the Questionnaire related to EDP tables can be already compiled.

Conclusions

Action point 21. The SSO, in cooperation with the MoF, will complete the information on government guarantees in tables 9.1 of the Questionnaire related to EDP notification tables and send the tables to Eurostat. *Deadline: end October 2015¹¹*

Recording of EU flows

Introduction

The EU has provided financial assistance to the former Yugoslav Republic of Macedonia under the Instrument for Pre-accession Assistance (IPA) for the period 2007-2013. The country will continue to benefit from pre-accession assistance for the period 2014-2020. The recording in national accounts was discussed under this item of the agenda.

Discussions

Eurostat briefly explained the rules for recording of EU flows in national accounts and the MGDD, emphasizing that these should not impact the net borrowing/net lending except for the amounts of national co-financing. There should be no impact on the deficit/surplus of government arising from timing differences between the moment of the expenditure and the

¹¹ Action point not implemented.

moment of a government pre-financing or the moment of effective payment by the EU. Those differences should instead be reflected in the financial accounts (as other accounts receivable/payable).

Eurostat enquired about the source data for the EU funds and asked which are the entities recording these flows. The statistical authorities explained that here is only one entity through which all the information goes, at the MoF.

Eurostat explained that, for individual projects, the available data sources should enable the identification of the EU flows and of the national co-financing components. Ideally, the compilers of GFS data should be in a position to distinguish between advances and reimbursements from the EU.

The MoF explained that, in the public accounts, the direct budget support is recorded when the EU gives the full amount, while the expenditure is made progressively.

Eurostat stressed that, in the public accounts, the recording might differ, however, in national accounts the expenditure should be recorded so that there is no impact on the net lending/net borrowing for the government, except if the unit benefitting from the funds is a government unit.

The MoF was wondering how to record the newly introduced EU financing for the public finance management. Eurostat asked more information about the issue in order to be able to give some advice. It was agreed that the statistical authorities would send a note on this.

Conclusions

Action point 22. The statistical authorities will investigate the newly introduced funding from the EU for the public finance management, and propose a recording in line with the statistical rules for recording of EU flows. *Deadline: end December 2016*

Capital injections in public corporations, dividends and super-dividends

Introduction

Before the visit, the MoF sent a table with a list of the seven most significant capital injections made by the government in 2011-2014 in public corporations indicating the profit /loss of the corporations. The MoF also sent data on dividends paid by AD Makedonski Telekom for the period 2011-2014.

Discussions

Capital injections

Eurostat explained the issue of capital injections as a payment in cash or in kind to public corporations and the "capital injection test" (ESA §20.198 and the MGDD). Moreover, the rules for recording an equity injection as a financial transaction (with no impact on the

deficit) or as a non-financial transaction (capital transfer increasing the deficit) were explained. It was pointed out that any capital injections intended to cover accumulated losses should be treated as capital transfers.

Eurostat asked if among the list of capital injections provided, some of them are financial transactions, with no impact on the government deficit. The MoF explained that the sales of government shares are recorded as financial transactions.

Dividends, super-dividends

The statistical authorities explained that the dividends are recorded annually and paid from the profit.

Eurostat stressed that the operation profit/loss of the corporation is an important information, based on which it is decided if the transfer from a corporation to government is a non-financial transaction or a financial one.

Eurostat pointed out that not all dividends should be recorded as non-financial transactions (improving the government deficit). Those paid from reserves, etc. are super-dividends and should be recorded as financial transactions (withdrawals of equity), with no impact on the deficit. Eurostat also noted that business plans and future profit or loss expectations should also be taken into consideration when analysing capital injections.

Conclusions

Eurostat took note of the explanations.

8. ESA 2010 Transmission programme and other issues

Introduction

In the context of the IPA 2011 project, Eurostat received ESA table 2 and table 9, as a pilot transmission, for the year 2010. The work on ESA table 2 will continue under the IPA 2014 project.

Discussions

Eurostat pointed out that the quality of ESA Table 2 was not very good: it was not clear that the transactions are correctly classified, the consolidation issues are not yet solved and longer time series are needed, etc. In ESA table 9, there are uncertainties for some taxes and the National Tax List has not been provided. Moreover, taxes and social contributions figures are on a cash basis.

The statistical authorities need to intensify their efforts with respect to timely and regularly transmission of annual and quarterly non-financial and financial accounts.

Eurostat enquired about the SSO's plans for the improvement of national accounts and stating the compilation of EDP tables, on a best effort basis.

The SSO explained that they are involved in several international projects (IPA and TAIEX) as well as working under the national IPA projects.

At the request of Eurostat, the SSO explained that the national statistical programme is updated annually and that the Road map 2016 plans to cover some data (e.g. the deadline for financial accounts is 2017). However, there are at the moment no plans to consider EDP as a high priority.

Eurostat recommended that GFS and EDP statistics are considered high priorities and that resources are allocated to be able to fulfil the obligations of a candidate country in these fields of statistics. Eurostat also recommended that these two statistics are included as priorities in the National Statistical Programme (due to be prepared before the end of 2015).

Conclusions

Action point 23. Eurostat recommends to the SSO to include the GFS/EDP statistics reporting as a priority in the National Statistical Programme. *Deadline: end December 2015*

AGENDA

- 1. Introduction and overview of EDP statistics work (*by Eurostat*)**
- 2. Institutional responsibilities for EDP and national accounts for government (GFS) data compilation and reporting**
- 3. Data sources for EDP/GFS statistics**
- 4. Revision policy and EDP Inventory**
- 5. Presentation of EDP tables and the related questionnaires (*by Eurostat*)**
- 6. Analysis of EDP tables of April 2015**
- 7. Methodological issues and recording of specific government transactions**
 - 7.1. Compliance of the general government debt of the former Yugoslav Republic of Macedonia with government (EDP) debt definition
 - 7.2. Delimitation of general government sector according to ESA 2010, 50% rule and qualitative criteria
 - 7.2.1. *Registers of general government units*
 - 7.2.2. *Register of entities controlled by general government*
 - 7.2.3. *Review of specific units (railway, motorway, transportation companies, airports, public utility companies, public hospitals, etc.)*
 - 7.3. Implementation of the accrual principle
 - 7.3.1. *Taxes and social contributions*
 - 7.3.2. *Interest*
 - 7.4. Recording of specific government transactions
 - 7.4.1. *Government operations relating to the financial crisis*
 - 7.4.2. *Government guarantees (one-off and standardised), guarantee calls*
 - 7.4.3. *Recording of EU flows*
 - 7.4.4. *Capital injections in public corporations, dividends, super-dividends*
- 8. ESA 2010 transmission programme and other issues**

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