Assessing parliament's role in public debt management

The Public Debt Management Assessment Tool (PDMAT) 2.0

Geoff Dubrow
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Rights, acknowledgements and disclaimer

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Contents

List of acronyms

ABP – annual borrowing plan
CG – central government
CSO – civil society organisation
DeMPA – Debt Management Performance Assessment
DMO – debt management office
DMS – debt management strategy
DMTC – debt management technical committee
DMU – debt management unit
FRS – fiscal risk statement
GDP – gross domestic product
IDA – International Development Association
IFI – independent fiscal institution
MoF – ministry of finance
MTDS – medium-term debt strategy
OBS – Open Budget Survey
PBO – parliamentary budget office
PBS – pre-budget statement
PDM – public debt management
PDMAT – Public Debt Management Assessment Tool
PDMF – public debt management framework
PEFA – public expenditure financial accountability framework
PFM – public finance management
PPP – public-private partnership
SAI – supreme audit institution
SNGs – sub-national government
SOE – state-owned enterprise
WFD – Westminster Foundation for Democracy

Executive summary

The Public Debt Management Assessment Tool (PDMAT) 2.0 is an innovative framework developed by Westminster Foundation for Democracy (WFD) to strengthen parliamentary oversight of public debt management worldwide. It is designed to support parliaments in aligning debt management practices with international standards and promoting sustainable fiscal policies. It provides a framework for evaluating public debt management practices. It aligns with international best practices to address critical oversight, transparency and fiscal risk management challenges in debt governance.

Purpose and structure

PDMAT 2.0 is designed to empower parliaments and oversight bodies by offering a structured approach to assess public debt management comprehensively. The tool encompasses nine dimensions, including debt transparency, legislative role, ratification of loan agreements, fiscal risk management, public participation, executive capacity, and external audit. Each dimension is broken down into sub-dimensions and measurable indicators to ensure systematic evaluation.

Key enhancements in PDMAT 2.0

The updated version incorporates several new dimensions and indicators to address evolving fiscal challenges and standards:

- **Debt transparency:** enhanced focus on public access to debt data, frequency of updates, and comprehensive coverage of contingent liabilities.
- **Fiscal risk management:** introduction of mechanisms to assess contingent liabilities from state-owned enterprises (SOEs) and SNGs, complemented by fiscal risk statements.
- **Public participation:** expanded emphasis on citizen and civil society organisation (CSO) engagement across the budget cycle.
- **Executive and legislative oversight:** inclusion of formalised roles for parliamentary budget offices (PBOs), structured scrutiny of debt documents and requirements for executive responses to parliamentary recommendations.
- **External audit:** strengthened focus on supreme audit institution (SAI) involvement and publication of audit findings related to debt management.

Rationale and relevance

The revisions to PDMAT are driven by the growing complexities of global debt management and the need for rigorous parliamentary oversight. The tool aligns with updated international benchmarks, such as the World Bank's 2021 Debt Management Performance Assessment (DeMPA) framework, ensuring its relevance and applicability.

Impact and goals

By equipping parliaments with the tools to scrutinise public debt comprehensively, PDMAT 2.0 promotes fiscal transparency, accountability and sustainability. It empowers legislative bodies to identify gaps, benchmark practices and implement reforms that align with international standards and public priorities.

Purpose of the document

PDMAT 2.0 offers an enhanced framework for evaluating parliamentary oversight in public debt management, aligning with international standards to address the evolving demands of fiscal responsibility. It emphasises transparency, fiscal risk management, public participation, and executive accountability, empowering parliaments to promote sustainable debt practices that reflect citizen priorities.

The revised debt transparency dimension focuses on comprehensive reporting by ensuring public access to the debt management strategy (DMS), frequent publication of information on the debt stock and composition, and thorough coverage of both internal and external debt. The legislative role dimension underscores parliament's responsibility in establishing a legal foundation for borrowing and accountability, emphasising clear authorisation, mandated reporting, and oversight of public sector debt. The ratification of loan agreements dimension enhances Assesses on external borrowing by requiring parliamentary scrutiny and ensuring the executive performs due diligence in loan negotiations.

The parliamentary role in the budget cycle dimension emphasises parliamentary involvement at all budget stages, from pre-budget debates to year-end compliance reviews, supporting informed fiscal planning.

To manage potential liabilities, the fiscal risk management dimension introduces indicators for identifying and addressing contingent liabilities from SOEs and SNGs, along with regular fiscal risk reporting.

PDMAT 2.0 also promotes inclusivity through the public hearings and citizen engagement dimension, assessing mechanisms for citizen and CSO input at key budget stages to ensure debt oversight is transparent, participatory, and aligned with public interests.

The integrated technical support and external partnerships dimension evaluates the roles of PBOs and external partnerships, such as with CSOs, to bolster legislative oversight. The executive capacity dimension assesses the executive branch's effectiveness in managing public debt, with an emphasis on centralised debt operations and robust risk management. Lastly, the external audit dimension supports independent audits by SAIs

PDMAT 2.0 enhances parliaments' ability to oversee public debt management, aligning oversight with global best practices to foster accountability, transparency, and fiscal responsibility. This comprehensive framework addresses essential oversight gaps, enabling parliaments to mitigate debt risks and strengthen sustainable public finance management.

Structure of the PDMAT 2.0

PDMAT 2.0 is organised to provide a thorough and structured assessment of public debt management practices, with a focus on transparency, accountability and fiscal risk. Its structure ensures that all critical areas are covered systematically and aligns with international standards.

The structure of PDMAT 2.0 consists of three main components: dimensions, sub-dimensions, and indicators. Together, these layers create a clear pathway for evaluating the role of parliament in debt management practices in detail.

1. Dimensions

Dimensions represent broad themes essential to public debt management, such as debt transparency, legislative role, and fiscal risk. Each dimension addresses a key area needed for effective oversight and accountability, setting the foundation for a comprehensive evaluation.

2. Sub-dimensions

Within each dimension, sub-dimensions focus on specific aspects of the theme. For example, the debt transparency dimension includes sub-dimensions like public access to debt data and reporting frequency. These sub-dimensions allow for a more focused assessment of each dimension.

3. Indicators

Indicators are specific questions or metrics within each sub-dimension. They provide measurable criteria for evaluation, such as how often debt statistics are published. Indicators enable objective and consistent assessment, helping to pinpoint areas of strength and areas needing improvement.

PDMAT 2.0's structure is designed to flow logically from broad goals to specific criteria:

- Dimensions set the high-level goals.
- Sub-dimensions break down these goals into key components.
- Indicators provide detailed measures to assess progress within each component.

This layered approach ensures a balanced and complete assessment of all aspects of debt management.

The design of PDMAT 2.0 achieves several objectives:

1. **Comprehensiveness:** By covering multiple dimensions and sub-dimensions, PDMAT 2.0 ensures that all major aspects of public debt management are assessed.
2. **Alignment with best practices:** PDMAT 2.0 is aligned with international standards like the DeMPA 2021 framework.
3. **Actionable evaluation:** The indicators help identify specific strengths and weaknesses, providing a practical basis for reform.
4. **Enhanced accountability:** The structure reinforces accountability, with indicators focused on both executive and legislative responsibilities.
5. **Scalability and flexibility:** The layered design of PDMAT 2.0, with its varying dimensions, sub-dimensions, and indicators focused on institutions with diverse capacities, allows it to be adapted to different institutional settings and capacity levels.

Summary

This version of the PDMAT 2.0 report incorporates an expanded set of indicators in Annex II, addressing key areas that enhance parliamentary oversight of public debt. This version introduces indicators focused on public participation, the role of the PBO, fiscal risk reporting, and scrutiny of the annual borrowing plan (ABP). These additions align PDMAT 2.0 with evolving global standards, creating a more robust framework that addresses both transparency and accountability in debt management.

Rationale and relevance

The PDMAT was initially developed to provide a standardised framework for assessing the oversight of public debt and public debt management (PDM), emphasising fiscal sustainability, transparency, and accountability. While ministries of finance play a central role, they cannot address the challenges of debt management alone. Parliaments and non-state actors must also be involved to ensure responsible debt practices. The PDMAT provides a structured tool to support parliamentary oversight across various aspects of public debt management.

Rationale for the PDMAT

1. **Strengthening parliamentary oversight of public debt:** Parliaments are crucial in holding the executive accountable for public debt management. The PDMAT was designed to enhance this oversight role by equipping parliaments with tools to evaluate debt transparency, fiscal risk and accountability measures comprehensively. This empowers parliaments to ensure debt-related decisions are aligned with sustainable fiscal policy and the public interest.

2. **Supporting debt sustainability:** Parliaments play a key role in approving budgets that support debt sustainability and overseeing public debt ex-post. PDMAT strengthens this oversight role by enabling parliaments to scrutinise borrowing practices, evaluate risks and assess the alignment of borrowing with long-term fiscal health and economic stability. Through this structured approach, the PDMAT contributes to sustainable debt management and helps prevent fiscal crises.

3. **Standardising oversight of debt management:** The PDMAT provides a consistent framework, allowing parliaments to benchmark practices, identify strengths and weaknesses, and adopt reforms and best practices based on clear standards.

4. **Enhancing transparency and accountability:** Transparency in debt management is fundamental to building public trust and sustaining investor confidence. The debt transparency dimension in PDMAT assesses the availability, accuracy and comprehensiveness of debt data, including the public's access to the government's DMS and debt statistics. Indicators within this dimension evaluate crucial aspects such as the frequency of debt data publication by the ministry of finance (MoF) and the completeness of sectoral coverage for the debt-to-GDP

ratio, which should ideally encompass gross public sector debt, including SOEs. By focusing on these elements, PDMAT strives to inform parliamentarians on the accessibility and frequency of debt information. This structured approach promotes transparency and provides a solid basis for assessing the government's commitment to open and responsible debt practices, strengthening the overall accountability framework.

5. **Aligning with international standards:** PDMAT aligns with global frameworks, including the DeMPA and principles from the IMF and World Bank. This alignment enhances PDMAT's credibility and relevance, supporting countries in meeting international standards in debt management and building trust with lenders and investors.

Rationale and relevance for updating PDMAT to version 2.0

The rationale for updating PDMAT to version 2.0 lies in its goal to further strengthen parliamentary oversight of public debt management by addressing gaps in the original framework and aligning with current international standards. The revised tool enhances parliaments' ability to oversee debt transparency, manage fiscal risks, and engage public participation, supporting a more proactive approach to debt oversight.

1. Strengthening parliamentary oversight of public debt (dimension 2: "Legal framework" & dimension 4: "Role of parliament in the budget cycle")

PDMAT 2.0 introduces new indicators to strengthen parliamentary oversight by ensuring that debt-related laws mandate parliamentary review of key debt documents. It assesses whether parliaments review the debt management strategy (DMS) and the annual borrowing plan (ABP) and whether they have a formal role in shaping debt-related legislation. The tool also evaluates whether parliamentary committees have a clear mandate to scrutinize public debt and whether the executive is legally required to respond to committee recommendations, reinforcing accountability and institutional dialogue on debt policies.

2. Enhancing fiscal risk transparency and parliamentary scrutiny (dimension 5: "Fiscal risk")

Given rising global debt levels, fiscal risks from SOEs and SNGs have become a key concern. PDMAT 2.0 introduces a dedicated fiscal risk dimension, assessing whether parliaments have access to comprehensive fiscal risk statements, conduct oversight of contingent liabilities, and monitor the borrowing activities of SOEs and SNGs. Indicators now require governments to publish a list of contingent liabilities, conduct regular SOE financial reporting, and provide consolidated fiscal risk assessments, strengthening parliament's ability to prevent debt-related fiscal crises.

3. Expanding debt transparency and access to information (dimension 1: "Debt transparency")

PDMAT 2.0 strengthens the debt transparency dimension by introducing indicators that evaluate public access to debt data, including the frequency, comprehensiveness, and accessibility of debt information. It assesses whether governments regularly publish debt statistics, disclose debt guarantees and contingent liabilities, and provide clear reporting on debt stock and borrowing activities. These updates ensure that parliamentary oversight is based on complete, reliable, and publicly available information, aligning with international transparency standards such as the Debt Management Performance Assessment (DeMPA) framework.

4. Institutionalizing public participation (dimension 6: "Public hearings and citizen engagement in debt oversight")

Recognizing the importance of public engagement, PDMAT 2.0 introduces a dedicated dimension on public hearings and citizen participation in debt oversight. This assesses whether parliaments hold public consultations on debt-related policies, document citizen and CSO input, and provide mechanisms for public engagement at different stages of the budget process. These indicators encourage greater transparency and participatory governance, ensuring that debt decisions reflect public interests and concerns.

5. Strengthening independent analysis through parliamentary budget offices (dimension 7: "Integrated technical support and external partnerships")

Many parliaments lack independent technical expertise to assess debt policies effectively. PDMAT 2.0 introduces a new dimension on integrated technical support, which evaluates the role of parliamentary budget offices (PBOs) in providing independent debt analysis, fiscal forecasting, and technical support to parliamentary committees. The tool also considers whether parliaments collaborate with external partners, such as civil society organizations (CSOs), to supplement their analytical capacity on debt issues. Strengthening these technical capabilities ensures that parliamentary scrutiny is based on robust, evidence-based assessments.

6. Reinforcing external audit as a key oversight mechanism (dimension 9: "External audit")

PDMAT 2.0 enhances external audit oversight by assessing whether supreme audit institutions (SAIs) conduct debt-focused audits and whether their findings are reviewed by parliamentary committees. It evaluates whether SAI reports on debt management are publicly available, whether parliament holds in-depth hearings on audit findings, and whether government agencies are required to respond to audit recommendations. These updates strengthen the role of independent oversight, ensuring greater transparency and accountability in public debt management.

Relevance of the updated PDMAT 2.0 framework

The relevance of PDMAT 2.0 stems from its expanded focus on critical areas such as fiscal risk, public participation and transparency in debt management. It directly responds to evolving global standards and the unique oversight needs of parliaments, particularly in emerging economies. With new indicators and a refined structure, the updated framework enables rigorous oversight of debt practices. Aligned with international standards like the 2021 DeMPA, PDMAT 2.0 is a vital tool for strengthening parliamentary oversight, improving accountability and enhancing debt management capacity globally.

PDMAT was initially developed to provide a standardised, structured framework for evaluating public debt management oversight, promoting transparency, accountability, and fiscal sustainability. The updated PDMAT 2.0 builds on this foundation by addressing gaps, aligning with modern standards, and expanding its focus to include fiscal risk, public participation and enhanced parliamentary oversight. With its updated indicators and emphasis on proactive oversight, PDMAT 2.0 empowers parliaments and oversight bodies to manage debt challenges effectively, enhance transparency, and address citizen priorities, ensuring that public debt is managed responsibly across diverse institutional settings.

Narrative descriptions of PDMAT 2.0 dimensions and sub-dimensions

Dimension 1: Debt transparency

The debt transparency dimension assesses the accessibility, accuracy and comprehensiveness of public debt information, including the availability of the government's DMS and detailed debt statistics. This dimension promotes accountability by requiring that debt data is not only publicly accessible but also regularly updated and transparent. Key indicators evaluate aspects such as the sectoral coverage of debt-to-GDP, frequency of debt reporting, inclusion of both internal and external debt data, and thoroughness in reporting contingent liabilities. Furthermore, the dimension examines whether critical debt metrics – such as net new borrowing, total outstanding debt, and interest payments – are consistently presented in budget documents and in-year reports, and whether an ABP aligned with the DMS is published. Adhering to international standards of DMS full coverage in debt reporting, the dimension enables policymakers, investors and the public to gain a comprehensive understanding of the country's debt profile and potential risks.

Sub-dimension 1.1
Comprehensiveness and accessibility of debt information

This sub-dimension focuses on the transparency and accessibility of government debt information. It looks at how often key data – such as debt by sector, internal and external debt, guarantees, borrowing projections, and interest payments – is updated, published, and made available to the public, ensuring clear and timely insights into the government's debt situation.

Indicator 1.1.1.: assesses sectorial coverage in the debt-to-GDP ratio, ensuring transparency by including both general government and SOE debt, with full coverage as the standard.

Indicator 1.1.2.: evaluates how frequently the MoF updates and publishes debt figures, with best practices recommending multiple updates annually to maintain transparency.

Indicator 1.1.3.: examines whether the government reports on internal and external debt, along with debt guarantees.

Indicator 1.1.4.: assesses if the pre-budget statement (PBS) includes net new borrowing, total debt, and interest payments for the budget year, promoting transparency in debt obligations.

Indicator 1.1.5.: assesses if the executive budget proposal (EBP) includes estimates on new borrowing, total debt, and interest payments, ensuring clarity on debt obligations.

Indicator 1.1.6.: assesses if in-year reports present updated borrowing, total debt, and interest payments, providing timely insights into the debt situation.

Indicator 1.1.7.: assesses whether the mid-year budget review includes updated borrowing and debt estimates for ongoing fiscal monitoring.

Indicator 1.1.8.: reviews if the MoF publishes a year-end report comparing debt estimates with actual outcomes, reflecting any budget adjustments.

Indicator 1.1.9.: assesses when the Year-End Report is made publicly available to the public.

Indicator 1.1.10.: assesses when the Annual Audit Report (AR) is made publicly available following the end of the fiscal year, with best practice being no later than six months.

Sub-dimension 1.2
Debt strategy and debt management

This sub-dimension evaluates how the government plans, reports, and adapts its debt management strategy. It assesses whether a comprehensive debt management strategy (DMS) is in place, how well debt composition and risks are documented, and whether debt plans align with budget proposals and respond to changing market conditions.

Indicator 1.2.1.: assesses whether the government has developed a comprehensive DMS that address cost-risk trade-offs and manages market risks over the medium to long term.

Indicator 1.2.2.: examines the EBP for detailed information on debt composition and main risks (interest rate and exchange rate as well as refinancing risk).

Indicator 1.2.3.: evaluates in-year reports for details on actual debt composition, helping to assess debt sustainability and vulnerability.

Indicator 1.2.4.: assesses for an ABP aligned with the DMS, detailing financing needs and regularly reviewed to adapt to market conditions.

Country experience: Debt transparency in Uganda

Uganda's approach to debt transparency demonstrates a structured commitment to reporting actual debt levels, anchored by quarterly debt updates that align with best practices.

This regular reporting enhances transparency and provides stakeholders with ongoing insights into the debt position. Nonetheless, areas for improvement remain.

While in-year reports include core details on debt composition (indicator 1.2.3.), mid-year reviews lack the comprehensive updates necessary for a clear, real-time view of debt trends and borrowing activities (indicator 1.1.7).

Additionally, financial reporting and oversight of SOEs lack comprehensive, up-to-date data and are limited in scope (indicator 1.1.1), raising concerns about fiscal transparency and risks to public debt.

Uganda has made notable progress in debt transparency, but addressing these gaps would strengthen the framework, fostering more effective fiscal planning and oversight.

Dimension 2: Legal framework

This dimension emphasises the role of parliament in shaping a robust legal foundation that governs borrowing, debt reporting and accountability mechanisms, ensuring that public debt practices are transparent, strategically planned and responsibly managed. Additionally, this dimension assesses the extent to which parliament contributes to establishing and strengthening the legal and oversight frameworks for public debt management.

Sub-dimension 2.1

Legal framework and standing orders of parliament

This sub-dimension focuses on the legal framework and standing orders of parliament. It evaluates whether the central government's legal framework clearly defines the authority to borrow, specifies debt management objectives, the types and purposes of borrowing, and mandates regular reporting and the annual publication of a medium-term debt strategy (DMS). Indicators assess whether legislation establishes transparent roles for borrowing, issuing guarantees and managing contingent liabilities across the broader public sector, including SOEs, SNGs and statutory bodies. The legal framework should require these public entities to report their borrowing activities to the central government, promoting comprehensive oversight, consolidated debt reporting, and clear authorisation conditions.

Indicator 2.1.1.: assesses if the central government's legal framework specifies borrowing and guarantees authority, debt management objectives, types and purposes of debt, and mandates for debt reporting and a medium-term DMS to enhance transparency and accountability.

Indicator 2.1.2.: evaluates whether legislation requires public sector entities, including SOEs, SNGs and statutory bodies, to report borrowing activities to the central government, with guidelines for oversight and authorisation to ensure transparency and mitigate fiscal risk.

Sub-dimension 2.2

Parliament's institutional role in the public debt legal framework

This sub-dimension examines the role of parliament in strengthening the legal framework. It assesses the requirement for tabling and reviewing key debt documents in parliament, ensuring that public financial management (PFM) and public debt management (PDM) legislation mandates parliamentary scrutiny. Indicators evaluate parliament's active role in shaping debt-related laws, the procedural mandate for parliamentary committee review of debt documents and the effectiveness of actual committee scrutiny and reporting. This sub-dimension also examines whether the executive is required to formally respond to parliamentary recommendations, thereby fostering a transparent and accountable dialogue between the executive and legislative branches on debt management practices. Through these mechanisms, parliament helps ensure that debt management is guided by a robust legal framework, promoting transparency, accountability, and informed decision-making.

Indicator 2.2.1.: assesses whether legislation requires the executive to formally respond to parliamentary committee reports on debt documents, with clear timelines and mechanisms to ensure accountability.

Indicator 2.2.2.: assesses whether legislation stipulates that the DMS be tabled in parliament and examined by a parliamentary committee to ensure it is properly scrutinised.

Indicator 2.2.3.: assesses whether legislation stipulates that the ABP be tabled in parliament and examined by a parliamentary committee to ensure proper scrutiny and accountability.

Indicator 2.2.4.: assesses whether parliament reviews, amends, or proposes laws to strengthen the debt management framework, ensuring alignment with national priorities and international standards. If no comprehensive debt legislation exists, it examines parliament's role in initiating or reviewing proposals for its development.

Indicator 2.2.5.: assesses whether parliamentary rules mandate that key debt documents from the executive are reviewed by a parliamentary committee, formalising oversight and accountability.

Country experience: Legislative framework for debt management in Albania

Albania's debt law provides a robust framework for managing public debt, with clear provisions empowering the MoF to negotiate, approve and issue debt securities and guarantees. This promotes transparency and legal compliance in borrowing and guarantee activities. Regular reporting to parliament further strengthens accountability, with the MoF delivering quarterly updates to the Parliament of Albania and the Committee for Economy and Finance on the status of public debt and state-guaranteed obligations. Additionally, the inclusion of mechanisms for developing and monitoring the DMS promotes a forward-looking approach to debt management.

However, the framework has key gaps that increase fiscal risk. It lacks clear guidelines for managing contingent liabilities from guarantees and on-lending, leaving potential exposures unaddressed. While the DMS is updated every five years with annual monitoring, the absence of a rolling update limits its ability to respond to changing economic conditions. Strengthening these areas would improve Albania's risk management and ensure the legal framework remains responsive (indicator 2.1.1).

Dimension 3: Ratification of loan agreements/ external borrowing

The ratification of loan agreements/ external borrowing dimension assesses the mechanisms by which both the executive branch and parliament exercise oversight and control over external borrowing. This dimension ensures that loan agreements are carefully evaluated and aligned with debt sustainability goals, and that legislative oversight provides a check against imprudent external borrowing. Additionally, while domestic debt also warrants attention, many parliaments have a legal – or even constitutional – mandate to approve foreign borrowing, reinforcing their critical role in external debt oversight.

Sub-dimension 3.1

Capacity of the executive branch to assess loan agreements

This dimension assesses the mechanisms by which both the executive branch and parliament exercise oversight and control over external borrowing. It ensures that loan agreements are carefully evaluated and aligned with debt sustainability goals, while legislative oversight provides a check against imprudent external borrowing. Sub-dimension 1 focuses on the Ministry of Finance's due diligence in assessing loan agreements, helping parliamentarians understand the extent of the executive's evaluation and risk assessment processes. Sub-dimension 2 then examines parliament's role in the ratification of loan agreements, ensuring proper legislative scrutiny and approval. While domestic debt also warrants attention, many parliaments have a legal—or even constitutional—mandate to approve foreign borrowing, reinforcing their critical role in external debt oversight.

Indicator 3.1.1.: evaluates whether the debt management office continuously monitors market conditions and reassesses terms to secure favourable borrowing conditions, reduce costs, and enhance debt management efficiency.

Indicator 3.1.2.: assesses whether legal advisors are engaged throughout the negotiation process to manage legal risks and ensure all clauses are reviewed and approved, reinforcing the legal integrity and compliance of debt agreements.

Sub-dimension 3.2

Role of parliament in ratification of loan agreements

This sub-dimension assesses whether parliament is legally mandated to ratify loan agreements, fulfilling a constitutional or legal responsibility to ensure oversight and prevent imprudent borrowing. Indicators examine the extent of parliamentary involvement, including whether a committee scrutinises individual loans, if parliament holds the authority to request amendments and if it participates in the pre-ratification loan approval process. This sub-dimension also examines whether parliament has established and applies criteria in its scrutiny of loans during the approval or ratification process. Additionally, it assesses whether a parliamentary committee monitors the investment projects financed by these loans.

This structured parliamentary oversight strengthens accountability and transparency in government borrowing practices, which may reduce the likelihood of unsustainable debt accumulation.

Indicator 3.2.1.: assesses if parliament has the authority to ratify loan agreements, ensuring accountability and preventing imprudent borrowing.

Indicator 3.2.2.: assesses whether loan agreements are reviewed by a parliamentary committee.

Indicator 3.2.3.: determines if parliament can propose amendments to loan agreements, enhancing oversight depth.

Indicator 3.2.4.: evaluates whether parliament is involved in the government's initial loan approval process, promoting transparency.

Indicator 3.2.5.: examines whether criteria are established for evaluating loans, preventing debt crises through structured scrutiny.

Indicator 3.2.6.: assesses whether parliament systematically reviews the implementation and impact of loan agreements after ratification to ensure compliance and evaluate their effectiveness.

Country experience: Ratification of loan agreements in Kenya

Kenya's framework for ratifying loan agreements and external borrowing lacks adequate parliamentary oversight, underscoring a critical need for reform.

The PFM Act does not require parliamentary ratification of loan agreements, nor does it grant parliament the authority to amend loan terms or engage in the loan approval process (indicators 3.2.1. and 3.2.3).

Although legal advisors, including the Attorney General, are engaged throughout the negotiation process (indicator 3.1.2.), parliament's role in scrutinising individual external borrowings is minimal. Introducing a legal mandate for parliamentary involvement in loan ratification, early scrutiny, and establishing clear criteria for loan assessments would enhance accountability and ensure that borrowing aligns with Kenya's fiscal sustainability goals.

Dimension 4: Role of parliament in the budget cycle

This dimension evaluates parliament's involvement and oversight across all stages of the budget process – formulation, approval, execution and audit/oversight. It measures the degree to which parliament exercises its authority to review, scrutinise and influence budgetary and debt-related decisions, ensuring alignment with fiscal responsibility and transparency. This dimension underscores parliament's critical function in providing assesses and balances within the budget cycle, supporting accountability, sustainable debt management and adherence to fiscal policy objectives.

Sub-dimension 4.1. Formulation stage

This sub-dimension evaluates whether a PBS, outlining projected expenditure, revenue and debt, is presented for scrutiny and debated before the EBP. It also assesses parliamentary review of the DMS and ABP for alignment with fiscal and debt goals. Mandating executive responses to parliamentary recommendations on the DMS enhances accountability and ensures legislative input is considered.

Indicator 4.1.1.: examines whether the legislature has an opportunity to discuss the government's budget priorities and fiscal framework before the EBP is tabled. Ideally, these discussions take place based on information presented in the pre-budget statement, allowing the legislature to engage with budget policy direction early in the process.

Indicator 4.1.2.: assesses if the DMS is presented to parliament and reviewed by a committee, as best practices recommend. Such review provides an opportunity for parliamentary oversight of medium-term debt management and policies.

Indicator 4.1.3.: assesses whether the ABP aligns with the DMS, supporting coherent borrowing practices and promoting sustainable debt management.

Indicator 4.1.4.: examines whether there is a formal mandate requiring the executive to respond to parliamentary reports on the DMS. Such a requirement enhances accountability, ensuring that parliamentary recommendations on debt strategy are addressed.

Indicator 4.1.5.: assesses the consistency and depth of executive engagement with parliamentary recommendations on the DMS, promoting a collaborative approach to improving debt management practices.

Sub-dimension 4.2.
Approval stage

This sub-dimension evaluates parliament's role in formally examining and approving the budget, specifically assessing whether a parliamentary committee scrutinises the EBP with a focus on public debt information. Involving parliament in reviewing debt-related budget elements ensures that debt policies and borrowing requirements align with national fiscal goals and are subject to legislative oversight, supporting responsible debt management and fiscal discipline.

Indicator 4.2.1.: determines if a parliamentary committee examines the EBP, including its debt-related information, as recommended by best practices.

Indicator 4.2.2.: verifies whether the parliamentary committee's review of the EBP includes an examination of public debt information, providing a more comprehensive oversight of the budget.

Sub-dimension 4.3
Role of parliament in the execution stage

This sub-dimension assesses parliament's role in monitoring the implementation of the approved budget during the execution stage. It evaluates whether a parliamentary committee scrutinises in-year or mid-year budget reviews to provide oversight on budget execution and public debt management. Regular parliamentary review of these reports ensures budget transparency, alignment with fiscal parameters, and allows for corrective actions if deviations occur.

Indicator 4.3.1.: assesses whether a parliamentary committee examines in-year or mid-year reviews to monitor budget performance and ensure ongoing alignment with fiscal and debt management objectives.

Sub-dimension 4.4
Audit/oversight stage

This sub-dimension examines whether a parliamentary committee reviews the year-end report to verify compliance with the budget authorised by parliament. It also assesses whether committees hold in-depth hearings on audit findings, involving the SAI and the audited agency to ensure accountability. Additionally, it considers whether the SAI or an independent body conducts periodic audits of government debt management practices, with parliament reviewing these reports. This process reinforces transparency, accountability and adherence to fiscal and debt management policies.

Indicator 4.4.1: examines whether a parliamentary committee reviews the year-end report, which demonstrates compliance with the budget as authorised by parliament.

Indicator 4.4.2.: assesses whether parliamentary committees hold in-depth hearings on audit findings, involving representatives from both the SAI and the audited agency to discuss findings and corrective actions.

Indicator 4.4.3.: assesses whether financial or compliance audits are involved in the audit findings hearings.

Country experience: Role of parliament in the budget cycle in Uganda

In the formulation stage, the National Budget Framework Paper, Uganda's PBS, is tabled in Parliament and scrutinized by the Budget Committee. However, the NBFP lacks a detailed breakdown of all borrowing needs, limiting the depth of parliamentary oversight.

In the approval stage, the Budget Committee rigorously reviews debt-related information within the EBP (indicators 4.2.1. and 4.2.2.), yet the absence of detailed interest payment data restricts a full assessment of debt costs (indicators 1.1.4. and 1.1.5).

During the execution stage, the Public Accounts Committee examines in-year budget implementation reports (Monthly Performance of the Economy Reports and the Performance of the Economy Report), but it has not published reports with findings or recommendations (indicator 4.3.1).

The Monthly Performance of the Economy Report/Performance of the Economy Report ("the Reports") provides estimates for net borrowing and total debt but omits detailed information on interest payments. Including all three elements – net borrowing, total debt and interest payments – would enhance transparency and enable parliament to monitor fiscal performance more effectively (indicator 1.1.6).

The Reports offer basic details on debt composition, such as interest rates and maturity profiles, but require more comprehensive and updated information to help parliament assess debt sustainability and risks (indicator 1.2.3).

Both the mid-year review which is known as the 'Half-Year Macroeconomic and Fiscal Performance Report" and the year-end report which is known as the "Annual Macroeconomic and Fiscal Performance Report' lack updated borrowing and debt estimates, limiting effective fiscal oversight. Comprehensive updates are necessary to give Parliament an accurate understanding of the government's financial position (indicator 1.1.7).

Dimension 5: Fiscal risk

The fiscal risk dimension evaluates the executive branch's capacity to identify, manage and report on fiscal risks associated with various sectors of the public sector, including SOEs and SNGs. This dimension focuses on transparency regarding contingent liabilities, the production of comprehensive fiscal risk statements, and the active role of parliamentary oversight in scrutinising and mitigating fiscal risks. By ensuring that these risks are adequately monitored and reported, this dimension supports long-term fiscal sustainability and accountability across government levels.

Sub-dimension 5.1
General government (SOEs, SNGs)

This dimension evaluates the government's ability to identify, manage, and report fiscal risks associated with state-owned enterprises (SOEs) and SNGs. It also examines the comprehensiveness of fiscal risk statements and the effectiveness of parliamentary oversight in fiscal risk management. Key indicators assess the publication of contingent liabilities, parliamentary review processes, legal requirements for financial reporting by SOEs and SNGs, and the regularity and depth of parliamentary discussions on public debt and fiscal sustainability. These practices collectively promote transparency, accountability, and informed decision-making, thereby safeguarding fiscal sustainability.

Indicator 5.1.1.: assesses if the MoF publishes a list of explicit contingent liabilities in documents like the executive budget proposal, including purpose, policy rationale and amounts of guarantees and commitments.

Indicator 5.1.2.: evaluates whether a parliamentary committee reviews the list of explicit contingent liabilities, supporting oversight and accountability for fiscal risks.

Indicator 5.1.3.: assesses if SOEs are legally required to submit annual financial statements and whether a consolidated report on SOE performance is published by the central government.

Indicator 5.1.4.: examines legal requirements for SNGs to report borrowing activities to the central government, ensuring oversight and risk management.

Indicator 5.1.5.: assesses if the central government quantifies and reports on all significant explicit contingent liabilities, like state guarantees and guarantees related to public-private partnerships (PPP) risks, in its annual financial reports.

Indicator 5.1.6.: assesses the comprehensiveness of reporting on contingent liabilities, ensuring that all relevant risks are disclosed and monitored effectively.

Sub-dimension 5.2
Comprehensiveness of fiscal risk statement

This sub-dimension assesses whether governments produce a comprehensive fiscal risk statement that consolidates public sector risks, including those from SOEs and SNGs. Indicators examine the publication of an annual fiscal risk statement by the central government, with quantitative measures for major SOEs, offering critical insights for informed risk management and strengthened fiscal oversight.

Indicator 5.2.1.: evaluates whether the central government publishes a comprehensive Fiscal Risk Statement, consolidating risks from SOEs and SNGs, and includes financial ratios to assess SOE performance.

Sub-dimension 5.3
Parliamentary oversight of fiscal risk

This sub-dimension evaluates parliament's role in overseeing fiscal risks, particularly its scrutiny of contingent liabilities for SOEs and SNGs. It examines whether a dedicated committee handles SOE oversight, parliament's engagement in reviewing fiscal risks in the debt DMS, its analysis of the fiscal risk statement, and the frequency and depth of committee discussions on public debt and debt sustainability.

Indicator 5.3.1.: assesses whether there is a parliamentary committee specifically tasked with SOE oversight or if another committee assumes this responsibility.

Indicator 5.3.2.: measures parliament's engagement in reviewing fiscal risks in the debt management strategy, including risks from SOEs, PPPs and external borrowing.

Indicator 5.3.3.: assesses the extent of parliament's review of the fiscal risk statement, focusing on SOE risks, contingent liabilities and macroeconomic threats to debt sustainability.

Indicator 5.3.4.: assesses the regularity and depth of parliamentary committee sessions on public debt, focusing on fiscal risks, debt sustainability and sector-specific concerns.

Country experience: Fiscal risk management in Albania

While Albania reports certain explicit contingent liabilities, such as state guarantees, the coverage remains incomplete, with liabilities from sectors like SOEs and PPPs not fully accounted for, leaving critical risks unmonitored and unreported (indicator 5.1.5).

The MoF publishes some information on contingent liabilities but does not provide a comprehensive list in the EBP or other public documents, with missing elements including the total amount of outstanding guarantees and new liabilities for the budget year (indicator 5.1.1).

There is no formal process for Parliament to systematically review contingent liabilities, as current reviews, if conducted, are ad hoc and lack the structured oversight needed to scrutinise these fiscal risks comprehensively (indicator 5.1.2).

Furthermore, Albania does not have a legislated cap on contingent liabilities, allowing the government to issue guarantees without constraints and increasing exposure to potential financial shocks (indicator 5.1.4).

These gaps highlight the need for Albania to develop a more robust system for monitoring, reporting and managing contingent liabilities to enhance fiscal transparency and mitigate associated risks.

Dimension 6: Public hearings and citizen engagement in debt oversight

The public participation dimension assesses the involvement of citizens and CSOs in the debt decision-making process at critical stages of the budget cycle, including formulation and approval, execution, and audit/oversight. It highlights the importance of inclusive and transparent mechanisms for gathering public input, ensuring that citizen voices inform legislative deliberations on debt issues. By encouraging open hearings, documented feedback, and public engagement opportunities throughout the budget cycle, this dimension promotes accountability and aligns debt management with public interests.

Sub-dimension 6.1
Formulation and approval stage

This sub-dimension assesses the inclusiveness and transparency of public participation in the budget formulation and approval process. It examines whether the legislature holds open hearings allowing unrestricted testimony from citizens and CSOs, or, if not feasible, uses alternative methods to gather public input. It also evaluates whether a written or recorded document details public contribution and explains how these inputs were considered in budget deliberations, promoting accountability and responsiveness to public perspectives.

Indicator 6.1.1.: assesses whether the legislature holds open budget hearings, allowing any citizen or CSO to testify, or alternatively, uses non-discriminatory methods to gather public input, ensuring that public interests are represented.

Indicator 6.1.2.: examines whether the legislature records public contributions to budget discussions and explains how these inputs were addressed, fostering transparency and accountability.

Sub-dimension 6.2
Execution stage

This sub-dimension assesses public involvement in monitoring budget implementation through parliamentary scrutiny of in-year execution reports and the mid-year review. It examines whether parliament enables citizens and CSOs to participate in reviewing these reports, fostering transparency and allowing public feedback to ensure budget execution aligns with fiscal goals and public expectations.

Indicator 6.2.1.: examines whether parliament facilitates public involvement in reviewing in-year budget execution and mid-year reports, supporting transparency and alignment with public expectations.

Sub-dimension 6.3
Audit/oversight stage

This sub-dimension assesses public participation in legislative hearings on the audit report, evaluating whether the legislature allows open testimony from citizens and CSOs without restrictions. If testimony is limited, alternative non-discriminatory methods should be used to gather public input, with documented efforts to consider these views. This approach promotes accountability and transparency by incorporating public feedback into the government's financial oversight.

Indicator 6.3.1.: evaluates whether the legislature holds public hearings on the audit report or uses non-discriminatory methods to gather input from citizens and CSOs, reinforcing accountability in government financial oversight.

Country experience: Public participation framework in Kenya

Kenya's framework for public participation in debt decision-making shows both progress and areas for improvement. In the formulation and approval stages, public hearings are occasionally held, and feedback from citizens and CSOs is recorded, but the consistency and transparency of these practices vary (indicators 6.1.1. and 6.1.2). Public involvement during the execution phase is limited, with few opportunities for citizens to monitor budget implementation and little transparency in mid-year budget reviews (indicator 6.2.1). The audit/oversight stage also lacks structured mechanisms for public input on audit findings, limiting citizen participation in financial oversight (indicator 6.3.1). Enhancing these processes by formalising public hearings, improving transparency, and systematically documenting the use of public input would strengthen accountability and align debt management with fiscal sustainability goals.

Dimension 7: Integrated technical support and external partnerships

The integrated technical support and external partnerships dimension evaluates the availability and integration of internal technical expertise, specifically the role of the PBO, in enhancing parliament's capacity to interpret debt data. It also assesses parliament's potential to collaborate with external experts, such as CSOs, to supplement internal expertise with independent analysis, thereby bolstering the capacity for informed decision-making and oversight.

Indicator 7.1.1.: examines whether an independent fiscal institution (IFI) exists to provide non-partisan budget analysis, with legal independence, adequate funding and staffing to support fiscal accountability.

Indicator 7.1.2.: assesses the IFI's role in producing or evaluating macroeconomic and fiscal forecasts to ensure transparent, reliable data for assessing government budget projections.

Indicator 7.1.3.: evaluates the IFI's independence, resources and engagement in legislative hearings, focusing on its role in publishing policy proposal costings and supporting informed decision-making.

Indicator 7.1.4.: measures the frequency of IFI testimonies in legislative committees, ideally five or more times annually, to enhance transparency and legislative oversight through expert input.

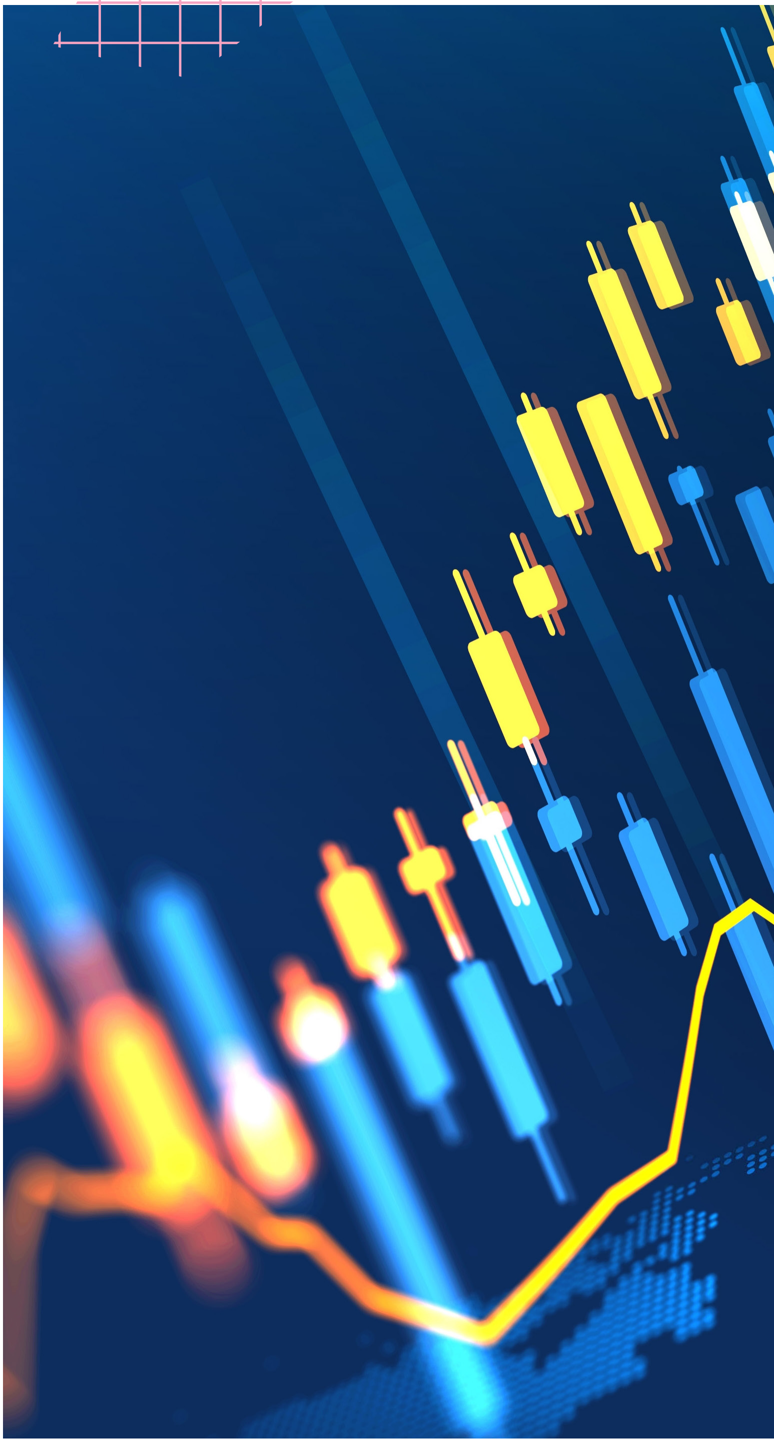
Indicator 7.1.5.: examines the frequency of PBO analyses on debt sustainability and the government's debt management strategy, which supports informed parliamentary decision-making and oversight.

Indicator 7.1.6.: assesses parliament's use of PBO debt analysis in debates and reviews, enhancing scrutiny and reinforcing the rigor of debt management decisions.

Country experience: PBO expertise in Kenya

The PBO, established in 2007 and reinforced by the Public Finance Management Act 2012, provides the National Assembly with non-partisan budget analysis, demonstrating a commitment to transparency and informed decision-making (indicator 7.1.1). The PBO publishes valuable macroeconomic and fiscal forecasts, as well as cost assessments for major government policies, such as the Bottom-Up Economic Transformation Agenda (BETA), which enhances the quality of information available for legislative scrutiny (indicator 7.1.2). Although the PBO operates with legal independence, its current staffing of 53 remains below the target of 88, highlighting an opportunity to strengthen its capacity further (indicator 7.1.1). Additionally, while PBO staff are embedded in parliamentary committees, more frequent formal testimonies from senior staff would enhance engagement and oversight (indicator 7.1.4). With increased resources and more structured interactions with committees, Kenya's PBO could further elevate its role in supporting effective and transparent debt management oversight.

Dimension 8: Capacity of the executive branch to manage public debt



This dimension assesses the executive branch's capability to manage public debt by examining its capacity to develop and implement the DMS, monitor and manage debt-related risks, and coordinate debt management with broader macroeconomic policies. It also evaluates whether the necessary technical expertise and institutional frameworks are in place to maintain sound public debt management.

Indicator 8.1.1.: assesses whether effective coordination mechanisms, such as inter-agency committees and formal agreements, are in place among debt management entities and if borrowing activities are centralised within a single DMO. Centralised borrowing under a DMO represents the highest standard, facilitating consistency, accountability, and efficiency in debt operations.

Indicator 8.1.2: assesses whether the government coordinates the issuance and monitoring of loan guarantees and on-lending through effective communication and formal mechanisms that ensure accountability, transparency, and information sharing among relevant entities.

Dimension 9: External audit

The external audit dimension assesses the effectiveness of independent oversight of government debt management, focusing on the role of the SAI or similar body. It ensures debt management practices undergo regular audits, with results reviewed by a parliamentary committee to enhance accountability. Key indicators examine whether the SAI conducts thorough audits, including compliance and value-for-money assessments, and whether findings are publicly reported. This dimension also evaluates the government's commitment to implementing corrective actions based on audit recommendations, promoting transparency and responsible debt management.

Indicator 9.1.1.: examines whether an independent body, such as the SAI, regularly audits debt management practices and if these reports are reviewed by a parliamentary committee, ensuring transparency and accountability.

Indicator 9.1.2.: assesses the government's commitment to act on audit findings, ensuring recommendations are implemented to improve accountability and debt management practices.

Country experience: External audit oversight in Albania

The Albanian Supreme State Audit Institution (ALSAI) conducts annual financial and compliance audits, which are vital for ensuring adherence to financial rules and promoting accountability. These audits provide an important foundation for fiscal oversight. However, performance audits focused on public debt are infrequent and not published promptly, limiting public access to comprehensive findings and insights into debt management (indicator 9.1.1).

Parliamentary review of SAI reports, while a valuable mechanism for oversight, currently lacks consistency and depth, with no structured process for scrutinising critical findings (indicator 4.4.2). Strengthening this process would allow parliament to build on existing audit work to drive meaningful reforms. Additionally, introducing regular debt-focused performance audits would complement ALSAI's efforts, offering greater insights into fiscal risks and debt sustainability.

By leveraging ALSAI's existing audit framework and implementing a structured parliamentary review process, including hearings and formal executive responses, Albania has a significant opportunity to enhance fiscal transparency and accountability (indicator 5.3.4). These reforms would bolster the role of both ALSAI and parliament in ensuring sound public debt management and greater public trust in fiscal governance.

Annex I

Overview of changes introduced in the PDMAT 2.0

This annex outlines a series of proposed revisions to the existing dimensions and sub-dimensions of the PDMAT. The changes aim to enhance clarity, improve focus and ensure the tool reflects the evolving best practices in public debt management. Key adjustments include renaming sub-dimensions for greater specificity, removing or merging certain sub-dimensions that overlap with other areas and introducing new dimensions to address emerging areas of importance such as fiscal risk and the capacity of the executive branch. These modifications are designed to streamline the assessment process and provide a more comprehensive framework for evaluating public debt management practices across different stages of the budget cycle.

Revised dimension in PDMAT 2.0	Sub-dimension
1. Debt transparency	1.1. Comprehensiveness and accessibility of debt information
	1.2. Debt strategy and debt Management
2. Legal framework	2.1. Legal framework and standing orders of parliament
	2.2. Parliament's institutional role in the debt legal framework
3. Ratification of loan agreements/external borrowing	3.1. Capacity of the executive branch to assess loan agreements
	3.2. Role of parliament in ratification of loan agreements
4. Role of parliament in the budget cycle	4.1. Formulation stage
	4.2. Approval stage
	4.3. Role of parliament in the execution stage
	4.4. Audit/oversight stage
5. Fiscal risk	5.1. General government (SOEs, SNGs)
	5.2. Comprehensiveness of fiscal risk statement
	5.3. Parliamentary oversight of fiscal risk
6. Public hearings and citizen engagement in debt oversight	6.1. Formulation and approval stage
	6.2. Execution stage
	6.3. Audit/oversight stage
7. Integrated technical support and external partnerships	7.1. Integrated technical support and external partnerships
8. Capacity of the executive branch to manage public debt	8.1. Capacity of the executive branch to manage public debt
9. External audit	9.1. External audit

Annex II

Structure of PDMAT 2.0

This annex presents the new structure for PDMAT 2.0. The revised framework incorporates new dimensions and sub-dimensions aimed at better capturing the complexities of public debt management, legislative oversight and fiscal risk. The goal is to create a more comprehensive tool that evaluates the transparency, accountability and capacity of both the executive and legislative branches in managing public debt. The new dimensions also introduce a stronger focus on fiscal risk management, public participation and the technical capacities of parliaments to interpret debt data. These changes are designed to align PDMAT 2.0 with international best practices, providing a robust framework for assessing public debt management processes across different institutional contexts.

New indicators have been carefully developed to fill critical gaps identified in PDMAT 1.0, offering a more comprehensive evaluation tool that reflects the evolving demands on parliaments in public debt management. By incorporating the latest international standards and benchmarks, Annex II enables parliaments to assess not only debt transparency but also fiscal risks, public participation and executive accountability in a more nuanced and actionable way. This alignment with the updated DeMPA 2021 framework makes PDMAT 2.0 a relevant and robust resource for promoting transparency, oversight and fiscal responsibility in debt management practices across diverse institutional settings. PDMAT 2.0 comprises:

Expanded indicator set: Annex II introduces a comprehensive set of new indicators that weren't fully covered in the original PDMAT framework. These indicators are specifically designed to capture important areas like fiscal risk, public participation and the technical role of the PBO. By expanding the indicator set, PDMAT 2.0 is better equipped to assess the broader scope of debt management responsibilities held by parliaments.

Alignment with updated standards: With references to the updated DeMPA 2021 framework, Annex II reflects the latest international standards for debt management. This alignment makes the tool more relevant, as it now incorporates globally recognised benchmarks for transparency, oversight and fiscal responsibility in public debt.

Improved accountability: The new structure in Annex II enables a more nuanced evaluation of debt oversight by addressing not only the transparency of debt data but also the executive's accountability to parliament. Indicators that focus on the review of debt documents and require formal executive responses to parliamentary recommendations, for example, help close the accountability loop.

Addressing specific oversight gaps: Annex II was developed to fill specific gaps identified in PDMAT 1.0, such as the lack of indicators on fiscal risk reporting and public engagement. By adding dimensions for these areas, Annex II enhances the comprehensiveness of PDMAT 2.0, making it a more robust and actionable tool for parliaments.

It should be noted that new indicators are marked in red below. Additionally, bracketed indicator numbers refer to the original indicator number in PDMAT 1.0.

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
1. Debt transparency			
1.1. Standalone debt documents			
This dimension assesses the availability, accuracy and comprehensiveness of public debt data, including public access to the government's debt management strategy (DMS) and debt statistics. It evaluates whether debt information is regularly updated, transparent and publicly available to improve accountability.	1.1.1. (1.1.2.)	How broad is the sectorial coverage for the debt-to-GDP ratio?	Completeness of sectoral coverage provides a comprehensive view of the public debt situation and serves as a critical indicator of debt transparency. Public debt figures reported may vary depending on the coverage provided by the reporting organisation. International best practices recommend debt reporting that encompasses both general government and SOEs, collectively referred to as public sector debt. Debt reporting standards can be categorised by levels of coverage: 'NA or incomplete CG,' indicating no or incomplete central government data; 'Limited coverage,' where complete data is available for central government only; 'Partial coverage,' which includes complete data for either general government or central government and SOEs; and 'Full coverage,' offering comprehensive data that includes both general government and SOEs. Full coverage is the standard that provides the most transparency in debt reporting. *Source: Heat Map* **Scoring** L4 General government + SOEs L3 Complete CG + SNGs or SOEs L2 Complete CG L1 Sectorial converge: NA (or incomplete CG)
	1.1.2. (1.1.3.)	How often are debt figures updated and published by the ministry of finance?	This question pertains to the frequency of debt reporting. According to best practices, reporting should take place more than once per year. *Source: Heat Map* **Scoring** L4 Periodicity of public data reporting: < 1 year (i.e., quarterly) L3 Periodicity of public data reporting annual L2 Periodicity of public debt reporting: > 1 time/year L1 Periodicity of public debt data reporting: NA

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	1.1.3. (1.2.1.)	Does the government report on both internal and external debt and/or debt guaran-tees?	External debt is the 'portion of a country's debt that was borrowed from foreign lenders, including commercial banks, governments, or international financial institutions. These loans, including interest, must usually be paid in the currency in which the loan was made.' Because of the high risk associated with external debt, this question pertains to whether governments are reporting, in their medium-term debt strategy (MTDS) or (other document) on their strategy for the external debt they have taken on. That is, are they trying to reduce it, or how are they addressing it? *Source: Heat Map* **Scoring** *L4 = A Instrument Coverage: External and domestic guarantees (if applicable)* *L3 = B Instrument Coverage: External and domestic debt* *L2 = C Instrument coverage: External or domestic debt only* *L1 = D Instrument Coverage: Not publicly available.*
	1.1.4. (5.1.2.)	Does the prebudget statement present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?	PBSs should present estimates related to three types of debt. The government can borrow from its citizens, banks and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund. *Source: OBS-57* **Scoring** L4 = A: Yes, all three estimates are presented L3 = B: Yes, two of the three estimates are presented L2 = C: Yes, one of the three estimates are presented

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	1.1.5. (5.2.1.)	Does the EBP or any supporting budget documentation present three estimates[1] related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?	According to best practices the EBP or other supporting documentation should present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year. *Source: OBS-13* **Scoring** *L4 = A: Yes, all three estimates are presented* *L3 = B: Yes, two of the three estimates are presented* *L2 = C: Yes, one of the three estimates are presented* *L1 = D: None of the three estimates are presented*
	1.1.6. (5.4.1.)	Do in-year reports present three estimates[2] related to actual government borrowing and debt: the amount of net new borrowing; the total debt outstanding; and interest payments?	According to best practices in-year reports should present three estimates related to actual government borrowing and debt: the amount of net new borrowing; the total debt outstanding; and interest payments. *Source: OBS-74* **Scoring** L4 = A: Yes, all three estimates are presented L3 = B: Yes, two of the three estimates are presented L2 = C: Yes, one of the three estimates is presented L1 = D: No, none of the three estimates are presented

1 The three key estimates should include: the amount of net new borrowing required during the entire budget year; the central government's total debt burden at the end of the budget year; and the interest payments on the outstanding debts for the entire budget year.

2 The three estimates should include: The amount of net new borrowing so far during the year; the central government's total debt burden at that point in the year; and the interest payments to date on the outstanding debt.

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	1.1.7. (5.4.3.)	Does the mid-year review of the budget include updated estimates of government borrowing and debt, including its composition, for the budget year underway?	The mid-year report provides a comprehensive update on the implementation of the budget, including an updated forecast of the budget outcome for the current fiscal year and, at least, the following two fiscal years. The report may contain additionally the economic assumptions underlying the budget as well as a comprehensive discussion of the government's financial assets and liabilities, non-financial assets, employee pension obligations and contingent liabilities. *Source: OBS-83* **Scoring** L4 = A: Yes, estimates updated and information on all differences is presented L3 = B: Yes, estimates updates and information on some differences is presented L2 = C: Yes, estimates updated but information on differences is not presented L1 = D: No, estimates not updated
	1.1.9. (OBS YER-2) Timeliness of public access to year-end reports (YER)	When is the Year-End Report (YER) made publicly available to the public? Please specify the time frame in relation to the end of the budget year. If the YER is not released to the public or is released more than 12 months after the end of the budget year, please indicate this explicitly.	The Year-End Report (YER) should be made publicly available on the issuing authority's website, free of charge, and accessible to all citizens, no later than one year after the end of the fiscal year to which it corresponds. Best practices recommend making the YER available within six months to enhance transparency and accountability in budget execution. If the YER is not published within the specified timeframe, or if it is produced solely for internal purposes and not released to the public, it does not fulfil the standards for public accessibility. *Source: OBS YER-2* **Scoring** L4 = A: Six months or less after the end of the budget year L3 = B: Nine months or less, but more than six months, after the end of the budget year L2 = C: More than nine months, but within 12 months, after the end of the budget year L1 = D: The YER is not released to the public, or is released more than 12 months after the end of the budget year

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	1.1.10. (OBS AR-2) Timeli-ness of public availabil-ity of the annual audit report (AR)	When is the Annual Audit Report (AR) made publicly availa-ble following the end of the fiscal year?	An Annual Audit Report (AR) should be made publicly available no later than six months after the end of the fiscal year to promote timely access to essential fiscal information, transparency, and accountability. At a minimum, the AR must be accessi-ble on the official website of the is-suing authority and provided free of charge. Failure to release the AR to the public within 18 months, or withholding it entirely, compromises public oversight and diminishes trust in fiscal governance. *Source: OBS AR-2* **Scoring** L4 = A: Six months or less after the end of the budget year L3 = B: 12 months or less, but more than six months, after the end of the budget year L2 = C: More than 12 months, but within 18 months, after the end of the budget year L1 = D: Does not release to the pub-lic, or is released more than 18 months after the end of the budget year

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
1.2. Debt info in budget documents			
This sub-dimension focuses on the transparency and detail of debt-related information presented in government budget documents. It assesses whether key debt estimates, and management strategies are clearly articulated in the budget and related reports, ensuring that stakeholders can understand government borrowing, debt composition, and the associated fiscal risks.	1.2.1.	Has the government prepared a debt management strategy (DMS) with the long-term objective of contracting debt within robust cost-risk trade-offs?	Such a DMS should cover at least the medium term (three to five years), and it should include a description of the existing debt portfolio's composition and evolution over time. The DMS should consider the market risks being managed – particularly the interest rate, exchange rate, and refinancing/rollover risks – and the future environment for debt management in terms of fiscal and debt projection. *Source: DeMPA DPI-3.1* **Scoring** L4 = A: Strategy available and includes indicator target ranges. Annual reporting provided to legislature L3 = B: Strategy available and includes indicator target ranges L2 = C: Strategy available and indicates preferred evolution of risk L1 = D: Performance not met
	1.2.2. (OBS-14)	Does the EBP or any supporting budget documentation present information to the composition of the total debt outstanding at the end of the budget year?	Composition of total debt refers to: the interest rates (that affect the amount of interest that must be paid to creditors); the maturity profile (that indicates the final payment date of the loan, at which point the principal – and all remaining interest – is due to be paid); and government borrowing (that typically includes a mix of short-term and long-term debt). These factors related to the composition of the debt give an indication of the potential vulnerability of the country's debt position, and ultimately whether the cost of servicing the accumulated debt is affordable. *Source: OBS-14* **Scoring** L4: Yes, the information beyond core elements is presented. L3: Yes, the core information is presented. L2: Yes, the information is presented but excludes some core elements. L1: No, the information is not presented.

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	1.2.3. (OBS-75)	Do in-year reports present information related to the composition of the total actual debt outstanding?	Composition of total debt refers to: the interest rates (that affect the amount of interest that must be paid to creditors); the maturity profile (that indicates the final payment date of the loan, at which point the principal – and all remaining interest – is due to be paid); and government borrowing (that typically includes a mix of short-term and long-term debt). These factors related to the composition of the debt give an indication of the potential vulnerability of the country's debt position, and ultimately whether the cost of servicing the accumulated debt is affordable. *Source: OBS-75* **Scoring** L4 = A: Yes, the information beyond core elements is presented L3 = B: Yes, the core information is presented L2 = C: Yes, the information is pre-sented but excludes some core elements L1 = D: No, information is not pre-sented
	1.2.4. ABP trans-parency and im-plemen-tation review	Is an annual borrowing plan (ABP) published each year, detailing how the government's financing needs will be met in alignment with the debt management strategy (DMS), and is it regularly reviewed and updated based on market conditions and fiscal requirements?	The annual borrowing plan (ABP) should be a comprehensive, publicly accessible document that clearly outlines how the government intends to meet its gross financing needs, broken down by domestic and external sources. It should specify the projected volumes from various financing instruments, including securities tenors and retail or wholesale segments if relevant. The ABP should align with the DMS and include analysis on portfolio cost and risk indicators, with regular internal reviews (at least quarterly) to adjust for changing market and fiscal conditions. Publishing and updating the ABP enhances transparency and foster clear communication with investors, helping maintain confidence in government borrowing practices. *Source: WFD* **Scoring** L4: Comprehensive ABP, publicly accessible, aligned with DMS, and regularly updated with quarterly reviews. L3: Detailed ABP, publicly available, aligned with DMS, but updated less frequently. L2: Published ABP with limited details, partial alignment with DMS, no regular updates L1: ABP not published or exists only as internal document

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
2. Legal framework			
2.1 Legal framework and standing orders of parliament			
This sub-dimension assesses how parliament contributes to enhancing the legal framework governing public debt, such as through legislation that strengthens debt transparency, oversight mechanisms, or the establishment of debt limits.	2.1.1. (3.1.1.*)	Does the central government's legal framework specify: (1) who can borrow and issue guarantees, (2) define debt types and purposes, and (3) require debt reports and a medium-term strategy?	A strong legal framework for central government debt management should ensure: (1) Authorisation: clear authority for borrowing, issuing guarantees and on-lending, specifying roles within government. (2) Purposes and instruments: defined purposes for borrowing (e.g., budget support, refinancing) and types of debt instruments covered. (3) Objectives: stated debt management goals to meet financing needs cost-effectively and support market development. (4) Transparency: required regular reporting on debt levels, risks, and terms to ensure accountability. (5) Strategic planning: mandated publication of a medium-term debt management strategy (DMS) and framework for managing guarantees and on-lending. *Source: DeMPA DPI-1.1* **Scoring** L4 = A: Requirements met + legislation requires development of strategy and mandatory annual report L3 = B: Requirements met + legislation includes objectives and requires reporting L2 = C: Legislation specifies purpose for borrowing L1 = D: Requirements not met

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	2.1.2. (3.1.2.)	Does the legal framework require public sector entities, including SOEs, SNGs and statutory bodies, to report their borrowing activities to the central government, and does it establish clear guidelines for central oversight, reporting, and authori-sation of such borrowing and guarantees?	Legal Framework for Broader Public Sector Borrowing and Debt Over-sight, the legal framework should adhere to the following key principles: **(1) Transparency in borrowing activities:** Legislation should ensure that all public sector entities – including SNGs, statutory bodies, and SOEs – report their borrowing activities to the central government. This promotes comprehensive oversight and monitoring of debt obligations across all levels of the public sector. **(2) Consolidated reporting and accountability:** The framework should mandate that the central government publish consolidated reports on the debt and guarantees of these public sector entities. This reporting clarifies total public debt exposure and includes transparency around any guarantees that entities may issue to their subsidiaries. **(3) Clear authorisation roles and conditions:** Legislation should clearly define the central government's role in authorising borrowing and guarantee issuance for public sector entities, outlining con-ditions and limitations. This ensures responsible borrowing practices across semi-autonomous entities and reduces fiscal risk. *Source: DeMPA DPI-1.2* **Scoring** L4 = A: Requires all public sector bodies to report borrowing, with clear central government oversight and authorization roles L3 = B: Requires some reporting of borrowing, with limited central gov-ernment coordination and authorization L2 = C: Limited reporting by some public sector bodies, with minimal oversight and unclear authorization L1 = D: No reporting requirement or central oernment oversight/authorization

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
2.2. Parliament's institutional role in the debt legal framework			
This sub-dimension assesses the extent to which PFM and PDM legislation requires the tabling of key debt documents in parliament and their review by a parliamentary committee is prescribed in legislation.	2.2.1. (WFD) Exeutive requirement to respond to parliamentary committee Recommendations on debt documents	Is the executive branch required to respond to recommendations provided by parliamentary committees on debt documents, including timelines for providing such responses?	A mandated executive response to parliamentary recommendations fosters accountability by ensuring that parliamentary feedback on debt documents is addressed, promoting a transparent dialogue between parliament and the executive on debt management. *Source: WFD* **Scoring** L4: The executive is required to respond to all committee recommendations with clear timelines L3: The executive is required to respond to most recommendations, but timelines are not mandated L2: The executive is encouraged but not required to respond to recommendations L1: The executive is not required or encouraged to respond to recommendations
	2.2.2. (WFD)	Is it stipulated in legislation that the DMS should be tabled in parliament and examined by a parliamentary committee?	PFM or PDM legislation often stipulates a requirement for the DMS to be made public. It is equally important that the DMS be tabled in parliament and examined by a parliamentary committee in order to ensure that it is properly scrutinised. *Source: WFD* **Scoring** L4: Legislation requires tabling of DMS in parliament as well as its scrutiny by a parliamentary committee L3: Legislation requires tabling of DMS in parliament. However, no reference is to committee scrutiny. L2: Legislation requires that DMS be published annually but does not refer to tabling in parliament. L1: No legal requirement.

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	2.2.3. ABP	Is it stipulated in legislation that the ABP should be tabled in parliament and examined by a parliamentary committee?	PFM or PDM legislation often stipulates a requirement for the ABP to be made public. It is equally important that the ABP be tabled in parliament and reviewed by a parliamentary committee to ensure it undergoes proper scrutiny and accountability. *Source: WFD* **Scoring** L4: Legislation requires the tabling of the ABP in parliament, along with its scrutiny by a parliamentary committee. L3: Legislation requires the tabling of the ABP in parliament, but there is no reference to committee scrutiny. L2: Legislation requires the ABP to be published annually but does not specify its tabling in parliament. L1: No legal requirement.
	2.2.4. (WFD) Parliamentary ations to srengthen debt management legislation	Does parliament actively contribute to strengthening the legal framework governing debt management, such as by enhancing existing PFM or PDM legislation? Where such legislation does not exist, does parliament play a role in drafting or reviewing proposals for its development?	Parliamentary involvement in shaping and updating debt management legislation ensures a robust, transparent framework that promotes fiscal responsibility and aligns with national priorities and global best practices. *Source: WFD* **Scoring** L1 – Parliament does not participate in shaping or reviewing debt-related legislation. L2 – Parliament conducts superficial reviews of executive-proposed debt legislation with little influence or input. L3 – Parliament systematically reviews and debates debt legislation, contributing informed input, though still largely in response to executive initiatives. L4 – Parliament actively shapes debt management laws through independent proposals, amendments, and stakeholder engagement.

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	2.2.5. (WFD) Require-ment for parlia-mentary com-mittee review of debt docu-ments	Do the rules of procedure mandate that each key debt document published by the executive branch is reviewed by a parliamentary committee?	Ensuring that rules require parlia-mentary committee review of debt documents formalis-es legislative oversight, fostering a consistent approach to examining public debt manage-ment practices and increasing accountability in debt-related decision-making. *Source: WFD* **Scoring** L4: Rules mandate review of all (100%) key debt documents by a parliamentary committee L3: Rules mandate review of most (66%) key debt documents. L2: Rules mandate the review of some (33%) key debt documents. L1: No rules exist requiring committee review of debt documents
3. Ratification of loan agreements / external borrowing			
3.1. Capacity of the executive branch to assess loan agreements			
	3.1.1. (4.1.1., revised DeMPA indicator DPI-9.1)	Does the debt management office monitor market conditions continuously, and are borrowing terms reassessed before each loan negotiation?	Continuous market monitoring allows the debt management team to respond swiftly to changes, securing favourable terms and reducing costs. This practice enhances the efficiency of debt operations and aligns borrowing practices with current economic conditions, supporting proactive and informed debt management. *Source: DeMPA DPI-9.1* **Scoring** L4 = A: Requirements met + assessments conducted prior to loan negotiated L3 = B: Requirement met + the plan updated as changes become apparent L2 = C: Yearly plan for external borrowing is prepared and assessments conducted annually L1 = D: Requirement not met

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	3.1.2. (4.1.2., revised DeMPA indicator DPI-9.2)	Are legal advisors involved from the initial stages of negotiation through to the finalisation of legal agreements for debt transactions, with all clauses reviewed and approved before concluding the negotiation?	Ensuring continuous consultation with legal advisors from the start of the negotiation process allows for early identification and management of legal risks, including key issues such as definitions of indebtedness, default events and sovereign immunity clauses. Requiring final approval of all legal clauses by advisors before concluding negotiations strengthens the legal integrity of debt agreements, aligning with best practices for minimising risks and ensuring compliance with market disclosure obligations. *Source: DeMPA DPI-9.2* **Scoring** L4 = A: Legal advisers are involved from the start to the conclusion of the negotiation and approval of all debt clauses L3 = B: Legal advisers are consulted during negotiations, but not from the very start L2 = C: Legal advisers are consulted only at the conclusion of negotiations or with limited involvement L1 = D: No consultation with legal advisers during the negotiation process
3.1. Capacity of the executive branch to assess loan agreements			
	3.2.1. (4.2.1.)	Is parliament legally required to ratify any loan agreements before they become effective?	Parliaments should retain the authority to ratify and issue loan agreements. This deters the occurrence of imprudent borrowing without the appropriate government accountability. *Source: WFD* **Scoring** L4: Legal requirement, no government override and frequent vote L3: Legal requirement, no government override and occasional vote L2: Legal requirement with government override L1: No legal requirement

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	3.2.2. (4.2.2.)	Does a parliamentary committee scrutinise individual loans? If yes, which committee(s)?	In most parliaments loan approvals go through at least one committee. *Source: WFD* **Scoring** L4: Yes, regularly as per rules of procedure L3: Yes, occasionally as per rules of procedure L2: Yes, on an ad hoc basis L1: No
	3.2.3. (4.2.3.)	Does parliament have the authority to re-quest amendments to loan agreements?	This pertains to whether parliament can request amendments to loan agreements as opposed to simply ratifying or rejecting the loan agreement. *Source: WFD* **Scoring** L4: Yes, in rules of procedure or law frequently applied L3: Yes, in rules of procedure or law but rarely applied L2: Ad hoc L1: No
	3.2.4. (4.2.4.)	Is parliament involved in the loan approval process (pre-ratification)?	This pertains to whether parliament is involved in the initial loan approval process undertaken by the govern-ment. *Source: WFD* **Scoring** L4: Yes, in rules of procedure or law frequently applied L3: Yes, in rules of procedure or law but rarely applied L2: Ad hoc L1: No

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	3.2.5. (4.2.5.)	Are criteria in place to assess the individual loans as part of the approval or ratification process?	One of the key elements of a modern legal framework is that parliament should ratify any major loan agreement signed by the government before it comes into effect. Recent (and not-so-recent) history is replete with examples, in which countries were propelled into debt crises as a result of a lack of scrutiny of loan agreements or by deliberately and illegally bypassing parliament. *Source: WFD* **Scoring** L4: Yes, used regularly L3: Yes, used on occasion L2: Yes, used on an ad hoc basis L1: No
	3.2.6. (5.5.4.)	Does parliament reguarly review and assess the implementation and outcomes of loan agreements post-ratification to ensure compliance with terms and evaluate their effectiveness?	According to best practices there should be a parliamentary committee that monitors the investment projects financed by loan agreements. *Source: WFD* **Scoring** L4: Yes, regularly as per rules of procedure L3: Yes, occasionally as per rules of procedure L2: Yes, on an ad hoc basis L1: No

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	3.2.7.	Does parliament use annual debt reports or similar documents to scrutinise recently ratified loan agreements, including their terms, total amounts borrowed, and alignment with fiscal objectives?	In cases where parliament does not play a role in ratifying loan agreements, does it engage in ex post scrutiny by reviewing annual debt reports or similar documents to assess new loan commitments, including their terms, amounts borrowed, and compliance with fiscal objectives? *Source: WFD* **Scoring** L4: Parliament fully scrutinizes new loan commitments using annual debt reports, reviewing terms, amounts, and fiscal alignment. L3: Parliament reviews new loan commitments, but the scrutiny is inconsistent or partial. L2: Parliament occasionally reviews new loan commitments but with limited detail. L1: Parliament does not review new loan commitments or debt reports. NA
4. Role of parliament in the budget cycle			
4.1. Formulation stage			
	4.1.1. (5.1.3.)	Does Parliament or a parliamentary committee debate budget policy or review the PBS prior to tabling the EBP?	In general, prior to discussing the executive's budget proposal for the coming year, the legislature should have an opportunity to review the government's broad budget priorities and fiscal parameters. Oftentimes this information is laid out in a pre-budget statement, which the executive presents to the legislature for debate. *Source: OBS-107* **Scoring** L4 = A: Yes, full legislature debates and approves recommendations L3 = B: Yes, legislative committee debates and approves recommendations L2: Yes, full legislature and/or committee debates but does not approve recommendations L1: No legislature/committee debates

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	4.1.2. (5.1.5.)	To what extent is the DMS tabled in parliament and reviewed by a parliamentary committee?	According to best practices the DMS should be tabled in parliament and reviewed by at least one parliamentary committee. *Source: WFD* **Scoring** L4: Tabled in parliament and scrutinised L3: Tabled in parliament for informational purposes L2: Published but not tabled in parliament L1: Not published
	4.1.3. (WFD) Parliamentary review of annual borrowing plan for consistency with debt strategy	Does Parliament review the ABP? Does this review assess its alignment with fiscal policy and the debt management goals outlined in the DMS?	Ensuring parliamentary oversight of the ABP's alignment with the DMS promotes consistency in borrowing practices, supporting strategic debt management and fiscal sustainability. *Source: WFD* **Scoring** L4: Parliament reviews the ABP thoroughly to ensure full alignment with the DMS and fiscal policy goals L3: Parliament reviews the ABP but only partially assesses its alignment with the DMS L2: Parliament reviews the ABP sporadically, with little focus on its alignment with the DMS L1: Parliament does not review the ABP for alignment with the DMS N/A

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	4.1.4. (WFD) Mandate for executive response to parliamentary reports on the DMS	Is the executive branch required to formally respond to parliamentary committee recommendations on the DMS within a specified time frame?	A clear mandate for executive response to parliamentary reports on the DMS enhances accountability, ensuring that parliamentary insights on debt management strategy are acknowledged and addressed in a timely manner, reinforcing transparency and responsiveness in debt strategy formulation. *Source: WFD* **Scoring** L4: Executive is required to formally respond to all parliamentary reports on the DMS within a specified time frame L3: Executive responds to most parliamentary reports on the DMS, but timelines are not mandated L2: Executive is encouraged but not required to respond to parliamentary reports on the DMS L1: Executive is not required or encouraged to respond to parliamentary reports on the DMS N/A
	4.1.5 (WFD) Assessment of executive responses to parliamentary committee recommendations on the DMS	Has the executive provided responses to all recommendations issued by parliamentary committees regarding the DMS in a timely manner?	This indicator evaluates the consistency and thoroughness of the executive's engagement with parliamentary feedback on the DMS, ensuring that recommendations are given due consideration and supporting a collaborative approach to improving debt management practices. *Source: WFD* **Scoring** L4: Executive provides thorough and timely responses to all committees' recommendations on the DMS L3: Executive responds to most recommendations, but responses lack thoroughness or timeliness L2: Executive responds to some recommendations, but engagement is inconsistent L1: Executive does not respond to committee recommendations on the DMS N/A

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
4.2. Approval stage			
	4.2.1. (5.2.3.)	Does a committee of parliament scrutinise the EBP?	According to best practices at least one committee of parliament should scrutinise the EBP, which should also include scrutiny of public debt information. *Source: OBS-112* **Scoring** L4 = A: Yes, regularly as per rules of procedure L3 = B: Yes, occasionally as per rules of procedure L2 = C: Yes, on an ad hoc basis L1 = D: No
	4.2.2. (5.2.4.)	Does committee scrutiny of the EBP include public debt information?	This is a follow-up indicator to indicator 4.2.1. *Source: WFD* **Scoring** L4: Parliamentary scrutiny and committee report on EBP includes public debt L3: Parliamentary scrutiny of EBP includes public debt L2: Parliamentary scrutiny of EBP but does not include public debt L1: No parliamentary committee scrutiny of EBP
4.3. Role of parliament in execution stage			
	4.3.1. (5.4.4.)	Does a parliamentary committee scrutinise the in-year reports or the mid-year review?	According to best practices at least one parliamentary committee should scrutinise the in-year or mid-year reviews. *Source: OBS-114* **Scoring** L4 = A: Parliamentary committee re-view with expert witness and repre-sentative from executive and com-mittee recommendations L3 = B: Committee review with ex-pert witnesses and representative from executive L2 = C: Committee review but no witnesses L1: No committee review

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	4.3.2.	Does committee scrutiny of the in-year report or the mid-year review include public debt information?	Follow-up question to 4.3.1. *Source: WFD* **Scoring** L4: Yes, committee scrutiny of the in-year report and the mid-year review includes public debt information. L3: Yes, committee scrutiny of the in-year report or the mid-year review includes public debt information. L2: Yes, committee scrutiny of the in-year report or the mid-year review includes public debt information, but it is limited. L1: No, committee scrutiny of the in-year report or the mid-year review do not include public debt information.
4.3. Role of parliament in execution stage			
	4.4.1. (5.5.1.)	Does a parliamentary committee scrutinise the year-end report?	The year-end report shows compliance with the level of revenue and expenditures authorised by parliament in the budget. *Source: OBS-96* **Scoring** L4 = A: Parliamentary committee review with expert witness and representative from executive and committee recommendations L3 = B: Committee review with expert witnesses and representative from executive L2 = C: Committee review but no witnesses L1: No committee review
	4.4.2.	Does committee scrutiny of the year-end report include public debt information?	Follow up question to 4.4.1. *Source: WFD* **Scoring** L4: Yes, committee scrutiny of the year-end report includes public debt information. L3: Yes, committee scrutiny of the year-end report includes limited public debt information. L2: No, committee scrutiny of the year-end report does not include public debt information L1: N/A

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	4.4.3. (5.5.2.)	Does a parliamentary committee hold hearings on audit findings?	Hearings on key findings of external audit reports can only be considered 'in-depth' if they include representatives from the SAI to explain the observations and findings as well as from the audited agency to clarify and provide an action plan to remedy the situation. *Source: OBS-118* **Scoring** L4 = A: In-depth hearings on key findings take place regularly from all audited entities L3 = B: In-depth hearings occur from most audited entities L2 = C: Hearings on key findings occasionally occur/cover a few audited entities L1 = D: L2 not met
	4.4.4.	Does the parliamentary hearing(s) include financial or compliance audit findings related to public debt?	This is a follow-up indicator to 4.4.2. *Source: WFD* **Scoring** L4: Yes, the parliamentary hearing(s) includes financial, or compliance au-dit findings related to public debt. L3: Hearings include audit findings on public debt, but discussions and actions are limited. L2: Hearings rarely include audit findings on public debt with minimal follow up. L1: Hearings do not include audit findings on public debt.

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
5. Fiscal risk			
5.1. General government (SOE's, SNGs)			
This sub-dimension evaluates the capacity of the executive branch to identify, manage and report on fiscal risks arising from SOEs and SNGs, with an emphasis on contingent liabilities and potential fiscal shocks.	5.1.1. (2.2.1.)	Does the ministry of finance record and publish a list of contingent liabilities in the executive budget proposal or other published document?	This question focuses on contingent liabilities, asking whether 'core' information related to these liabilities is presented. These core components include a statement of purpose or policy rationale for each contingent liability, the new contingent liabilities for the budget year, such as new guarantees or insurance commitments proposed for the budget year, and the total amount of outstanding guarantees or insurance commitments at the end of the budget year. This reflects the gross exposure of the government in the case that all guarantees or commitments come due (even though that may be unlikely to occur). *Source: WFD* **Scoring** L4: MoF publishes a comprehensive list of contingent liabilities, including purpose, new liabilities, and total outstanding liabilities L3: MoF publishes a partial list of contingent liabilities, missing some core components L2: MoF records contingent liabilities internally but does not publish them L1: MoF neither records nor publish-es contingent liabilities
	5.1.2. (2.2.2.)	Is this list reviewed by a parliamentary committee?	This is a follow-up indicator to indicator 5.1.1. *Source: WFD* **Scoring** L4: Yes, this list is reviewed by a parliamentary committee. L1: No, this list is not reviewed by a parliamentary committee.

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	5.1.3. (6.1.1.)	Are SOEs legally required to provide financial statements on an annual basis? Does this include a consolidated report on the financial performance of the SOE sector published by central government annually?	According to best practices, SOEs should be legally required to provide financial statements on an annual basis. This should be in the form of a consolidated report on the financial performance of the SOE sector published by central government annually. *Source: PEFA PI-10.1* **Scoring** L4 = A: All SOEs publish AAFS within 6 months + annual SOE consolidated report L3 = B: Most SOEs publish audited annual financial statements (AAFS) within 6 months (end FY) L2 = C: Most SOEs provide financial report within 9 months (end FY) L1 = D: Less than L2
	5.1.4. (PI-10.2) Monitoring of SNGs' borrowing	Does the legal framework require SNGs to report their borrowing activities to the central government and outline specific guidelines for central oversight, monitoring, and authorisation of these activities?	For monitoring of SNGs' borrowing, the legal framework should ensure the following. Reporting requirements: SNGs must be required to report all borrowing activities to the central government. This promotes transparency and enables comprehensive tracking of debt across all government levels. Clear oversight and authorisation: the framework should outline the central government's role in overseeing and authorising sub-national borrowing. Specific conditions or limitations should be established to manage risks associated with decentralised borrowing. Consolidated monitoring and accountability: regular, consolidated reporting on sub-national debt by the central government should be mandated to provide a clear view of total public sector debt exposure. This includes any guarantees provided by sub-national entities, helping ensure accountability and sound fiscal management. By embedding these principles, the framework supports transparent and coordinated debt management, balancing local autonomy with central oversight to mitigate fiscal risks effectively.

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	Contin-ued	Continued	*Source: PEFA PI-10.2* **Scoring** L4 = A: Audited financial statements for all SNGs are published within nine months, with an annual consolidated report L3 = B: Audited financial statements for most SNGs are published annual within nine months L2 = C: Unaudited financial reports for majority of SNGs are published annual within nine months L1 = D: Does not meet requirements for a L2 score
	5.1.5. (PI-10.3) Annual report-ing and quantifi-cation of central govrn-ment con-tingent liabilities	Does the central government annually quantify and report all significant explicit contingent liabilities, including state guarantees, insurance schemes, PPP-related risks, and potential financial impacts from litigation, in its financial reports?	The central government should publish an annual report that quantifies and consolidates all significant explicit contingent liabilities. This includes state guarantees (e.g., for loans and insurance), liabilities from public-private partnerships (PPPs), and potential financial risks from ongoing litigation. Comprehensive reporting on these liabilities in financial reports enhances transparency, allowing for effective risk management and fiscal accountability. *Source: PEFA PI-10.3* **Scoring** L4 = A: Central government annual publishes a comprehensive report qualifying all significant contingent liabilities and fiscal risks L3 = B: Most significant contingent liabilities are quantified in financial reports by central government entities L2 = C: Some significant contingent liabilities are quantified in financial reports by central government entities L1 = D: Does not meet the criteria for a L2 score

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	5.1.6. (2.1.1.)	How broad is the coverage of contingent liabilities?	Contingent liabilities are hidden debt risks that are generally not found on the balance sheet but can have dire consequences for a country's economy if ignored. The assessment covers the comprehensiveness of their reporting, from guarantees issued by central governments to the full coverage of explicit and implicit contingent liabilities. *Source: OBS-42* **Scoring** L4 = A: Explicit + implicit guarantees L3 = B: Explicit contingent liabilities L2 = C: Guarantees only L1 = D: N/A
5.2. Comprehensiveness of fiscal risk statement			
This sub-dimension assesses whether governments produce a comprehensive fiscal risk statement that identifies and reports on risks related to SOEs, PPPs, and macroeconomic shocks, and whether parliament reviews this statement.	5.2.1. (DPI-6.2) Annual fiscal risk statement and reporting on public sector financial performance	Does the central government publish an annual fiscal risk statement that consolidates key fiscal risks from the broader public sector, including SOEs and SNGs, and does it include financial ratios to assess the performance of major SOEs?	The central government should annually publish a comprehensive fiscal risk statement that consolidates fiscal risks from SOEs and SNGs. This report should include quantitative performance indicators, such as financial ratios for major SOEs, to assess their fiscal health and potential risks to the broader public sector. Regular and detailed reporting on these fiscal risks promotes transparency and strengthens the government's capacity for effective risk management and fiscal oversight. *Source: DeMPA DPI – 6.2* **Scoring** L4 = A: CG annual publishes fiscal risk statements for NFPS and includes financial ratios to quantitatively assess the performance of major SOEs L3 = B: CG has published a fiscal risk statement for the NFPS within the past three years L2 = C: CG regularly collects information on the largest public entities (covering 75% of total SOE/SNG debt) L1 = D: Does not meet L2 requirements

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
5.3. Parliamentary oversight of fiscal risk statement			
This sub-dimension evaluates how parliament oversees fiscal risks, focusing on its ability to scrutinize and mitigate risks related to public debt and contingent liabilities, ensuring long-term fiscal sustainability. It also assesses the review of the Fiscal Risk Statement by parliament, ensuring that potential risks, such as those arising from SOEs, public-private partnerships (PPPs), and macroeconomic shocks, adequately incorporated into debt management strategies to promote transparency and accountability.	5.3.1. (6.1.2.)	Is there a parliamen-tary committee responsible exclusively for oversight of SOEs? If not, is another parliamentary committee mandated to play this oversight role? If yes, what is the specific mandate related to SOEs? Which committee carries out this function and how many SOEs does the committee review on an annual basis?	Just as PACs are tasked with ex post oversight of government agencies, many parliaments have a committee that is specifically responsible for oversight of SOEs. Where a specific committee is not charged with oversight of SOEs, this responsibility may fall to the PAC. *Source: WFD* **Scoring** L4: SOE committee as per rules of procedure and wide SOE (>50%) coverage L3: SOE committee as per rules of procedure and medium (25-50%) SOE coverage L2: Oversight committee as per rules of procedure and minimal (<25%) SOE coverage L1: No oversight committee
	5.3.2. (WFD) Parliamentary oversight of fiscal risks in debt management	Does parliament actively review fiscal risks reported in the debt management strategy, including risks from SOEs, PPPs, and external borrowing?	Parliamentary review of fiscal risks strengthens oversight, mitigates potential risks in debt management, and ensures that parliament is informed of broader fiscal vulnerabilities. *Source: WFD* **Scoring** L4: Parliament actively reviews fiscal risk in the DMS, including SOEs, PPPs, and external borrowing, and provides recommendations L3: Parliament reviews most fiscal risks but provides limited/no recommendations L2: Parliament reviews some fiscal risks but lacks systematic approach L1: Parliament does not review fiscal risks in debt management N/A

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	5.3.3. (WFD) Quality of fiscal risk state-ment review by par-liament	To what extent does parliament scrutinise the annual fiscal risk statement, particularly regarding SOE, contingent liabilities and macroeconomic risks?	Comprehensive review of the fiscal risk statement enables parliament to assess risks to debt sustainability and fosters transparency regarding the government's financial commitments. *Source: WFD* **Scoring** L4: Parliament conducts comprehensive review of fiscal risk statement, addressing SOE, contingent liabilities, and macroeconomic risks L3: Parliament reviews most aspects of fiscal risk statement, but lacks depth in certain areas L2: Parliament conducts limited review of fiscal risk statement, focusing on only one or two risk areas L1: Parliament does not review fiscal risk statement N/A
	5.3.4. (WFD) Frequen-cy and ana-lytical depth of parlia-mentary debt ovesight sessions	To what extent do parliamentary oversight committees meet regularly and conduct in-depth analyses of public debt, including evaluating fiscal risks, as-sessing debt sustainability, and examining sector-specific debt issues, such as those related to SOEs and SNGs?	Parliamentary committees should conduct regular and high-quality oversight sessions on public debt, meeting at a frequency that aligns with key stages of the budget cycle and debt reporting deadlines. Each session should demonstrate in-depth analysis, including a thorough examination of fiscal risks, debt sustainability, and the implications of public debt on state-owned enterprises and SNGs. The committee's deliberations should reflect a robust understanding of public debt issues and contribute substantively to effective debt management and accountability. *Source: WFD* **Scoring** L4: Committees meet regularly, aligned with the budget cycle, conducting in-depth analyses of fiscal risks, debt sustainability, and sector-specific debt issues L3: Committees meet regularly but conduct limited or less comprehensive analyses of public debt L2: Committees meet occasionally with minimal analysis of debt issues L1: Committees rarely meet or do not analyse public debt

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
6. Public hearings and citizen engagement in debt oversight			
6.1. Formulation and approval stage			
	6.1.1. (OBS 136.) Ensuring inclusive public participation in legislative budget hearings	Does the legislature hold open public hearings on the budget where any citizen or CSO can testify without restriction, or are alternative non-discretionary methods used to gather public input?	The legislature should hold public hearings where citizens are allowed to testify without discretion or, if public testimony is not permitted, implement other non-discretionary processes to collect input from citizens and CSOs, ensuring documented efforts to seek and consider public views on the budget. *Source: OBS-136* **Scoring** L4 = A: Public budget hearings are held, with testimony from the public/CSOs. L3 = B: Public budget hearings are held, but no public testimony; contributions are received through other means. L2 = C: Public budget hearings are held, with no public testimony or other mechanisms for input; participation is limited to invited individuals or groups. L1 = D: Requirements for an L1 score are not met

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	6.1.2. (OBS-138) Documenting public input in legislative budget deliberations: ensuring transparency and accountability	Does the legislature provide a written document or recording that includes public inputs and explains, in detail or in general, how these inputs were used or not used in budget deliberations?	The legislature should provide a comprehensive, written record of public inputs on the budget, along with a detailed account of how these inputs were addressed, to ensure transparency and accountability in legislative decision-making and demonstrate responsiveness to public contributions. *Source: OBS-138* **Scoring** L4 = A: Yes, the legislature provides a written record which includes both the list of the inputs received from the public and a detailed report of how the inputs were used during legislative deliberations on the budget. L3 = B: Yes, the legislature provides a written record which includes both the list of inputs received and a summary of the how the inputs were used. L2 = C: Yes, the legislature provides a written record which includes either the list of the inputs received or a report or summary on how they were used. L1 = D: The requirements for an L2 score not met

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
6.2. Execution stage			
	6.2.1. (WFD) Public partici-pation in parlia-mentary scrutiny of in-year reports and mid-year review	Does parliament facilitate public participation in its scrutiny of in-year budget execution reports and the mid-year review, allowing citizens and CSOs to provide feedback?	Public participation in the scrutiny of in-year reports and the mid-year re-view promotes transparency and accountability by enabling citizens and CSOs to monitor and provide input on budget execution. This engagement ensures that adjustments and spending align with public expectations and fiscal goals throughout the budget cycle. *Source: WFD* **Scoring** L4: Parliament actively facilitates public participation, including formal feedback mechanisms for citizens and CSOs during scrutiny of in-year reports and the mid-year review L3: Parliament allows limited public participation, with occasionally opportunities for citizens and CSOs to provide input L2: parliament provides minimal op-portunities for public participation, with no formal mechanisms in place L1: Parliament does not facilitate public participation in scrutiny of in-year reports or the mid-year review

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
6.3. Audit / oversight stage			
	6.3.1. (OBS-139) Evaluating public access and participation in legislative hearings on the audit report	Does the national legislature hold public hearings on the Audit Report, allowing citizen testimony without discretion, or alternatively, use non-discretionary methods to gather public input on the report?	The national legislature should hold open public hearings on the Audit Report, allowing any citizen or CSO to testify without selective discretion; alternatively, if public testimony is not permitted, it should implement non-discriminatory processes to gather input from citizens and CSOs, ensuring documented efforts to solicit and consider public views on audit findings. *Source: OBS-139* **Scoring** L4 = A: Yes, public hearings on the Audit Report are held, with testimony from the public/CSOs L3 = B: Yes, public hearings are held, but public contributions are received only through other means, not testimony L2 = C: Yes, public hearings are held, but no public contributions are received; participation is limited to invited individuals or groups L1 = D: Public hearings and contributions do not meet the criteria for L2
7. Integrated technical support and external partnerships			
7.1. Integrated technical support and external partnerships			
This sub-dimension assesses the availability of both internal technical expertise and the role of the parliamentary budget office in supporting parliament's capacity to interpret debt data. Additionally, this sub-dimension evaluates the potential for parliament to collaborate with external experts, such as civil society organisations to provide independent analysis and interpretation of debt data, thus supplementing the lack of internal capacity.	7.1.1. (OBS-103) Evaluating the existence, independence and resource capacity of independent fiscal institutions in budget processes	Does an independent fiscal institution (IFI) exist that provides non-partisan budget analysis to support the budget formulation and/or approval pro-cess, with its inde-pendence set in law and adequate staffing and resources to fulfil its mandate?	An IFI should be legally independent, adequately funded and sufficiently staffed to provide impartial and forward-looking analysis, contributing meaningfully to the budget formulation and approval process and supporting effective fiscal accountability. *Source: OBS-103* **Scoring** L4 = A: Yes, an independent IFI exists with adequate legal backing, staffing, and funding L3 = B: Yes, an IFI exists, but either its independence lacks legal backing or its resources are insufficient L2 = C: Yes, an IFI exists, but it lacks legal independence and sufficient resources L1 = D: No, there is no IFI

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	7.1.2. (OBS-104) Evaluating the role of independent fiscal institutions in macroeconomic and fiscal forecasting	What role does the IFI have in producing or assessing macroeconomic and/or fiscal forecasts, including whether it publishes its own forecasts or provides an assessment of the government's official forecasts?	An IFI should play an active role in producing or rigorously assessing macroeconomic and fiscal forecasts, providing transparent and reliable data on economic and fiscal indicators that can be used by the legislature, media, and public to evaluate government budget projections, thereby enhancing accountability and informed decision-making. *Source: OBS-104* **Scoring** L4 = A: The IFI publishes its own macroeconomic and fiscal forecasts L3 = B: The IFI publishes either macroeconomic or fiscal forecasts L2 = C: The IFI does not publish its own forecasts but assesses the ex-ecutive's official forecasts L1 = D: There is no IFI, or it neither publishes its own forecasts nor comments on the executive's forecasts.
	7.1.3. (OBS-105) Assessing the independence, resources, and legislative engagement of independent fiscal institutions (IFIs)	Does the IFI publish its own costings of new policy proposals, and if so, does it cover all proposals, major proposals only, or a limited selection, or does it assess the executive's estimates instead?	An IFI should have its independence established in law, with adequate staffing, resources and funding to fulfil its mandate effectively. The IFI should publish comprehensive macroeconomic and fiscal forecasts, provide detailed costings of new policy proposals and actively engage with legislative committees by participating in multiple hearings annually. These measures are essential to enhance fiscal transparency, support legislative oversight and ensure informed decision-making within the budget process. *Source: OBS-105* **Scoring** L4 = A: Yes, the IFI publishes its own costings of all new policy proposals L3 = B: Yes, the IFI publishes its own costings of major new policy proposals L2 = C Yes, the IFI publishes its own costings of a limited number of new policy proposals L1 = D: No, there is no IFI; or the IFI does not publish its own costings of new policy proposals

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	7.1.4. (OBS-106) Assessing the frequency and impact of IFI testimonies in legislative committee hearings	How frequently did the head or a senior staff member of the IFI actively participate and testify in legislative committee hearings over the past 12 months?	The IFI should engage actively and frequently with legislative committees, with senior representatives participating in hearings to provide expert input and foster informed legislative oversight, ideally five times or more per year, to ensure meaningful collaboration and transparency in fiscal oversight processes. *Source: OBS-106* **Scoring** L4 = A: Frequently (i.e., five times or more) L3= B: Sometimes (i.e., three times or more, but less than five times) L2 = C: Rarely (i.e., once or twice) L1 = D: Never, or there is no IFI
	7.1.5. (WFD) PBO analysis of debt sustainability and public debt strategy	How frequently does the PBO analyse debt sustainability and the debt management strategy, and report its findings to parliament?	A PBO analysis of debt sustainability supports parliament in making informed decisions, enhances debt oversight, and provides an independent perspective on government debt policies *Source: WFD* **Scoring** L4: PBO conducts regular, detailed analyses of debt sustainability and strategy, reporting findings to Parliament annual or more frequently L3: PBO analyses debt sustainability and strategy occasionally, reporting findings to Parliament less than annually L2: PBO analyses debt sustainability infrequently, with limited reporting to Parliament L1: PBO does not analyse debt sustainability or report findings to Parliament

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	7.1.6. (WFD) Parliamentary use of PBO debt analysis in legislative debates and reviews	Does parliament utilise PBO debt analysis in legislative debates or committee reviews related to debt?	Leveraging PBO insights during parliamentary discussions on debt ensures rigorous scrutiny and reinforces the objectivity of decisions related to debt management and sustainability. *Source: WFD* **Scoring** L4: Parliament consistently uses PBO debt analysis in both legislative debates and committee reviews L3: Parliament occasionally uses PBO debt analysis in either debates or committee reviews L2: Parliament rarely uses PBO debt analysis, and its impact on debates or reviews is minimal L1: Parliament does not use PBO debt analysis in any capacity
8. Capacity of the executive branch to manage public debt			
8.1. Capacity of the executive branch to manage public debt			
This sub-dimension evaluates the executive branch's capacity to manage public debt by focusing on its ability to set and implement clear debt management objectives (DPI 2.1.), assess and monitor debt-related risks such as interest rate or currency risks (DPI 2.2.), and ensure effective coordination between debt management and other macroeconomic policies (DPI 2.3). It also considers the availability of technical expertise and institutional arrangements necessary to manage public debt in a sustainable manner.	8.1.1. Coordination and centralisation of debt management funtions	Are there established mechanisms or structures to ensure effective coordination among debt management entities, and is borrowing centralised under a single debt management office (DMO)? (DPI 2.1.)	Effective debt management requires clear coordination among entities involved in borrowing transactions. This coordination should be supported by formal mechanisms – such as committee meetings, shared planned documents, or agency agreements – to clarify roles and streamline decision-making. At the highest standard, borrowing activi-ties should be centralised under a single DMO to ensure consistency, accountability, and efficiency in debt operations. *Source: DeMPA DPI-2.1* **Scoring** L4: Borrowing is fully centralized un-der a single DMO, with formal mechanisms ensuring effective coor-dination among entities L3: Borrowing is mostly centralized, with coordination mechanisms in place but lacking full formalization L2: Coordination exists informally, but borrowing is not centralized un-der a single entity L1: No centralization or coordination mechanisms for debt management are in place

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	8.1.2.	Does the government ensure coordination in the issuance and monitoring of loan guaran-tees and on-lending, including the establishment of mechanisms for regular information exchange? (DPI 2.2.)	The issuance and monitoring of loan guarantees and on-lending should be supported by effective coordination among relevant government entities. This includes regular information sharing through structured communication, such as meeting minutes, reports or aligned organisational structures, and the establishment of formal mechanisms to guide and oversee these processes. Clear regulations defining roles and responsibilities further strengthen accountability and transparency in managing guarantees and on-lent credits. *Source: DeMPA DPI-2.2* **Scoring** L4 = A: A single entity handles guarantees and on-lending L3 = B: Formal mechanisms guide coordination and monitoring L2 = C: Multiple entities coordinate regularly on guarantees and on-lending L1 = D: Requirements for L2 are not met
9. External audit			
9.1.			
	9.1.1.	Are financial, compliance, and performance audits of Debt Management (DM) activities conducted regularly in accordance with international standards, with findings publicly disclosed to ensure transparency and accountability	External audits, including financial, compliance, and performance audits, must be conducted regularly and in line with international standards, such as those set by INTOSAI. These audits should assess the reliability, effectiveness, and efficiency of Debt Management (DeM) activities, ensuring compliance with laws and regulations. Audit findings must be publicly disclosed to promote transparency and accountability. Internal control systems must be evaluated to ensure they prevent fraud and errors, providing reasonable assurance for the integrity of debt transactions. Public disclosure strengthens the accountability framework and encourages action on audit findings.

Explanatory note for new dimensions / sub-dimensions	Indicator	Question	Indicator Explanation/Scoring
	9.1.1. contin-ued		*Source: DeMPA DPI-5.1* **Scoring** L4: The external performance audits are published within 6 months of completion of the audit L3: External performance audits within the past three years must assess DM objectives, activity impacts, and the management of operational risks. L2: Annual financial audits, compliance audits published within two years, and audit reports publicly available within six months. L1: Does not meet requirements for L2
	9.1.2. (5.5.7.)	What is the degree of commitment to address the outcomes from the audits?	The goal of external and internal auditing is to promote accountability in debt contracting and management. Mechanisms should ensure the adoption of corrective measures according to audit reports and the appropriate responses from the relevant decision makers, to ensure that the outcomes from audits are addressed. *Source: DeMPA DPI-5.2* **Scoring** L4 = A: L3 requirements met, and all actions have been implemented L3 = B: L2 requirements met and there is an action plan specifying corrective measures L2 = C: Management response produced to address outcomes of internal/external audit of DeM activities L1 = D: L2 requirements not met

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