



An  
Phríomh-Oifig  
Staidrimh

Central  
Statistics  
Office

# Guidelines on the provision of methodological advice on statistical classifications for Government Finance Statistics and the Excessive Deficit Procedure

---

**2020**

---





An  
Phríomh-Oifig  
Staidrimh

Central  
Statistics  
Office

# Guidelines on the provision of methodological advice on statistical classifications for Government Finance Statistics and the Excessive Deficit Procedure

---

Published by the Central Statistics Office,  
Ireland, October 2020

# Table Of Contents

Glossary .....	5
----------------	---

## Section 1

### Background and Context

1. Introduction.....	9
2. Role of the CSO.....	10
3. Role of the Government Finance Statistics Liaison Committee .....	10
4. Role of Eurostat .....	11

## Section 2

### Ex-Ante and Ex-Post Methodological Advice

5. Ex-Ante Methodological Advice.....	13
5.1 General requests for advice.....	13
5.2 Major Capital Projects including Public Private Partnerships (PPPs) and Concessions .....	13
6. Ex-Post Methodological Advice.....	14

## Section 3

### Decision Making and Communications

7. Decision-making process.....	17
7.1 Informal consultation.....	17
7.2 Records of engagement during ex-ante classification process .....	17
7.3 Formal submissions.....	18
7.4 Confidentiality of material supplied .....	18
8. CSO assessment .....	18
9. Submission to Eurostat.....	19
10. Timeframes.....	19
11. Reporting and publication of classification decisions.....	19

**Appendix 1**

Department of Finance Statistical Queries Form ..... 22

**Appendix 2**

Legislation - Footnotes and hyperlinks..... 26

**Appendix 3**

Manuals - Footnotes and hyperlinks..... 28

Central Bank of Ireland	The Central Bank of Ireland is Ireland's central bank, and as such part of the European System of Central Banks (ESCB)
CSO	<i>The Central Statistics Office</i> - the statistical agency responsible for the gathering of "information relating to economic, social and general activities and conditions" in Ireland
Department of Finance	To manage government finances and play a central role in the achievement of the government's economic and social goals
Department of Public Expenditure and Reform	Responsible for overseeing the reform of the Public Sector
EC	European Commission - the executive branch of the European Union
EDP	Excessive Deficit Procedure - the budgetary deficit ceiling imposed by the EU's Stability and Growth Pact (SGP) legislation
European Parliament	The directly elected legislative body of the European Union
Eurostat	The statistical office of the European Union, responsible for publishing high-quality and standardised Europe-wide statistics and indicators
ESA 2010	European System of Accounts 2010 - an internationally compatible accounting framework

EU	European Union - a political and economic union of 27 member states
GDP	Gross Domestic Product - a monetary measure of the market value of all the final goods and services produced in a specific time period
GFS	Government Finance Statistics - are compiled on an accruals basis if available, otherwise compiled on a cash basis
GFSLC	Government Finance Statistics Liaison Committee - provides a forum for cooperation between the agencies involved in the compilation of GFS
GGB	General Government Balance
GGDebt	General Government Debt - the nominal value of certain classes of liabilities and loans that is owed by Government
MGDD	Manual on Government Deficit and Debt - provides guidance on the appropriate treatment of statistical issues raised in the European Union regarding government finance statistics
NDFA	National Development Finance Agency - is an integrated finance, procurement and project delivery model established within the National Treasury Management Agency

NSI	National Statistical Institute - responsible for the collection and dissemination of statistical data (CSO in Ireland)
PPP	Public Private Partnership - a cooperative arrangement between two or more public and private sectors
Register of Public Sector Bodies	Provides the basis for the preparation of Government Finance Statistics and Excessive Deficit Procedure reporting for Ireland

## Section 1

# Background and Context





# 1. Introduction

Under Council Regulation (EC) No. 479/2009<sup>1</sup> as amended by Council Regulation 679/2010<sup>2</sup>, and Commission Regulation (EU) No 220/2014<sup>3</sup> the Central Statistics Office (CSO) is responsible for the official reporting of historic data for the Excessive Deficit Procedure (EDP) notification for Ireland, including the General Government Deficit/Balance (GGB), Debt (GGDebt) and other Government Finance Statistics (GFS) such as government revenue and expenditure. The Department of Finance is responsible for the preparation of the forecast of the GGB and GGDebt for the current year of the EDP notification.

The legally binding accounting rules<sup>4</sup> which must be used by all EU countries for producing these statistics are those of the *European System of Accounts 2010 (ESA 2010)*<sup>5</sup>. The current Manual on Government Deficit and Debt (MGDD)<sup>6</sup> provides further guidance on the implementation of ESA 2010 when reporting GFS.

A key part of the compilation of EDP and GFS data is the definition of the general government sector on which these statistics are based, and the correct classification of transactions by and with government. This classification work is essential to ensure the correct reporting of GFS for Ireland. In its conduct of this work the CSO may review the classification of any institution or any transaction which is considered relevant.

Such a review may be *ex ante* (before the establishment of a new body or before a transaction is carried out), or *ex post* (after the fact). Only *ex post* decisions which have been made on the basis of full information and accepted as valid by Eurostat under the prevailing standards may be considered final. Classification reviews may be undertaken by CSO acting on its own initiative, in response to a query from another government department or agency, or following a request by Eurostat.

---

1 [EC Council Reg 479/2009](#)

2 [EC Council Reg 679/2010](#)

3 [EU Commission Reg 220/2014](#)

4 [EU Accounting Reg 549/2013](#)

5 [European System of Accounts \(ESA 2010\)](#)

6 [Manual on MGDD](#)

The purpose of this document is to:

- provide an overview of key considerations in making classification decisions,
- set out the role of the CSO, the Department of Finance and Eurostat,
- describe the procedures involved in this work,
- give indicative timescales for the decision making process.

## 2. Role of the CSO

The CSO, as Ireland's National Statistical Institute (NSI), is an independent Office with responsibility for producing robust official statistics. The independence of the Director General in the exercise of his/her functions relating to the statistical methodology and professional statistical standards used by the Office; the content of statistical releases and publications issued by the Office; and the timing and methods of dissemination of statistics compiled by the Office is established under Section 13 of the Statistics Act, 1993<sup>7</sup>.

Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics<sup>8</sup> (as amended 2015) assigns responsibility for the co-ordination of all European statistics to the NSI and states that the NSI shall be the contact point for the Commission (Eurostat) on statistical matters (Article 5).

The CSO does not engage in policy formulation and the Office cannot provide advice on how bodies and transactions should be structured. The CSO's role in any consultation on classifications is confined to; explanation and clarification of the legally binding rules of ESA 2010 as well as the guidance set out in the MGDD and other Eurostat guidance notes; and acting as the national contact point with Eurostat.

## 3. Role of the Government Finance Statistics Liaison Committee

The Department of Finance and the Central Bank of Ireland act as co-compilers of GFS data in co-operation with the CSO. The arrangements

---

<sup>7</sup> [Statistics Act, 1993](#)

<sup>8</sup> [EC Council Reg 223/2009](#)

for this work are set out in a Memorandum of Understanding in relation to Government Finance Statistics between the CSO and the Department of Finance and the CSO and the Central Bank of Ireland<sup>9</sup>. Along with the Terms of Reference of the Government Finance Statistics Liaison Committee (GFSLC)<sup>10</sup>, the roles, responsibilities and the areas of cooperation are clarified between the CSO and the Department of Finance relating to GFS.

In relation to statistical classification decisions, proposals from other public bodies for the establishment of new initiatives (bodies, transactions etc.) should be communicated to the CSO via the Statistics Unit of the Department of Finance (see section 2.5.1).

## 4. Role of Eurostat

Regulation (EC) No 223/2009, as amended, sets out the role of Eurostat as the Community Statistical Authority to *“coordinate the statistical activities of the institutions and bodies of the Community, in particular with a view to ensuring consistency and quality of the data and minimising reporting burden”* (Article 6(3)). Under Council Regulation (EC) No. 479/2009, as amended, Eurostat are responsible for assessing the quality and adherence to standards of EDP data reported to them (Article 8(1)). Furthermore, Eurostat may place a reservation on, or amend the data reported to them by member states where the data is deemed not to be in line with the required standards of ESA 2010 (Article 15).

Eurostat will provide both ex ante and ex post classification advice on EDP matters to member states through the NSI. The procedures and related timeframes for obtaining such advice are set out in the guidelines on *Eurostat’s ex-ante and ex-post advice (clarifications and decisions) on methodological issues*<sup>11</sup>. The procedures set out in this note take account of these guidelines.

---

<sup>9</sup> [Memorandum of Understanding](#)

<sup>10</sup> [GFSLC Terms of Reference](#)

<sup>11</sup> [Eurostat advice on methodological issues](#)

## Section 2

# *Ex-Ante* and *Ex-Post* Methodological Advice



## 5. *Ex-Post* Methodological Advice

### 5.1 General requests for advice

Policy proposals differ from other classification decisions in being forward looking. Such proposals might involve the creation of a new organisation, the restructuring of an existing organisation or the creation of a new type of transaction or financing vehicle. All policy proposals for consideration in relation to national accounts classification issues will, in the first instance, be provided to the Department of Finance Statistics Unit using the existing Statistical Queries template (Appendix 1). This process allows for engagement with CSO via the Department of Finance Statistics Unit.

Departments and other government bodies seeking *ex ante* statistical classification advice acknowledge that the provision by the CSO of such advice is contingent on the delivery by the requesting agency and its officials of all relevant information. Any *ex-ante* classification advice based on a draft policy proposal will be deemed “provisional” and dependent on the proposal being implemented as described. If the circumstances change, it is the responsibility of the proposing department to inform the CSO via the Department of Finance Statistics Unit.

In the case where any type of proposal is in the early stages of development, the CSO will provide provisional advice on the most likely statistical classification outcome, based on the information made available to the CSO at the time. Furthermore, the CSO will only consider alternative versions of the same proposal if substantial and significant changes have been made.

A final *ex post* decision will not be reached until such a time as the policy is implemented.

### 5.2 Major Capital Projects including Public Private Partnerships (PPPs) and Concessions

The PPP and Capital Investment Expert Sub-Group of the GFSLC<sup>12</sup> provides a forum for the discussion of planned and existing capital projects including, but not confined to, those procured under PPP and

---

<sup>12</sup> [GFSLC Sub-Groups](#)

concession arrangements. The group includes representatives of the National Development Finance Agency<sup>13</sup>, the Expenditure Policy division of the Department of Public Expenditure and Reform and departments and agencies with significant capital projects. Other departments and agencies may attend on an ad hoc basis as projects arise.

The work of this group is informed by the relevant sections of the current MGDD as well as Eurostat's Guide to the Statistical Treatment of PPPs<sup>14</sup>.

Methodological issues related to capital projects and PPPs are discussed in this forum and the CSO may express a provisional *ex-ante* view on the classification of a capital project as a result of these discussions. The timeframe for these discussions is generally set as part of the work programme of the group.

Neither the CSO nor Eurostat will express a final *ex-post* view on a PPP or concession project until the final, signed, contract has been reviewed in full. The applicable guidance is that in force at the date of contract signature.

## 6. Ex-Post Methodological Advice

Where a classification decision relates to an existing body or transaction, the initiative for such a review usually comes from the CSO or Eurostat. The CSO may review the classification of particular bodies or transactions as a result of new or clarified guidance from Eurostat or as a result of new information received. The compilation of the [Register of Public Sector Bodies](#) which is updated bi-annually by the CSO is one mechanism through which a review of the classification of a particular body may be undertaken. The composition of this register is not static. Government controlled bodies are established, closed and merged over time. The market/non-market status of bodies is regularly reviewed. New legislation or government decisions may also impact on classifications and give rise to the need for a subsequent review.

---

<sup>13</sup> The NDFA is a division of the National Treasury Management Agency which acts as the statutory financial advisor to State authorities in respect of all public investment projects with a capital value over €20 million and which has full responsibility for PPP projects in sectors other than transport and local government

<sup>14</sup> [Guide to Statistical Treatment of PPPs](#)

Eurostat may also request the CSO to review an existing classification due to discussions of a specific case or as part of a general review of arrangements in EU member states for a particular activity.

Eurostat may assign a classification review as an action point from an EDP dialogue visit. In such cases the timeframe for implementation will be set as part of the action point. In other cases the timeframe will be agreed by the CSO and Eurostat taking account of the complexity of the issue and the potential impact on key aggregates.

## Section 3

# Decision Making and Communication





## 7. Decision-making process

### 7.1 Informal consultation

The CSO will provide, on request from Departments (via the Department of Finance), technical assistance on the interpretation of the ESA2010 rules covering the classification of government decisions (e.g. financial transactions, creations of new bodies) which may have an impact on government finance statistics.

The CSO will prioritise requests based on an assessment of materiality to the national accounts and methodological complexity or importance in terms of potential impact on key statistics including GDP, General Government Balance or General Government Debt. At critical data delivery times (e.g. the March and September EDP notification periods) there is increased pressure on resources and capacity to deal with ad-hoc requests will be limited.

Departments are encouraged to liaise as early as possible with the Statistics Unit in the Department of Finance to determine likely timelines for a response. On receipt of a query the CSO will assess the likely turnaround time which will depend upon the complexity of the issue and resources available in the context of current deadlines. Timelines may also be affected by on-going methodological discussions at EU level.

### 7.2 Records of engagement during ex-ante classification process

The first step in any policy assessment process should be the provision of a completed Statistical Queries form to the Statistics Unit of the Department of Finance. Minutes of meetings where the CSO were present for all or part of the discussion must be provided to the CSO in full or in part (depending on the level of CSO participation) in order to ensure there is no ambiguity on the interpretation of the ESA2010 rules. When a policy proposal is finalised a detailed formal submission must be made to the CSO for decision. The content and format of such a submission will be dependent on the matter under consideration and may be discussed with the CSO (again through the Department of Finance) in advance of submission.

### 7.3 Formal submissions

The process for making a final decision will begin when a formal submission (as opposed to the initial query) is received by the CSO via the Department of Finance using their Statistical Queries Form (Appendix 1). The form must be accompanied by any required supporting documentation, for example: business plans, financial models, draft or final contracts (as available).

### 7.4 Confidentiality of material supplied

All material is supplied to the CSO under the Statistics Act, 1993 (Section 30 (1)) which requires public authorities to provide access to their records for statistical purposes, guarantees the confidentiality of all material supplied and provides that this material may be used only for statistical purposes (Sections 32 and 33). The legislation governing the Excessive Deficit Procedure provides Eurostat with the power to examine information underlying the compilation of GFS and EDP data, including that required for classification decisions.

All exchanges of information between the relevant Department or agency and the CSO will be conducted under the Statistics Act, 1993 and the relevant European statistical legislation. The provisions of this legislation ensure the confidentiality of material supplied to the CSO and Eurostat for statistical purposes. In particular, Section 33 of the Statistics Act, and Article 20 of Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics (as amended) set out the provisions for the protection of confidential data. The CSO will not enter into other administrative or legal agreements relating to the provision of such information. Secure electronic means of file transfer will be put in place as required.

## 8 CSO assessment

On receipt of a formal submission, the CSO will make a preliminary classification assessment with reference to ESA 2010 and the MGDD. The CSO assessment is sent onto Eurostat for their final review and decision.

## 9 Submission to Eurostat

The CSO will present their assessment and all supporting documentation to Eurostat, who are the final arbiter on classification decisions. The confidentiality of this material is protected by statistical legislation as set out in Section 7.4. The procedures and timeframes for Eurostat's decision-making are set out in the *guidelines on Eurostat's ex-ante and ex-post advice (clarifications and decisions) on methodological issues*<sup>15</sup>.

## 10 Timeframes

Due to the internal decision-making processes of the CSO and Eurostat such decisions can be expected to take a **minimum period of four months from the date of submission**. In the absence of a final classification decision in time for a key reporting deadline, the CSO will make a provisional assessment, and will apply the most prudent possible provisional recording where it is considered that a material impact on key economic aggregates is involved. Where the impact is not expected to have a material impact the CSO may await the final ruling from Eurostat before implementing the decision. In either case this may result in a restatement of key aggregates following a final classification decision.

## 11 Reporting and publication of classification decisions

The outcome of decisions on classification queries where the establishment, disestablishment or transformation of a government body is concerned will be reflected in the Register of Public Sector Bodies in Ireland. The Register reflects the data that is captured in GFS and EDP for general government sector. Information on classification decisions which have a material impact on key aggregates will be published on the CSO website [here](#). Eurostat also publish details of advice given to Member States or decisions reached. Examples of Eurostat decisions published

---

<sup>15</sup> [Eurostat advice on methodological issues](#)

to date may be seen [here](#). Statistically confidential material will always be redacted in any publication by CSO or by Eurostat.

## Appendix 1

# Department of Finance Statistical Queries Form





An Roinn Airgeadais  
Department of Finance

## Statistical Queries Form

### Instructions:

This form is to be used to obtain a formal opinion from the Statistics Unit on matters relating to Statistical classification. Please complete and send to the Statistics Unit at [statistics@finance.gov.ie](mailto:statistics@finance.gov.ie).

Some complex queries may also require CSO review. This form caters for that also.

Note that Eurostat are the final arbiter in relation to statistical classification matters.

Informal verbal guidance from the Statistical Unit will continue to be available.

Query	
Query/Project title:	
Department:	
Name:	
Email:	
Date:	
Date response requested by:	

Details of query. Please include a description of the proposed transaction/new body including information on:

- How is the funding being provided and by what body?
- Is there a capital injection by Government; What are the terms of the capital injection; Are private investors involved?
- Is there a transfer of ownership of assets; If so what type of asset and what are the conditions of the transfer of ownership?
- Is there borrowing involved?
- Is there a commercial return for the investment?
- Where is the risk being borne?
- Where are the rewards?
- What is the policy purpose of the transaction?
- What body/bodies have control legally/economically? Who appoints the board/directors?

Note that even minor changes to the above may have significant effects on the statistical classification result.

Are the following available (please attach)?

- Business plan
- Draft bill
- Any other documents as necessary.

Statistical classification proposed by requestor, including rationale:

Response	
<p>Analysis by Statistics Unit including reference to technical guidance, precedent etc:</p>	



## Appendix 2

# Legislation - Footnotes and hyperlinks



- <sup>1</sup> EC Council Reg 479/2009

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:145:0001:0009:en:PDF>

- <sup>2</sup> Council Reg 679/2010

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:198:0001:0004:EN:PDF>

- <sup>3</sup> Commission Reg (EU) 220/2014

<http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32014R0220&from=EN>

- <sup>4</sup> Accounting Reg (EU) 549/2013

<http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32013R0549&from=EN>

- <sup>7</sup> Statistics Act, 1993

<http://www.irishstatutebook.ie/1993/en/act/pub/0021/print.html>

- <sup>8</sup> EC Council Reg 223/2009

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:087:0164:0173:en:PDF>

## Reporting and publication of classification decisions

- <sup>1</sup> Classifications Decisions

<https://www.cso.ie/en/methods/governmentaccounts/classificationdecisions/>

- <sup>2</sup> Eurostat Advice to Member States

<http://ec.europa.eu/eurostat/web/government-finance-statistics/methodology/advice-to-member-states>

## Appendix 3

# Manuals - Footnotes and hyperlinks



- <sup>5</sup> European System of Accounts 2010 (ESA 2010)

<https://ec.europa.eu/eurostat/documents/3859598/5925693/KS-02-13-269-EN.PDF/44cd9d01-bc64-40e5-bd40-d17df0c69334>

- <sup>6</sup> Manual on Government Deficit and Debt (MGDD)

<https://ec.europa.eu/eurostat/web/products-manuals-and-guidelines/-/KS-GQ-19-007>

- <sup>9</sup> Memorandum of Understanding

<http://www.cso.ie/en/aboutus/lgdp/legislation/memorandumsofunderstanding/moufinance/>

- <sup>10</sup> GFSLC Terms of Reference

<https://www.cso.ie/en/aboutus/lgdp/cgt/ocg/csogroups/governmentfinancestatisticsliaisoncommittee/>

- <sup>11/15</sup> Eurostat advice on methodological issues

<http://ec.europa.eu/eurostat/documents/1015035/2046549/Guidelines-Eurostat-ex-ante-ex-post-advice--clarifications-decisions--on-methodological-issues.pdf>

- <sup>12</sup> GFSLC Sub-Groups

<https://www.cso.ie/en/aboutus/lgdp/cgt/ocg/csogroups/governmentfinancestatisticsliaisoncommittee/>

- <sup>14</sup> Guide to Statistical Treatment of PPPs

<http://ec.europa.eu/eurostat/documents/1015035/7204121/epec-eurostat-statistical-guide-en.pdf>

- <sup>16</sup> The Register of Public Sector Bodies Ireland

<https://www.cso.ie/en/methods/governmentaccounts/classificationdecisions/registerofpublicsectorbodiesinireland/>

- <sup>17</sup> GFSLC Liaison Group

<https://www.cso.ie/en/aboutus/lgdp/cgt/ocg/csogroups/governmentfinancestatisticsliaisoncommittee/>

