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Glossary

AFR	African Department of the IMF
BCG	Budgetary Central Government
BEAD	Budget and Economic Affairs Department
COFOG	Classification of the Functions of Government
CSO	Eswatini Central Statistics Office
CSM	Commonwealth Secretariat Meridian system
DMU	Debt Management Unit, MOF
EBU	Extrabudgetary Units
ECB	Eswatini Central Bank
ERS	Eswatini Revenue Services
FMA	Fiscal and Monetary Affairs
FY	Fiscal year
<i>GFSM 2014</i>	Government Finance Statistics Manual 2014
GDP	Gross Domestic Product
GG	General Government
GoE	Government of the Kingdom of Eswatini
IMF	International Monetary Fund
IPSAS	International Public-Sector Accounting Standards
LG	Local Government
MEPD	Ministry of Economic Planning and Development
MHUD	Ministry of Housing and Urban Development
MLSS	Ministry of Labour and Social Security
MOF	Ministry of Finance, Kingdom of Eswatini
MTFF	Medium-Term Fiscal Framework
NPI	Non-profit institutions serving households
PEU	Public Enterprise Unit
PSIT	Public Sector Institution Table
PSDS	Public Sector Debt Statistics
PSDSG 2011	Public Sector Debt Statistics—A Guide for Compilers and Users 2011
OEF	Other Economic Flows
SOE	State Owned Enterprises
SSF	Social Security Funds
STA	Statistics Department of the IMF
SZL	Swaziland Emalangenani
2008 SNA	System of National Accounts 2008
TA	Technical Assistance
TWG	Technical Working Group

SUMMARY OF MISSIONS OUTCOMES AND PRIORITY RECOMMENDATIONS

1. A Government Finance Statistics (GFS) and Public Sector Debt Statistics (PSDS) technical assistance (TA) mission was conducted in Mbabane, Kingdom of Eswatini during July 6–12, 2022. This mission was conducted under the Data for Decisions (D4D) Fund¹, a multi-partner initiative aimed at strengthening the quality of national statistical outputs to better support economic policy making in low- and lower-middle income countries.

2. The primary objective of the mission was to support the authorities in their efforts to enhance the quality and availability of fiscal data and evaluate progress made in relation to the previous mission's recommendations. The mission covered the following six topics: (i) reviewed the classification of public sector entities and updated of the Public Sector Institutional table; (ii) identified source data needed for compiling fiscal statistics for the entire public sector; (iii) assessed consistency and accuracy of annual GFS for the Budgetary Central Government (BCG), including expenditure according with Classification of Functions of the Government (COFOG); (iv) facilitated the compilation of a draft financial balance sheet; (v) brainstormed on ways to compile high frequency BCG GFS; and (vi) explored ways to improve the process of compiling and disseminating PSDS, considering expansion of instrument and institutional coverage.

3. This mission held discussions mainly with members of the GFS Technical Working Group (TWG), composed with officials from the Ministry of Finance of The Kingdom of Eswatini (MOF), the Eswatini Central Bank (ECB), and Eswatini Central Statistical Office (CSO)². The mission agenda³ summarizes the order of the issues discussed with authorities, and the implementation status of recommendations from the previous TA mission is reported in Appendix III.

4. The coordination of GFS and PSDS compilation process was discussed. Covid 19 pandemic restrictions have impacted implementation of the Terms of Reference developed to guide the work of the GFS TWG. Members of the TWG agreed to use recommendations from the mission to develop a medium-term action plan. The mission encouraged the development of business process for compiling GFS and PSDS to guarantee continuity and consistency of the GFS and PSDS compilation process.

5. Understanding the perimeter of the general government (GG) and wider public sector remains important. The mission reviewed and updated the Public Sector Institutional Table (PSIT). Authorities are expected to finalize the review and validate the current PSIT before publishing this on the authorities' official websites.

¹ <https://www.imf.org/en/Capacity-Development/D4D>

² See list of officials met during the mission in Appendix I

³ See final TA mission agenda in the Appendix II.

6. There is significant fiscal activity that takes place outside of the BCG sub-sector, through the expenditures of Extrabudgetary Units (EBU) and local governments (LG). Grants from the budget to other general government units were around SZL 3.9 billion in 2020 (~6% of Gross Domestic Product (GDP)). Comprehensive GFS would turn these transfers into additional wages and salaries, or use of goods and services, providing a different picture of government expenditure compared to just looking at the BCG data alone. In addition, EBUs and LG units have some own revenues, including LG property taxes and various fees and charges, and again fully capturing this revenue and the additional expenditures it finances would provide a more comprehensive fiscal picture for Eswatini. The Authorities have made limited progress in collecting financial data of other government units that are outside the budget. To assist the authorities with the data collection process, the mission created a summary table to detail the type of data and possible providers.

7. The Country reports annual BCG data to the IMF GFS database. The mission reviewed the consistency and accuracy of GFS for fiscal years (FY) 2018 – 2020, that were submitted to the IMF GFS database against the Medium-Term Fiscal Framework (MTFF) and concluded that transactions such as revenue, expense and transactions in assets and liabilities are preliminary. Compilation of GFS for FY 2021/22 was initiated during the mission.

8. Monthly fiscal data exist but the authorities do not compile and disseminate high frequency GFS. The source data is the same as the annual, authorities expressed concern over the use of high frequency data due to preliminary nature of the data that results from the lack of closing periods. The mission recommended that the authorities should compile and disseminate high frequency data, even if this data comes with a lag, clearly stating that it is preliminary data and updating and revising data as the final outturn data becomes available.

9. The authorities have made some progress in compiling Functional Expenditures (COFOG) for the BCG, but more work remains to be done. COFOG based expenditure data is still limited to BCG and only captures the spending of part of BCG. The authorities should work to ensure all expenditure can be classified by function ensuring that total expenditure in the functional breakdown is as close as possible to total expenditure by economic categories.

10. Drawing on data from the Statement of Assets and Liabilities, the mission compiled a draft financial balance sheet. Different source data should be considered to put together a financial balance sheet, and specially attention should be given to loans assets, other accounts receivable and payable stock values. The authorities were encouraged to double check the data, and ensure it includes all assets and liabilities, as well as ensuring liabilities data is aligned with DMU debt data. Further work may be needed before the balance sheet data is suitable for inclusion in the IMF GFS database.

11. DMU compiles and disseminates PSDS to the joint World Bank/IMF Quarterly Public Sector Debt database. There was no progress with including accounts payable to BCG debt statistics as proposed in the previous mission. A thorough review of the debt numbers extracted from Commonwealth Secretariat Meridian System (CSM) is needed, before

