



Special Series on COVID-19

The Special Series notes are produced by IMF experts to help members address the economic effects of COVID-19. The views expressed in these notes are those of the author(s) and do not necessarily represent the views of the IMF, its Executive Board, or IMF management.

June 29, 2020

Budgeting in a Crisis: Guidance for Preparing the 2021 Budget

Teresa Curristine, Laura Doherty, Bruno Imbert, Fazeer Sheik Rahim, Vincent Tang, and Claude Wendling

Preparing the fiscal year (FY) 2021 budget will be challenging for all countries given the unprecedented uncertainties in the context of the COVID-19 pandemic. This note discusses key issues in budget preparation and offers guidance on how to address these in the FY2021 budget preparation cycle. It focuses on budgeting processes, not fiscal policies.

I. INTRODUCTION AND MAIN MESSAGES

The COVID-19 pandemic erupted when most countries had just begun to implement their 2020 budget.¹

Since then, the short-term priority has been designing and implementing immediate responses to the crisis notably through emergency budget instruments such as supplementary budgets, virements, contingency reserve funds, and emergency decrees. With the 2020 budget execution diverging widely from its projected course amid high uncertainty, budgeting during the crisis has become a continuous reactive process, placing strains on ministries of finance (MoFs).

Nevertheless, in many countries attention now needs to turn to preparing the budget for FY2021. This will be a challenging task given the unprecedented uncertainty about the post-lockdown economic outlook and the massive fiscal shock from the pandemic, compounded in resource-rich countries with the decline in commodity prices. The preparation of the 2021 budget will need to (1) take stock of the (still uncertain) impact of the COVID crisis on the economy and the government's fiscal position; (2) evaluate the fiscal space for continued priority crisis spending and recovery measures; (3) assess the government's financing needs; and (4) enhance transparency and accountability by providing a proper presentation and accounting of COVID-19-related fiscal responses, including off-budget measures.

¹ For about 70 percent of IMF member countries the fiscal year (FY) is aligned with the calendar year. Some countries, however, start their FY on different dates, for example, on April 1 (e.g. Canada, India) or October 1st (Thailand, United States). This note pertains to the 2021 fiscal year, regardless of the start date. See Huang, G. 2016. "The Timing of the Government's Fiscal Year." IMF PFM Blog, October 26.

This note refers to a diversity of public financial management (PFM) tools and recognizes that existing PFM institutions and capacities will play a crucial role in the FY2021 budget preparation process. This process may highlight gaps in the current budget framework (for example, limitation in countries' budget flexibility due to extensive budget rigidities and earmarking of revenues, or limited medium-term focus due to a lack of medium-term fiscal framework) drawing attention to areas for potential future reform and more permanent changes that could be needed beyond the short-term COVID-19 priorities. This note's main messages are set out in Table 1 by the relevant phases of the budget preparation cycle.

Table 1: Main Messages for the FY2021 Budget Preparation Process

Phase	Message
Overall	<ul style="list-style-type: none"> Make specific adjustments to institutions and processes to manage the constraints of social distancing and reinforce strategic guidance and central leadership.
Strategy-Setting Phase	<ul style="list-style-type: none"> Revise the macroeconomic framework to account for the impact of the crisis and the COVID-19 measures and carry out more frequent updates to forecasts. Strive to present a credible fiscal strategy, re-anchored on revised medium-term fiscal objectives.
Budget Guidance and Negotiation Phase	<ul style="list-style-type: none"> Communicate early and clearly to line ministries and agencies (LMAs), using the budget circular, on priority spending and reallocation needs. Prepare for a more demanding exercise than usual to set the budget baseline. The FY2021 budget will require intense engagement with line ministries on their budget baselines, including costing ongoing and new COVID-19-related policies and the impact of the health crisis. Design and plan for more flexible and agile budgets, which balance the executive's need for responsiveness with the need for legislative scrutiny. Prepare the budget to take account of the need for closer monitoring and control during budget execution.
Budget Documentation and Legislative Approval Phase	<ul style="list-style-type: none"> Use budget documentation to bring clarity to a very complex picture and bolster confidence in the government's fiscal, economic, and social strategies

II. ADAPTING INSTITUTIONS AND PROCESSES

The FY2021 budget preparation process will require increased attention to institutional aspects and operational constraints linked to the COVID-19 context.

- Adapt the role of institutional actors.** The budget preparation process rests on the interaction between a Central Budget Authority (CBA) and LMAs, with the CBA coordinating the budget process, giving guidance to LMAs, and scrutinizing their budget requests. Against the backdrop of COVID-19 and

regardless of the initial type of budget process (more “top down” or more “bottom up”), clear political guidance and consensus will be needed from the outset on the overarching goals of the FY2021 budget process. This could mean a more prominent role for the Prime Minister’s Office or special Cabinet committees, in conjunction with the CBA, in setting goals and ensuring collective ownership.

- **Revisit timeframes and deadlines.** The overall sequencing of the budget preparation process should recognize the current challenges and ensure enough time is given to stakeholders. This may require adjustments to the budget calendar, which would need to be compatible with the legal framework and not undermine credibility in the government’s COVID-19 response nor its standing on financial markets. Depending on a country’s legal framework, legislative approval, or a legal authorization may be required to revise the budget calendar; this approval can help to build public support and maintain transparency.
- **Develop working methods compatible with social distancing.** This is easier if the CBA already uses an integrated budget preparation module which enables remote exchanges on budget submissions. Using lessons from the past few months, the CBA should anticipate challenges likely to occur in the upcoming budget process, for example, how to deal with coworking on sharing documents, how to harmonize video-meeting applications, and how to adjust working arrangements to make quicker decisions. In countries where the technology does not facilitate video meetings, politicians and officials may need to have budget meetings following social distancing rules with limitations on participant numbers and using secured locations. Lastly, new working methods (for example, online sessions) can be used to promote citizen participation in budget preparation or parliament scrutiny depending on the available technology.
- **Invest in building political and public consensus and awareness.** Given the complexity and the need for difficult decisions, due consideration should be paid to building both political consensus and awareness. For example, additional parliamentary hearings and use of special committees may provide a more cohesive political platform for building consensus in this potentially turbulent fiscal year. Public consultation early in the budget process, for example, with employers’ and employees’ unions, can also help to build wider consensus as well as improve the design and targeting of policy measures.

III. DESIGNING A FISCAL STRATEGY AMID HIGH UNCERTAINTY

The strategy-setting stage—an essential part of the budget preparation process in normal times—will play an even greater role in budgeting for FY2021. Governments in 2020 will have taken unprecedented policy actions to redirect existing resources toward health and social support measures. In many countries, this will have necessitated dispensation from the existing fiscal policy objectives or temporary suspension of fiscal rules. The strategy setting stage will provide a first opportunity to reassess the impact of these measures and to start planning to bring public finances on a firm footing. In setting the overall strategy for the FY2021 budget, governments should recognize and adapt to the exceptional degree of macroeconomic uncertainty and its impact on revenues, opt for a prudent approach, and preserve a medium-term orientation to planning and budgeting when it exists.

Factoring in Macroeconomic Uncertainty

- **Instead of a single macro-fiscal scenario, outline several scenarios and make policies contingent on them.** Even in normal times, it is common—and generally recommended—that governments are open about the risks to their central (most likely) scenario and their strategies to mitigate these risks. Under these exceptional circumstances, governments may have to recognize that it is difficult and risky to make policy decisions on a unique scenario. They could instead show how these policies will be

refined and adapted according to different assumptions, especially with regard to the impact on public revenue linked to the economic slowdown. All euro area countries are currently working with their own upside and downside scenarios around a central baseline. Other examples can be found in *Egypt* and *Malawi*.

- **Envision more frequent revisions to the macro-fiscal framework.** In normal times, forecasts are often produced at the early stages of the budget process and updated at the closing stages. Forecasts will need to be revised more frequently to alert policymakers about the need to alter their policies in light of new information. Since the start of the crisis, the Office for Budget Responsibility (OBR) in the *United Kingdom* has revised its baseline fiscal scenario every month and refined its fiscal estimates for 2021 accordingly. In the *Philippines*, in preparing the budget for the coming financial year, a special meeting of the Development Budget Coordination Committee was held to update macroeconomic assumptions and adjust the macro-fiscal framework at a much later stage than in the previous year.

Re-Anchoring Fiscal Strategy

Nearly all countries face significant constraints on their public finances, increased government financing requirements, and more exposure to fiscal risks (particularly contingent liabilities). While looser and more flexible fiscal plans will be necessary, unanchored and non-credible fiscal plans can undermine economic confidence and raise financing costs. Recommendations to help address this issue are as follows:

- **Clarify the overall fiscal constraint considering financing needs.** In close coordination with the entities in charge of the government's financing (for example, debt management office, the central bank), the CBA needs to study the possible financing options (increased market or concessional borrowing, sources and cost of financing) to assess the overall fiscal constraint and fiscal strategy.
- **Preserve a medium-term perspective to budgeting.** A medium-term perspective may already be enshrined in practice or in the legal framework. This is the case for most advanced economies and emerging markets such as *Peru* and *Colombia* but also in a number of low-income countries. Countries in the *Central African Economic and Monetary Community (CEMAC)* and in the *Western African Economic and Monetary Union (WAEMU)* capture their medium-term outlook in a pre-budget statement. In all countries, medium-term outlooks will need to be reviewed before the LMA's budget submissions and adequate buffers created for the budget negotiations.
- **Use this medium-term perspective to try to lock in future savings and reverse impact of one-off measures.** Outlining revenue and spending perspectives beyond 2021 helps to show that COVID-19 impact is temporary and likely to be wound down in future years. A multiyear perspective allows governments to highlight and lock in the impact of various savings measures that accrue over time (for example, pension reform) or whose implementation is delayed until the recovery gains momentum. This crisis highlights the importance of medium-term frameworks.
- **Re-anchor fiscal strategy.** If not already announced, the budget should clarify whether pre-COVID-19 fiscal policy objectives and rules have been temporarily suspended and/or escape clauses activated. When appropriately activated escape clauses will provide flexibility, while also announcing medium-term measures for returning to the rule. More than half of *European Union (EU)* countries have used their national escape clauses.² At the earliest possible stage, countries need to try to chart a path toward resuming normal application of fiscal rules, striking a balance between the objective of restoring fiscal sustainability and not jeopardizing growth.

² IMF Special Series on COVID-19, 2020. "Fiscal Rules, Escape Clauses, and Large Shocks."

- **Give a clear picture of fiscal risks.** This should cover risks that existed before the crisis and additional risks from new COVID-19 policies (for example, new guarantees, loans, and equity injections). The budget should include details on the exposure and possible mitigation measures. For example, *Egypt* reportedly plans to revise its fiscal risk statement to account for the impact of the COVID-19.

IV GUIDING BUDGETS, SETTING CEILINGS, AND NEGOTIATING WITH LINE MINISTRIES

In the budget guidance and negotiation phases of budget preparation, generally the CBA gives guidance to LMAs on the preparation of their budget proposals. Once these are submitted, the negotiation phase will be critical to maintaining overall fiscal discipline, respecting ceilings, and ensuring LMAs' budget proposals focus on COVID-19 priorities, as stated in the budget circular, in the most cost effective-manner.

It is important to have a well-drafted budget circular as early as possible to guide budget submissions. The greater the uncertainties, the greater the need for all actors to have a clear grasp of the tasks and the challenges at hand. The circular should clarify processes, timelines, roles of actors and provide templates and guidance on budget submissions. It should capture the main messages about the nature of fiscal constraints and the increased need for reallocations and savings. The circular should also outline uncertainties in macroeconomic assumptions, possibly through the use of scenarios and through requesting LMAs to assess the impact of changes in some key assumptions (for example, growth, unemployment) on their expenditure baseline. For example, the *Philippines* published its FY2021 Budget Memorandum in May 2020, clearly defining priority programs for the budget, which were aligned with COVID-19 response under the “new normal.”

Setting Ceilings and Negotiating with Line Ministries

Depending on country circumstances, expenditure ceilings for LMAs' budget submissions will either be set ex ante by the CBA or result from extensive interaction between the CBA and the LMAs through an iterative process. Notwithstanding the adopted process, in this crisis, more top-down guidance will be needed. Regardless of the circumstances and sequencing in determining ceilings and discussing budget submissions, some advice may be applicable across-the-board to address the fiscal challenges for FY2021.

- **Prepare for a more demanding exercise than usual to set the FY2021 baseline.** The “baseline” budget is usually derived from the budget adopted in the previous year. For FY2021, the exercise will be more demanding and changes more comprehensive for a number of reasons. First, actual outturn in FY2020 will be significantly different from the adopted budget, given the massive impact of COVID-19 packages implemented during the fiscal year. Thus, the ability to adequately track COVID-19 spending in the execution of the FY2020 budget and identify the possible impact on the FY2021 baseline will be key. This can be facilitated by tagging or by adjustments to the budget nomenclature to isolate COVID-19-related measures (see, for example, *Rwanda*).³ Second, the baseline for FY2021 needs to be updated to reflect not only the impact of discretionary COVID-19 policy measures but also the mechanical and nondiscretionary impact of COVID-19 on cost drivers of various public policies (for example, spending on goods and services by LMAs hampered by the lockdown, execution of investment projects). Third, given fiscal uncertainties, the CBA may want to revisit more thoroughly the nature of expenditure within the baseline, paving the way toward limiting expenditure for each non-priority department to a minimum envelope. All this will require more time and engagement with LMAs than usual.

³ IMF Special Series on COVID-19, 2020. “Budget Execution Controls to Mitigate Corruption Risk in Pandemic Spending.”

- **Clearly identify priority sectors.** More limited resources and the need to ensure sustainable spending over an unforeseeable timeframe calls for a greater focus on strategic sectors (for example, health, social spending, water, support for economic recovery) as identified in the authorities' statements and public announcements. These sectors, or sub-sectors within them, should be favored over non-priority ones during the reallocation process. In countries where these priority sectors are mostly dealt with by subnational governments (SNGs), it is important to give SNGs a clear picture of the financing available and the macroeconomic scenarios that may impact their revenue along the year. Consideration must also be given to changes in priorities which may occur according to the stage of the pandemic (immediate health response, social safety nets, and short-term economic support, recovery measures).
- **Assess the feasibility and efficiency of the proposed new spending measures.** Budget negotiations are a major opportunity for the CBA to harness the LMAs' knowledge of their sectors and to discuss the details of COVID-19 response or possible stimulus measures. Contrary to what may have happened during FY2020 under extreme time pressure, measures need to be adequately vetted and subjected to a proper scrutiny. Otherwise LMAs may use their information advantage to further their own interests, through various types of non-cooperative behavior:
 - Pushing for new sectoral policy measures while not covering fully COVID-19 priorities, assuming that the latter will inevitably be funded under political pressure during FY2021
 - "Painting" as recurrent expenditure "one-off" expenditures related to the crisis, to gain fiscal space within their budget for additional measures to be decided during FY2021
 - Presenting measures under post-COVID-19 recovery support that corresponds to the LMA's priorities but do not fit the criteria under the 3T rule (timely, temporary, targeted)
- **Be prepared to conduct bigger reallocations than usual.** Non-priority spending and sectors will need to support the larger share of budget savings and adjustments. While it may not be possible to conduct a fully-fledged spending review in time to construct the FY2021 budget, a simplified expenditure review could use international ratios and standards to identify expenditure that can be curtailed in the short term without running into legal or operational obstacles.⁴

V. PAVING THE WAY FOR AGILITY, RESPONSIVENESS, AND MONITORING IN FY2021 BUDGET EXECUTION

Uncertainty is inherent in budget preparation, however, for FY2021 it is much higher than usual because of increased volatility in revenues and uncertain expenditure needs. This unpredictability increases the likelihood and magnitude of in-year budget adjustments. Allocating envelopes in this context is a complex balancing act which needs to (1) ensure enough flexibility to deal with rapid in-year fiscal changes (positive or negative) without building up arrears, especially in priority sectors such as healthcare; (2) give LMAs visibility to start planning and organizing activities for FY2021; and (3) guarantee that checks and balances (including adequate legislative scrutiny) are in place and that budget execution is consistent with PFM rules on avoiding waste or misuse of public resources. Insufficient flexibility will be a straitjacket on uncertain spending needs, while too much flexibility will undermine budget credibility.

⁴ See IMF (2017) [Expenditure Assessment Tool](#) for a possible method and toolkit to conduct a simplified expenditure review.

Choosing the Appropriate Strategy and Tools to Ensure Agility for FY2021 Budget Execution

Countries will have to choose an appropriate strategy for promoting flexibility, which will be influenced by their existing budgetary and institutional settings. The appropriate strategy will vary according to country-specific factors such as: the level of financial constraint (for example, ability to access markets), PFM rules (for example, degree of flexibility to reallocate budget envelope along the year, parliamentary scrutiny requirements)⁵ or capacities at the CBA and LMAs to accurately anticipate needs. The MoF must weigh the pros and cons of each flexibility tool and try to determine the best combination from the outset. The main flexibility tools—contingency/reserve envelopes, in-year budget flexibility mechanisms, and supplementary budgets—can be characterized as follows:

- **Setting up contingency/reserve envelopes.** To address emergency spending needs or revenue shortfalls, a contingency envelope (for example, based on the need for policy responses if the worst-case scenario materializes) managed by the MoF (with clear guidelines on access) could be a possible tool. This mechanism increases governments' capacities for swift reaction to sudden shocks, however, it hands significant powers to the executive. Contingency envelopes should not be used as an alternative of proper budget preparation or as slush funds. A large contingency fund limits governments' ability to appropriate funds elsewhere, and hence, limits information to parliament and LMAs at the budget approval stage on how the budget will actually be used. Therefore, it is critical to have clear rules and transparency on the triggers for use of the fund, on allocations of money as well as transparent reporting. For example, *Pacific island countries* (such as *Fiji, Solomon Islands, and Vanuatu*) routinely allocate contingency funds in their annual budgets for unforeseen expenditures resulting from natural disaster shocks.⁶ On balance, in preparation for FY2021, countries should be exploring ways to provide for larger contingencies in light of uncertainties while maintaining appropriate safeguards.
- **Enhancing in-year budget flexibility mechanisms.** While limiting government's ability to modify parliament-approved budgets during the execution phase, PFM rules in many countries allow some flexibility, within clear limits. In *Mozambique*, every year the Council of Ministers approves a delegation of authority defining the flexibility for the Minister of Finance to redistribute appropriations and the restrictions on these allocations. The same applies to *Armenia* where the legislature decides on the degree of flexibility of the executive in implementing the budget—this was increased in 2009 to allow the response to the global financial crisis (GFC). Countries might consider temporarily increasing the limits for virements to cope more easily with uncertainty during budget execution.⁷ While practical, this option might however rapidly reach its limit if the need for budget adjustment or reallocation is greater than anticipated due to a large shock. In that case, countries can also recourse to specific executive orders with ex post approval from parliament, such as emergency decrees allowing the executive to initiate major reallocations. *WAEMU* and *CEMAC* countries' organic budget laws governing PFM allow such practices and have already been widely used under the current circumstances.
- **Adopting supplementary budgets.** Countries may choose to deal with FY2021 unpredictability by reallocating expenditure within the year through supplementary budgets. This approach guarantees parliamentary scrutiny as well as a tailored and timely adjustment to circumstances. However, relying on

⁵ The law will determine the level of flexibility the executive has for reallocations. Some countries have very broad budget allocations and flexibility in virements while others have very specific line items budgeting and/or tight virement rules.

⁶ In the 2020 Budget, *Solomon Islands* set aside approximately 0.5 percent of total expenditure as a contingency warrant for natural disasters or other unforeseen expenditure. The PFM Act stipulates that the use of the contingency warrant should be tabled in the next sitting of parliament and disclosed within 30 days after it is tabled.

⁷ Such adjustments may not be possible in countries where PFM rules are set in the constitution or in an organic budget law.

supplementary budgets may be too cumbersome and slow for countries with limited capacity.⁸ Moreover, an excessive number of supplementary budgets is often seen as undermining budget credibility.

Ensuring a Closer Monitoring of Budget Execution in FY2021

Close monitoring of budget execution will be essential in FY2021. Guidance already provided on budget execution controls should be extended into FY2021 to better control the rate of expenditure throughout the whole fiscal year.

During the budget negotiation stage, the MoF should be seeking information from LMAs that will support its ability for tighter budget execution monitoring. Requiring all LMAs to prepare spending plans as specifically as possible and subject to formalized approval by the MoF, will enhance MoF information on and control of FY2021 budget execution. Spending plans by LMAs need to identify spending related to the baseline scenario and to COVID-19 response, and also include spending put on hold. For COVID-19-related expenditures, there may be advantages to setting explicit targets on execution to support delivery and expectations and ensure that spending takes place quickly. For example, *Korea's* first supplementary budget passed on March 17, 2020 aimed to execute 75 percent or more of the response measures in two months. Those spending plans and targets would then inform the government's cash management plan and will need to be closely and periodically monitored and updated throughout the year.

The context may also call for reserving portions of LMA's allocations subject to the evolving macroeconomic and health situation. A portion of LMAs' FY2021 budget allocations could be put on hold and gradually released only if certain conditions materialize in-year and if spending does not jeopardize the fiscal strategy. Two options might be considered, which may be cumulative:

- **An across-the-board freezing of part of FY2021 appropriations.** MoF could determine a certain percentage of FY2021 appropriations to be made unavailable for LMA spending. The percentage may vary according to entity (high/lower priority) or type of expenditure. MoF may consider exempting priority ministries or "mandatory expenditure" such as wages from this requirement. *France's* Parliament approves each year a reserve included in the budget law making a fraction of the approved allocations unavailable in each LMA at least for part of the year. The MoF will then have the power to make this reserve available for the LMA, or to use it to offset spending pressures in other parts of the budget deemed more important.
- **A more specific freezing for non-priority sectors and expenditures through the creation of FY2021 reserve appropriations.** This approach requires a strong collaboration between the MoF and LMAs to identify specific budget items to be put on hold as well as the conditions to make the funds available for spending. Some countries have used this mechanism⁹ which involves freezing of specific budget items in LMA's budgets, to be released after completion of predetermined actions, including transparency and accountability of expenditure, or when revenue collected meets a certain level.

Governments should consider budget execution monitoring measures at the budget preparation stage, to support transparency and mitigate vulnerabilities to corruption of their COVID-19 measures. For example, some countries are developing COVID-19 spending online portals to enable the public to track COVID-19 expenditures (for example, *Brazil* and *Honduras*). Moreover, while regular PFM processes should

⁸ In the current context, many countries in sub-Saharan African are struggling to prepare a single supplementary budget for 2020 due to the cumulative challenges of (1) capacity to adjust the macro-fiscal framework, (2) scarcity of human resources, and (3) disruptions in administrative processes resulting from the lockdown.

⁹ For instance, Senegal used this mechanism in the FY2016 budget.

continue to be followed for budget execution and control throughout FY2021, governments may want to consider extending any extraordinary expenditure control measures put in place as part of the crisis response that may help in promoting transparency, accountability, and legitimacy, as suggested in the IMF note on “Keeping the Receipts.”¹⁰ Closer budget execution monitoring will facilitate a proper and comprehensive recording of the COVID-19 related government interventions in government accounts and fiscal statistics.¹¹

VI. CONVEYING THE RIGHT MESSAGE ON FY2021 BUDGET

Budget documentation and approval gain even more importance with the COVID-19 challenges.

Authorities need to achieve clarity, credibility, and focus for the legislature, LMAs, and the public.

Bring clarity to a highly complex policy picture. The budget documentation is an important opportunity to provide a complete picture on the announced policy measures and packages. This would be supported by:

- *Regularizing previously and newly announced measures.* These should provide the most up to date details and costings. The *United Kingdom’s* OBR regularly updates a “policy monitoring database” with estimates of COVID-19 policy costings.¹²
- *Including off-budget COVID-19-related measures.* This enables the legislature to assess the appropriateness of response packages in the fuller policy context, and also scrutinize measures which can incur significant fiscal risks. A special appendix including all fiscal and non-fiscal measures, including potential liabilities, and their range of potential costings would aid with clarity and examination as would information on the effectiveness of these measures.

Bolster confidence in the government’s fiscal, economic, and social strategy. Amid high uncertainty and stress, the FY2021 budget will be a key policy document to assure stakeholders across the country—households and businesses—that the government has a credible strategy to mitigate the pandemic and support economic recovery. Documentation can support this by:

- *Explaining assumptions and uncertainty in the fiscal and economic outlook.* Documentation should (1) explain how COVID-19 has affected the FY2020 fiscal and economic outturn; (2) clearly set out assumptions underpinning the central outlook—such as length of lockdown, assumed employment recovery, and assumed impact of mitigation measures; and (3) appropriately communicate uncertainty and risks in the central forecast, possibly through sensitivity or scenario analysis. The *United States* Congressional Budget Office (CBO) flags upfront its assumption of employment recovery in its Interim Economic Projections for 2020 and 2021 with a section on factors driving uncertainty in the forecast.¹³
- *Producing forward-looking guidance on financing.* Increased borrowing must be underpinned by credible financing strategies. Publishing revisions to debt management strategies or to borrowing plans (see *Belgium, France, Hungary*) may inform scrutiny of the fiscal strategy.
- *Presenting the benefits and impacts for different groups in the economy.* Using chapters or supplementary publications dedicated to groups such as the vulnerable, small businesses, or the manufacturing sector, may help present a more comprehensive picture of support to those targeted. It will also help the legislature in scrutinizing whether the overall package is appropriately balanced across the different parts of society, through both phases of mitigation and recovery. Continuing the effort to

¹⁰ IMF, Special Series on COVID-19. 2020. “[Keeping the Receipts: Transparency, Accountability, and Legitimacy in Emergency Responses.](#)”

¹¹ IMF, Special Series on COVID-19. 2020. “[How to Record Government Policy Interventions in Fiscal Statistics.](#)”

¹² Office for Budget Responsibility, United Kingdom. 2020. “Coronavirus Analysis” <https://obr.uk/coronavirus-analysis/#dm>

¹³ Congressional Budget Office, United States. 2020. “[Interim Economic Projections for 2020 and 2021.](#)”

enrich information on gender, climate change, and UN Sustainable Development Goals could also contribute to this effort to reach out to the wider public on the impact of public finances.