

**Questionnaire**  
**For**  
**Joint MEFMI-OECD-RSA National Treasury Regional Study on Contingent Liabilities**

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1. What types of guarantees have been issued?
2. What is the legal framework for the issuance of state guarantees?
  - Budget Law? Public Finance Management Act? PPPs Law? Other specific laws?
  - What policies and regulations are in place in relation to state guarantees?
3. What institutions receive and evaluate applications for, and award state guarantees?
  - State-Owned Enterprises Monitoring Entity?
  - Debt Management Office? What is the DMO's role in the issuance and management of guarantees, if any?
  - Ministry of Finance?
  - Central Bank?
  - Other?
4. What are the procedures and criteria for the issuance of state guarantees? Are guarantees priced? If so, how?
5. How are issued state guarantees monitored in terms of data compilation, risk analysis and reporting of the guarantees?
6. Is information on state guarantees compiled and reported or published?
  - Where?
  - How frequently?
  - Reported to whom?
  - Please provide a copy of your entity's most recent financial statements or similar report
7. What are the amounts of state guarantees in value terms and as percentage of GDP?
  - Explicit guarantees?
  - Implicit contingent liabilities?
  - PPPs?
8. What are the amounts of other public guarantees (municipalities, local administrations) in value terms and as percentage of GDP?
  - Explicit guarantees?
  - Implicit guarantees?
  - Public-Private Partnerships? What are the specific PPPs that government has entered into and what law and procedures are followed?
9. What has been the direct cost to the government for realized guarantees over the past five years?

10. What has been the cost to the government of any other realized (implicit) contingent liabilities other than guarantees?

### Annex 1: Definitions

1. Explicit government contingent liabilities are those that may arise for the central government from a **formally or legally issued guarantee**<sup>1</sup> extended to any public or private sector entity/enterprise including lower tiers of government such as local authorities by the legally authorized person in government, usually the Minister of Finance or a person to whom he/she would have duly delegated the same powers. Examples hereunder are subsidies, export trade guarantees and outstanding amounts including any arrears on any such **guaranteed domestic and external loans, public-private partnership (PPPs) and supply contracts** entered into and any normal and penalty interest, fees/commissions owing by entities/ companies in which government holds some shares, state-owned enterprises or private companies enjoying such guarantee
2. Implicit<sup>2</sup> government contingent liabilities are those that may arise for the central government from liabilities of entities/enterprises including local authorities that though **not formally guaranteed** by government would be too devastating at the national level if government did not bail out the situation, e.g. sizable bank failures. Also, this could include non-government guaranteed liabilities contracted by such entities/enterprises in any economic sector (agriculture, mining, manufacturing/industry and tertiary including banking and financial sector services) in which entities government holds some shares. Outstanding amounts including any arrears, interest and penalties on **non-guaranteed loans** and current and future interest/fees/commissions thereon owed by state-owned or other enterprises in which government holds some shares; **commitments to suppliers** for goods and services procured by such entities and public utilities; **statutory obligations** of such entities including their employees' terminal benefits, pension contributions, tax obligations and court awards including pending litigations are also examples. Arrears and any penalties on these obligations would also be included. Of interest would also be the actuarial **deficit** of public **pension funds** and **insurance companies** in which government holds shares, unsecured portions of **deposits and related interest** liabilities of public sector owned banks, **recapitalization** requirements of state-owned enterprises and cost of **natural disaster** responses. Liabilities of the private sector in **nationally important PPP contracts that are not explicitly guaranteed** may also by default prompt government intervention.

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<sup>1</sup> "Explicit contingent liabilities are recognized by law or written into an explicit contract and are issued by government in order to subsidize or support activities" (OECD Centre for African Public Debt Management and Bond Markets, 2013).

<sup>2</sup> Implicit liabilities are often defined in terms of statements or are political or moral obligations that are expected to be honoured by the government (OECD Centre for African Public Debt Management and Bond Markets, 2013). They are therefore not legally contractual on the part of the government.