

CAPTAC-DR NEWS

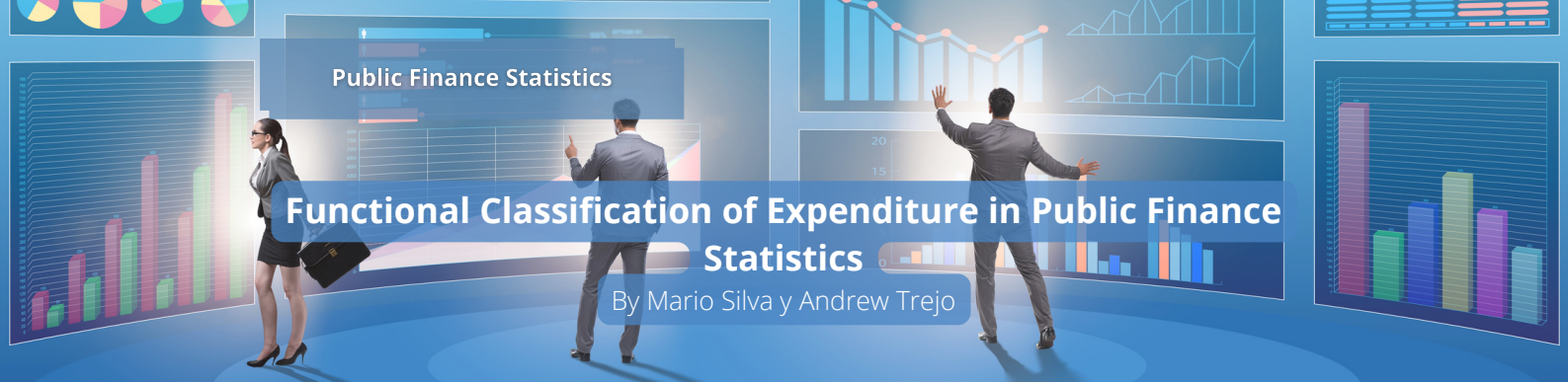
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1. Introduction

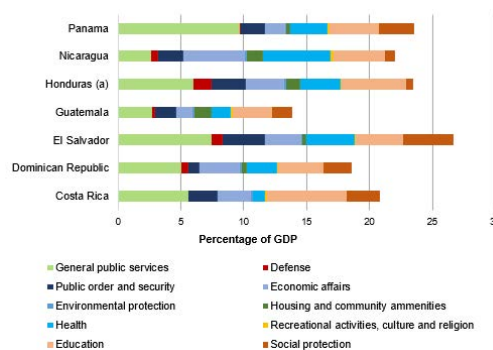
The countries within the Central America, Panama, and Dominican Republic region are actively involved in broadening the range of harmonized statistics through the Regional Public Finance Statistics (PFS) Harmonization Project. This effort compiles and shares government expenditure based on functions, utilizing the Functional Classification of Public Expenditure (COFOG) outlined in the International Monetary Fund's Government Finance Statistics Manual 2014 (GFSM 2014).

The Expenditure by Functions of Government (COFOG/CFG) featured in the Government Finance Statistics Manual 2014 (GFSM 2014) is a classification of government functions made by the Organization for Economic Co-operation and Development (OECD) and published by the statistical division of the United Nations[1]. This is a detailed classification of the tasks or socio-economic objectives pursued by the units of the General Government (GG) through different types of expenditures[2]. As indicated in the GFSM 2014 (p. 158), "the COFOG is an integral part of the presentation of Public Finance Statistics and is a member of a family of four classifications known as classifications of expenditure by purpose."

The GFSM 2014 utilizes this classification for expenditure and the net acquisition of non-financial assets, collectively termed "outlays."

Thus, all expenses linked to a specific function are categorized together, regardless of their type. This approach of the COFOG provides a classification of government outlays by function, allowing for the analysis and comparison of trends in government spending on specific tasks across countries. This is illustrated in Graph 1.

Graph 1: CAPRD Countries: Expenditure by functions of the budgetary central government (2020)



(a): Data for Honduras is for 2020.

Source: Prepared using data from the Government Finance Statistics Department of the International Monetary Fund (2023).

Regarding the above, the economic classification of expenditure can be impacted by changes in government organizational structures. However, the COFOG is less sensitive to such changes, which facilitates cross-country comparisons and the evaluation of the extent to which governments are engaged in economic and social functions.

[1] The OECD/UN classification broadly refers to final expenditures, encompassing donations, loans, and subsidies. In the realm of PFS, the COFOG is solely utilized for outlays, encompassing expenditures and the net investment in non-financial assets.

[2] For further details regarding the COFOG, see [Classification of Expenditure by Function of Government](#) (United Nations, Department of Economic and Social Affairs, Statistics Division, Statistical Papers, M Series, No. 84, New York, 2000)

2. Structure of COFOG classifications

To harmonize the COFOG with the coding system used in PFS, the United Nations codes include the prefix "7". The COFOG is structured with three levels of granularity: at the primary level, there are 10 two-digit categories (ranging from 01 to 10, following the initial prefix 7), known as divisions. For example, education falls under division 09 (see Table 1, 709).

Furthermore, each division encompasses several three-digit groups, like "pre-primary and primary education" (091). Lastly, one or more four-digit classes are found within each group, such as "pre-primary education" (0911). Divisions can be understood to describe the general objectives of the government, whereas groups and classes define the specific ways these overarching objectives are accomplished.

Thus, this approach consolidates all expenditures linked to a specific function within a single category of the COFOG, irrespective of their economic characteristics. Both cash transfers intended for that function and the production of goods and services by a general government unit, as well as the net investment in non-financial assets for that function, are all categorized under a single function.

Moreover, the COFOG plays a pivotal role in discerning the services offered by general government entities, distinguishing between those of an individual nature and those with a collective character. This classification is carefully structured to represent either individual or collective consumption accurately, but not both.

3. Challenges in identifying government functions

- The expenditures of governmental entities must be allocated among the appropriate classes due to the wide range of functions they encompass.

- Administrative expenditures related to general services should be classified with the utmost level of detail possible. When administrative expenses overlap across two or more classes, an attempt should be made to distribute the spending among the relevant classifications.

- COFOG should clearly distinguish between policy objectives and functions or purposes. For instance, government subsidies, loans, and grants must be accurately categorized under specific headings.

- 1. Allocating fixed capital consumption by function becomes complex, mainly when dealing with aggregated figures for governments' overall capital balance and fixed capital consumption. In such circumstances, approximate methods may be necessary.

Table 1: Functional government expenditure classification based on divisions and groups

Classification of the Functions of Government	
7 Total expenditure	706 Housing and community amenities
701 General public services	7051 Housing development
7011 Executive and legislative organs, financial and fiscal affairs, external affairs	7052 Community development
7012 Foreign economic aid	7053 Water supply
7013 General services	7054 Street lighting
7014 Basic research	7055 Research and development related to Housing and community amenities
7015 Research and development related to General public services	7056 Housing and community amenities n.e.c.
7016 General public services n.e.c.	707 Health
7017 Public debt transactions	7071 Medical products, appliances, and equipment
7018 Transfers of general character between different levels of government	7072 Outpatient services
702 Defense	7073 Hospital services
7021 Military defense	7074 Public health services
7022 Civil defense	7075 Research and development related to Health
7023 Foreign military aid	7076 Health n.e.c.
7024 Research and development related to Defense	708 Recreation, culture and religion
7025 Defense n.e.c.	7081 Recreational and sporting services
703 Public order and safety	7082 Cultural services
7031 Police services	7083 Broadcasting and publishing services
7032 Fire protection services	7084 Religious and other community services
7033 Law courts	7085 Research and development related to Recreation, culture and religion
7034 Prisons	7086 Recreation, culture, and religion n.e.c.
7035 Research and development related to Public order and safety	709 Education
7036 Public order and safety n.e.c.	7091 Pre-primary education
704 Economic affairs	7092 Secondary education
7041 General economic, commercial, and labor affairs	7093 Post-secondary nontertiary education
7042 Agriculture, forestry, fishing and hunting	7094 Tertiary education
7043 Fuel and energy	7095 Education not definable by level
7044 Mining, manufacturing, and construction	7096 Subsidiary services to education
7045 Transport	7097 Research and development related to education
7046 Communication	7098 Education n.e.c.
7047 Other industries	710 Social protection
7048 Research and development related to Economic affairs	7101 Sickness and disability
7049 Economic affairs n.e.c.	7102 Old age
705 Environmental protection	7103 Survivors
7051 Waste management	7104 Family and children
7052 Waste water management	7105 Unemployment
7053 Pollution abatement	7106 Housing
7054 Protection of biodiversity and lands case	7107 Social education n.e.c.
7055 Research and development related to Environmental protection	7108 Research and development related to Social protection
7056 Environmental protection n.e.c.	7109 Social protection n.e.c.

n.e.p. = Not classified in another entry
Source: Government Finance Statistics Manual 2014

Within the region, CAPTAC-DR has integrated into the operational agenda for the fiscal year 2024 the execution of a regional seminar. The core purpose of this seminar is to offer a comprehensive and current perspective on the COFOG, along with the Climate and Fiscal Indicators associated with the analytical framework of PFS. The significance of these tools will be highlighted, underscoring their importance in understanding and evaluating public finance performance. In addition, their role in enhancing decision-making processes in this field will also be emphasized.



1. Introduction

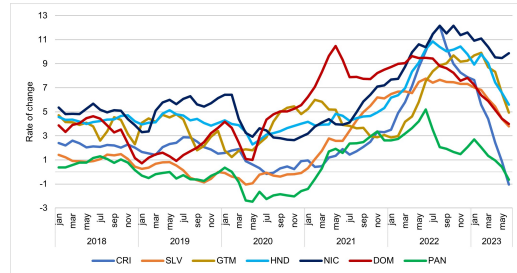
The Consumer Price Index (CPI) is an economic indicator that calculates the rate at which the prices of goods and services that people commonly buy changes over time. The usual calculation method involves taking an average of price changes between periods for different products and using the average amounts that households spend on those products as weights (FMI, 2020)[3].

On the other hand, the inflation rate is the indicator that captures the percentage change experienced by prices in a specific area during a certain period. When comparing price data with the previous year, the growth of this rate is established. Therefore, the CPI is part of the inflation rate calculation. Inflation is observed when the CPI rises from one period to another, indicating a decline in the purchasing power of money (a reduction in the ability to buy the same quantity of goods and services with the same amount).

Graph 2 illustrates the general price level in the CAPDR region, as measured by this indicator. It highlights an upward trend in recent years during the pandemic. However, this trend started to revert in the latter part of the previous year.

Governments, central banks, and international institutions have emphasized the significance attributed to the quality, accuracy, and consistency of national CPIs. This recognition stems from this indicator's considerable influence over purchasing power and macroeconomic choices.

Graph 2: Evolution of the Consumer Price Index in the CAPDR region. (January 2018- May 2023)



Source: Compiled using data from the Executive Secretariat of the Central American Monetary Council (2023).

The impact of globalization, trade, and interconnected economies, coupled with circumstances linked to progressively open and competitive markets, has prompted the institutions responsible for economic policy decisions to strive for convergence of methodologies in measuring inflation. Hence, there has been a growing trend towards achieving regional harmonization of the CPI, leading to the development of the Harmonized Consumer Price Index (HICP).

Because each country might use different calculation methods when compiling their CPIs, there's a need to standardize the methodology and calculation procedures across countries within a region. This standardization helps in making inflation rate comparisons easier without replacing the official CPIs. The CAPDR region, with the initiative and assistance from the Executive Secretariat of the Central American Monetary Council (Secretaría del Consejo Monetario Centroamericano, SECMCA), is progressing towards implementing a plan to harmonize the Consumer Price Index. This harmonization presents a substantial challenge for the statistical authorities and implies notable progress in improving the availability of pertinent information for informed decision-making.

[3] Own translation by IMF (2020). "Consumer Price Index Manual: Concepts and Methods".

2. CAPTAC-DR work

In May 2023, as a component of the price index statistics project, CAPTAC-DR conducted an online seminar focused on the Consumer Price Index. The meeting was tailored for compilers and users from central banks. This event had participation from representatives of all seven countries in the region. During the seminar they shared their methods, practices, and challenges.

Beyond facilitating a regional meeting, the seminar delved into techniques, best practices, and current international recommendations in more depth. The event was enhanced by presentations that shared experiences from regional harmonization projects in the Andean Community and the European Union. Furthermore, SECMCA introduced their initiative of an adapted Harmonized Consumer Price Index (IPCA) for the CAPDR region.

One of the main takeaways from this event is the urgent need to advance in updating the reference basket and weights of goods and services included in national CPIs. This advance must align with the most recent methodological standards and household spending patterns.

In line with CAPTAC-DR's objectives, various methods, such as technical assistance missions, workshops, seminars, and regional courses, are employed to encourage the adoption of the latest manuals and updating economic frameworks currently utilized as benchmarks in the existing CPIs. The following table provides a summary of the situation for each country in the region, along with the support provided by the Center in these projects:

Table 2: Status of the CPIs in the CAPDR region

Country	Weights ^(a)	Base year	Project
Costa Rica	February 2018 to March 2019	2020=100	ENGH 2018
El Salvador	2005-2006	December 2009=100	ENGH 2005-2006
Guatemala	July 2009 - July 2010	December 2010=100	ENIGFAM 2009-2010
Honduras	1998-1999	1999=100	ENGH 1998-1999
Nicaragua	2017-2018	2006=100	EIGH 2017-2018
Panama	2007-2008	2013=100	EIGH 2007-2008
Dominican Republic	October 2019 - September 2020	October 2019 - September 2020 = 100	ENGH 2018, ENPC

Nicaragua is in the process of updating the CPI base year reference 2019.

(a): The acronyms used correspond to the adaptations of the countries to Household Income and Expenditure Surveys.

Special Section: Seminar on International Financial Reporting Standard 17 (IFRS 17)

By Raúl Real

Between July 10th and 14th, a face-to-face regional seminar on the International Financial Reporting Standard (NIIF 17) took place in Guatemala City. Insurance supervisors and regulators from the supervisory agencies of all member countries within CAPTAC-DR attended the event.

This seminar was a milestone in capacity-building for financial supervision and regulation. It stood out as the first regional event focused on insurance since the Center's inception. Moreover, it was the first in-person event centered on IFRS 17 conducted by the IMF's Department of Capital Markets and Monetary as part of a broader initiative to hold similar events in different world regions.

A group of 23 senior officials from various regional insurance regulatory bodies were beneficiaries of the seminar. Notably, the Superintendents of Insurance from Panama (SSRP) and the Dominican Republic (SSD) were in attendance. NIIF 17 has implications for assessing actuarial liabilities, revenue recognition, and determining entities' solvency. The standard is structured to provide stakeholders with more informative financial information, improve global comparability, enhance relevance, ensure compatibility with other industries, and increase transparency.

The seminar's content comprehensively delved into explanations of IFRS 17, addressing a range of topics, including both accounting and actuarial aspects. The subjects covered included the accounting framework for insurance and reinsurance contracts and the interplay between IFRS 17 and IFRS 9 and 15.

Furthermore, the seminar included an overview of the accounting standard and its applicability. It explored the differentiation between accounting and prudential standards and how to apply the definition of insurance contracts, outlining its practical implications. This covered aspects such as the identification and separation of insurance contracts, determination of aggregation levels, fundamental recognition and derecognition criteria, permissible measurement approaches, specific disclosure requirements, and the initial adoption of the standard.

In addition, the insurance regulatory authority of Costa Rica (SUGESE) made a presentation detailing the work carried out to facilitate the implementation of the standard in 2024.

Finally, the challenges associated with applying the norm in developing economies were brought to the forefront, underscoring the potential role that supervisors can play in navigating this process.

Participants were actively involved throughout the seminar, demonstrating significant interest in the topics discussed. The face-to-face format of the workshop facilitated a more effective utilization of the instructors' expertise and encouraged meaningful exchange of experiences among participants from the region.



XV Steering Committee Meeting of CAPTAC-DR

By Andrés Navas



CAPTAC-DR held its 15th Steering Committee (SC) meeting on July 10th. In the virtual meeting, representatives of the CAPTAC-DR member countries and regional councils, financial partners, observers, and the IMF staff discussed the progress on capacity development (CD) for Fiscal Year (FY) 2023, learned about progress in capacity development in tax administration (TAX), customs administration (CUS), and public financial management (PFM), and heard about the preliminary findings and potential themes for recommendations from the external mid-term thematic evaluation of the current phase of the Center.

The meeting was opened by Mr. Héctor Valdez Albizú, Governor of the Central Bank of the Dominican Republic and President of the SC, and Mr. Roger Nord, Deputy Director of the Institute for Capacity Development of the IMF. During their interventions, the relevance of capacity development and the role of the Center in supporting member countries to manage ongoing economic shocks and challenges were highlighted.

The first session of the meeting revolved around the creation of a Large Taxpayers Unit (LTU) in Panama, progress in the modernization of Guatemala's customs administration, and the process of modernizing treasury management in the CAPDR region.

Alfredo Tijerina, CAPTAC-DR's TAX advisor, presented the main goals and progress achieved in creating and implementing the LTU, which has been consistent with expectations, with good progress in the formalization and preparation stages.

Selvin Lemus, CUS advisor, highlighted the modernization actions within the Customs Modernization Program, including risk analysis, strategic planning, business continuity, post-clearance audit, and digital transformation. As a result, there has been greater dynamism in revenue collection, accompanied by better qualitative processes and outcome indicators.

For her part, Marta Cubillo, PFM advisor, discussed the modernization process of the treasuries of the region, moving from a paymaster role to one of public financial management. The CAPDR region has made solid progress in new revenue and expenditure management practices, is moving forward in modern asset and liability management practices and is taking initial steps to adopt massive electronic payments.

In the second session, the primary outcomes during FY23 were presented, and the SC endorsed the work program and the budget for FY24. Lisandro Ábrego, Director of the CAPTAC-DR, explained that CD delivery in FY23 was slightly lower than in the previous year but higher than the pre-pandemic average. The FY24 work plan proposed a return to the medium-term issues, emphasizing resource mobilization and strengthening the financial system.

The FY24 plan is smaller than the previous FY and envisages continuing with the mixed format for CD delivery but with greater use of face-to-face CD provision. The FY2024 budget is fully funded and somewhat lower than last year's but higher than the amount executed that year.

James Yoo, Senior Technical Coordinator of the ICD, presented to the SC members considerations related to closing the current phase and preparations for Phase IV. Committee members learned about the plan to extend current phase III for approximately 12 months, thanks to the savings in previous fiscal years. In preparation for the start of Phase IV, an IMF Interdepartmental Working Group will be formed to develop a Strategy Note that will serve as a basis for preparing a new Program Document.

The third and last session of the Committee was on the main preliminary findings and potential themes for the external mid-term thematic evaluation recommendations.

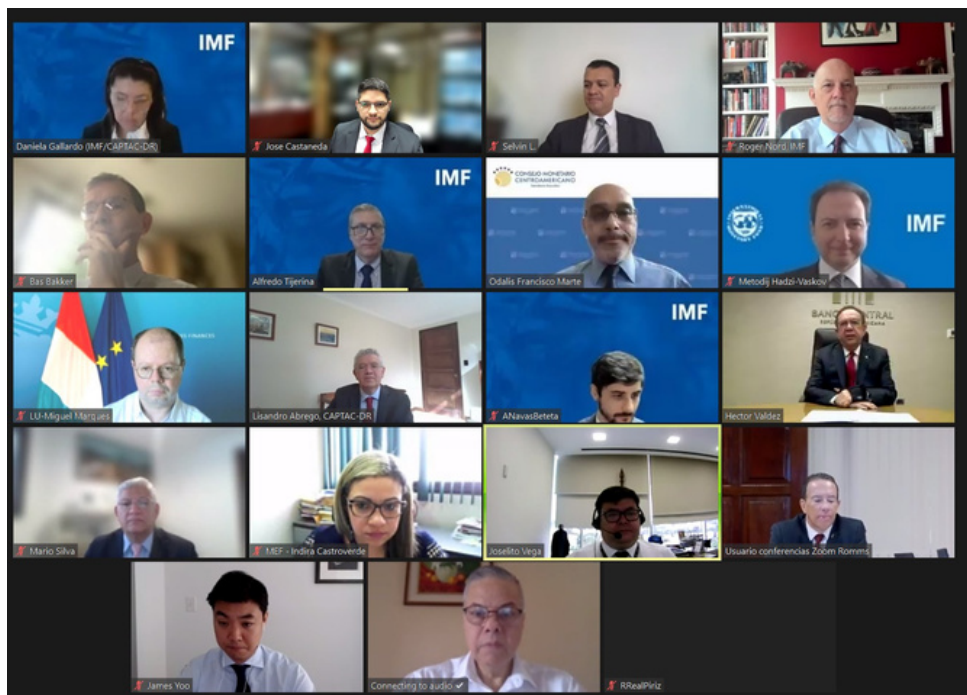
The evaluation is still ongoing, focusing on the areas of tax administration and customs administration, and covers the work with Costa Rica, El Salvador, and the Dominican Republic during the first three fiscal years of Phase III.

Among the main preliminary findings were that CD assistance has been relevant and responsive to country requirements, that the country’s ownership of the aid has increased, and that while there are good examples of coordination with other key technical assistance providers, there is room to deepen such coordination.

Potential themes for recommendations include needs assessment, coordination with other technical assistance providers, and strengthening of the mixed approach (virtual and face-to-face) in the delivery of CD assistance. The evaluation report will be shared with the Steering Committee once finalized.

The material discussed during the meeting is posted on the Center’s [website](#).

XV Steering Committee Meeting of CAPTAC-DR



Summary of Capacity Development Activities

Tax Administration

- In Costa Rica, support was provided to strengthen the construction and selection of tax fraud cases, and in the Dominican Republic, to improve the control of tax returns and payments, as well as the management of tax debts. In Panama, assistance was provided to strengthen audit procedures in international operations. El Salvador implemented a pilot plan for treatments arising from risk management, and Guatemala continues the development of the shadow declaration.
- Three virtual regional seminars were held, addressing the conceptual framework of risk management, international tax risk management, and key elements in the effective operation of the large taxpayer's unit.

Customs Administration

- Guatemala performed a strategic evaluation of its customs service, in which several advancements were analyzed concerning international best practices. Honduras started preparing a task force focused on improving its customs processes before launching the modernization project funded by the Inter-American Development Bank.
- At the XXV Conference of Regional Directors General of Customs for the Americas and the Caribbean organized by the World Customs Organization, CAPTAC-DR, in collaboration with the IMF's Fiscal Affairs Department (FAD), presented the IMF's perspective on gender equality within tax and customs administrations.

Public Finance Management

- Public investment management (PIMA-C) in Guatemala was evaluated in coordination with FAD. The purpose was to assess infrastructure governance practices and integrate climate change elements. Technical assistance (TA) was provided to the Dominican Republic to implement the Fiscal Risk Assessment Tool (FRAT).
- The first of nine regional training webinars for this fiscal year was successfully held. These webinars are designed to strengthen institutional capacities in public financial management. The event discussed the implementation of gender-responsive budgeting (GRB) as a strategy to advance gender equality policy.

Financial Regulation and Supervision

- In partnership with MCM, the Center carried out a regional TA focused on using liquidity stress testing in response to a request from the Central American Council of Superintendents. In addition, support was provided to the Superintendency of Banks and Other Financial Institutions of Nicaragua regarding investor protection within the context of the securities market.
- Moreover, a face-to-face regional seminar on International Financial Reporting Standard 17 for insurance was held. The meeting was attended by insurance supervisors from all countries in the CAPRD region (see article in the special section).

Central Banking Operations and Modeling

- The area participated in a mission with the International Monetary Fund's Monetary and Capital Markets Department (MCM) to the Central Bank of Guatemala. The purpose was to introduce statistical models for liquidity forecasting. The mission provided codes for forecasting autonomous factors and reserve requirements. Furthermore, TA was delivered to the Central Bank of Honduras to review its framework for emergency liquidity provision.
- The Center conducted a regional workshop focused on short-term forecasting models and nowcasting. Twenty-three officials from the central banks in the region, as well as representatives from the Ministry of Economy and Finance of Panama and the Executive Secretariat of the Central American Monetary Council, received training. The workshop also had the participation of the Instituto Nacional de Estadística y Geografía de México (National Institute of Statistics and Geography of Mexico) as a special guest.

Real Sector Statistics

- TA was provided to Panama in three areas: (i) Yearly backcasting techniques, (ii) Updating the Monthly Economic Activity Indicator, and (iii) Changing the reference year for the Consumer Price Index. TA was also provided to Guatemala to implement the Expenditure Classification by Purpose
- Regional virtual seminars addressed consumer price indices and regional national accounts. These events involved delegates from central banks and statistical Institutes, guests from INEGI, the National Administrative Department of Statistics of Colombia, the Brazilian Institute of Geography and Statistics, the Central Bank of Chile, and the Central American Monetary Council.

Public Finance Statistics [4]

- Costa Rica received TA in Public Finance Statistics (GFS) to validate the operation of the accrued interest calculation module. Support was extended to Guatemala to aid in the development of balances for GCP, GCEP, and GCC within the framework of the Regional Harmonization Project. Honduras received TA to update its GFS and public sector debt improvement plan. In Panama, assistance was provided to support the compilation and dissemination of GFS for the GCP and GCEP. Finally, the Dominican Republic received assistance in reviewing GFS for the General Government. This included incorporating the operations of CDEEE, trusts, and the COFOG.

[4] Below is the meaning for each acronym in the order they appear in the text: Budgetary Central Government (Gobierno Central Presupuestario, GCP), Extra-budgetary Central Government (Gobierno Central Extrapresupuestario, GCEP), Consolidated Central Government (Gobierno Central Consolidado, GCC), Dominican Corporation of State Electricity Enterprises (Corporación Dominicana de Empresas Eléctricas Estatales, CDEEE), Functional Classification of Expenditure (Clasificación Funcional del Gasto, COFOG).

Free online courses in Spanish from the IMF's Institute for Capacity Development

Reform Management Fundamentals: Establishing a Reform Program (VITARA-RMF)

Apply before:

- April 01th, 2024

- **Government Officials**, register [here](#).
- **General Public**, register [here](#).

Course Description:

- This course explains the key concepts of reform management, the process of preparing a tax administration reform program, the key governance and management provisions of tax administration reforms, and the management of administration reform projects. tax.

ITARA - Reform Management Specific Topics: Managing a Reform Program (VITARA- RMS)

Apply before:

- April 01th, 2024

- **Government Officials**, register [here](#).
- **General Public**, register [here](#).

Course Description:

- This course introduces tools and methods for planning, monitoring, and reporting of tax administration reform programs; approaches to resourcing reforms and managing resourcing risks and stresses; successful change management practices, and the concept of post-implementation evaluation.

Programming and Financial Policies, Part 2: Program Design (FPP.2x)

Apply before:

- March 4th, 2024

- **Government Officials**, register [here](#).
- **General Public**, register [here](#).

Course Description:

- This course is especially for officials from ministries of finance, economy and planning, and central banks, who provide advice on macroeconomic policy or are involved in the implementation of such policies.

Balance of Payments and International Investment Position Statistics (BOP-IIPx)

Apply before:

- **March 4th, 2024**

- **Government Officials, register [here](#).**
- **General Public, register [here](#).**

- **Course Description:**

- This course is for individuals interested in learning the fundamentals of compiling international accounts encompassing balance of payments and international investment position (IIP) statistics in accordance with internationally accepted standards.

Government Finance Statistics (GFSx)

Apply before:

- **March 4th, 2023**

- **Government Officials, register [here](#).**
- **General Public, register [here](#).**

- **Course Description:**

- This course, delivered by the Department of Statistics, focuses on the conceptual framework of government finance statistics (GFS), in accordance with the IMF's Government Finance Statistics Manual 2014 (GFSM 2014), and on practical aspects of the data compilation.

VITARA - Strategic Management (VITARA-SMG)

Apply before:

- **March 4th, 2024**

- **Government Officials, register [here](#).**
- **General Public, register [here](#).**

- **Course Description:**

- This course imparts fundamental knowledge on the concepts related to the strategic management of a tax administration. The different plans that the tax administrations draw up for the execution of their strategies are also highlighted, to later explain the content, the schedule, the resources and the tasks necessary to formulate a plan distributed in different stages.

Analysis of tax gaps PAB-AIP (VGAPx)

Apply before:

- **March 4th, 2024**

- **Government Officials, register [here](#).**
- **Course Description:**
- This online course, delivered by the Fiscal Affairs Department, teaches how to prepare and run the VAT Gap Estimation Model (VGEM) of the IMF's Revenue Administration Tax Gap Analysis Program (RA-GAP).

Public Sector Debt Statistics (PSDSx)

Apply before:

- **March 4th, 2024**

- **Government Officials, register [here](#).**
- **General Public, register [here](#).**
- **Course Description:**
- This course analyzes the coverage and accounting standards applicable to public sector debt, its valuation, its classification, important methodological issues, and the sources and methods used to compile the statistics.

Debt Sustainability Framework for Low Income Countries (LIC DSFX)

Apply before:

- **March 4th, 2024**

- **Government Officials, register [here](#).**
- **General Public, register [here](#).**
- **Course Description:**
- The course explains all the steps to apply the low-income country debt sustainability framework. First, the data needed, and the tools used to realistically assess the plausibility of macroeconomic projections are determined. Later in the course it is explained how to calculate through the debt sustainability framework the capacity of a country to repay its debt, which is used to determine the thresholds of the debt burden indicators.
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**Financial Programming
and Policies, Part 1:
Macroeconomic Accounts
and Analysis (FPP.1x)**

Apply before:

- **March 4th, 2024**

- **Government Officials, register [here](#).**
- **General Public, register, [here](#).**

- **Course Description:**

- In this course, taught by the Training Institute, the basic principles or concepts necessary to carry out financial programming are explained; the main characteristics of the four large macroeconomic sectors (real, fiscal, external and monetary), and how they are related to each other. For each sector, the course presents the accounting framework, the interpretation of variables and indicators of these accounts and the basic analysis of the accounts.