

# Fiscal Projections in OECD Countries: What is produced and what lessons can be learned?



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# Background to presentation

This presentation is based on:

Anderson, B. and J. Sheppard (2009) “Fiscal Futures: Institutional Budget Reforms and Their Effects, What Can Be Learned?” *OECD Journal on Budgeting*, Volume 2009/3, OECD Publishing, Paris.

It is correct as of May 2009. Since the time of the research, some countries have produced more recent fiscal projections, including:

- New Zealand’s Long-term Fiscal Statement: Challenges and Choices (Oct ‘09)
- United States Government Accountability Office (Jan, ‘10)
- Australia: 2010 Intergenerational Report (Feb. ‘10)

# Defining fiscal projections

Long-term fiscal projections provide a basis to discuss the sustainability of current government policies over 10 years or more against select summary fiscal indicator(s).

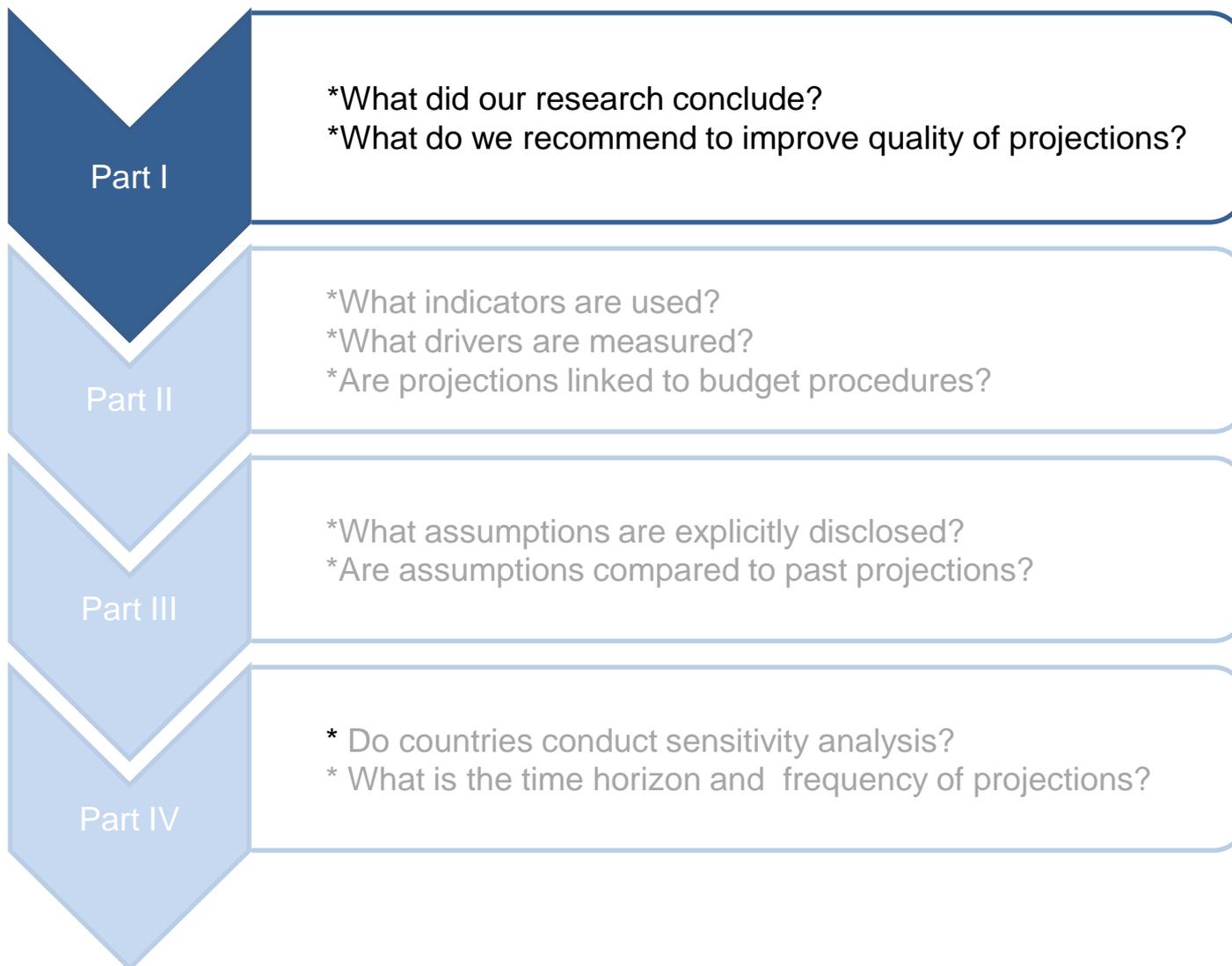
Long-term is typically associated with the impact across generations, where an average generation in industrialised countries is approximately 30 to 40 years.

The time period of more than 10 years, noting that a number of OECD countries prepare medium-term budget frameworks/outlooks spanning up to 8 years (e.g. Denmark, Sweden).

|                | Formal reporting obligations                      | Most recent report title                                   | Responsibility for preparation and release | First/most recent release | Level of analysis/reporting entity | Most recent time horizon        | Frequency produced                      |
|----------------|---------------------------------------------------|------------------------------------------------------------|--------------------------------------------|---------------------------|------------------------------------|---------------------------------|-----------------------------------------|
| Australia      | Charter of Budget Honesty 1998                    | Intergenerational Report 2007/2008                         | Department of the Treasury                 | 2002/2007                 | Central government                 | 40 years                        | At least every three years <sup>2</sup> |
| Canada         | n/a                                               | Staff working papers                                       | Department of Finance                      | 2000/2002                 | General government                 | 40 years                        | <i>Ad hoc</i>                           |
| Denmark        | EU Stability and Growth Pact                      | Convergence Programme Report                               | Ministry of Finance                        | 1997/2008                 | General government                 | Until 2070 (fixed) <sup>3</sup> | Annually                                |
| Germany        | EU Stability and Growth Pact                      | Second Report on the Sustainability of Public Finances     | Federal Ministry of Finance                | 2005/2008                 | General government                 | Until 2050 (fixed) <sup>3</sup> | At least every four years               |
| Korea          | n/a                                               | Vision 2030                                                | Joint Task Force Team <sup>4</sup>         | 2006/2006                 | Central government                 | 25 years                        | <i>Ad hoc</i> basis                     |
| Netherlands    | EU Stability and Growth Pact                      | Ageing and the Sustainability of Dutch Public Finances     | Central Planning Bureau                    | 2000/2006                 | General government                 | Until 2100 <sup>5</sup>         | <i>Ad hoc</i> basis                     |
| New Zealand    | Public Finance Act 1989 (as amended) <sup>6</sup> | New Zealand's Long-Term Fiscal Position                    | New Zealand Treasury                       | 1993/2006 <sup>7</sup>    | Central government                 | 40 years                        | At least every four years               |
| Norway         | n/a                                               | Long-Term Perspectives for the Norwegian Economy           | Ministry of Finance                        | 1993/2009 <sup>8</sup>    | General government                 | 50 years                        | At least every four years               |
| Sweden         | EU Stability and Growth Pact                      | Sweden's Economy (Budget Bill)                             | Ministry of Finance                        | 1999/2009                 | General government                 | Until 2060 (fixed) <sup>3</sup> | Annually                                |
| Switzerland    | n/a                                               | Long-Term Sustainability of Public Finances in Switzerland | Federal Finance Administration             | 2008/2008                 | General government                 | 50 years                        | At least every four years               |
| United Kingdom | Code of Fiscal Stability 1998 <sup>9</sup>        | Long-Term Public Finance Report                            | HM Treasury                                | 1999/2008                 | General government                 | 50 years <sup>3</sup>           | Annually                                |
| United States  | n/a                                               | Analytical Perspectives                                    | Office of Management and Budget            | 1997/2008 <sup>10</sup>   | Central government                 | 75 years                        | Annually                                |
|                | n/a                                               | The Long-Term Budget Outlook                               | Congressional Budget Office                | 1991/2007                 | Central government                 | 75 years                        | Approx. every two years                 |
|                | n/a                                               | The Nation's Long-Term Fiscal Outlook                      | Government Accountability Office           | 1992/2008                 | Central government                 | 75 years                        | Three times per year                    |

NOTES:

1. Data are current as of May 2009.
2. Australia: In December 2008, the government announced that it would produce the intergenerational report once every three years. Previously, the requirement was that an intergenerational report be produced at least once every five years.
3. Denmark, Germany, Sweden and United Kingdom: Fiscal projections also prepared for an infinite time period.
4. Korea: Joint Task Force Team consisting of government officials and other experts. Government officials were mainly from the Ministry of Finance and Economy, the Ministry of Planning and Budget, and the Ministry of Health and Welfare. Other experts were involved from the Korea Development Institute and the Korea Institute of Public Finance.
5. Netherlands: The time horizon spans until 2100 though the report also separately discusses policies until 2040.
6. New Zealand: Legal obligations were first required under the Public Finance Act 1989, as amended in 2004.
7. New Zealand: In 1993 and 1996, as a pre-election report spanning approx. 50 years; since 2000, integrated in the budget for 10 years; since 2006, as a stand-alone report for 40 years.
8. Norway: Since 1954, the Cabinet's "Long-Term Programme" showed the Cabinet's policies for the next four years. Between 1954 and 1973, fiscal projections spanned four years. Between 1973 and 1993, projections spanned 20 years, but only focused on the development of government expenditure compared to projected GDP. From 1993, projections spanned 40-50 years and covered both government expenditure and income/net lending.
9. United Kingdom: While the Code does not explicitly mention the words Long-Term Public Finance Report, the "Explanation to the Code" states that illustrative projections should be published by the government, covering a period of not less than ten years.
10. United States (OMB): The five-year budget projections prepared during the 1970s and 1980s were labelled "long-term" projections. These are considered as medium-term budget estimates in this report.



# What did our research conclude?

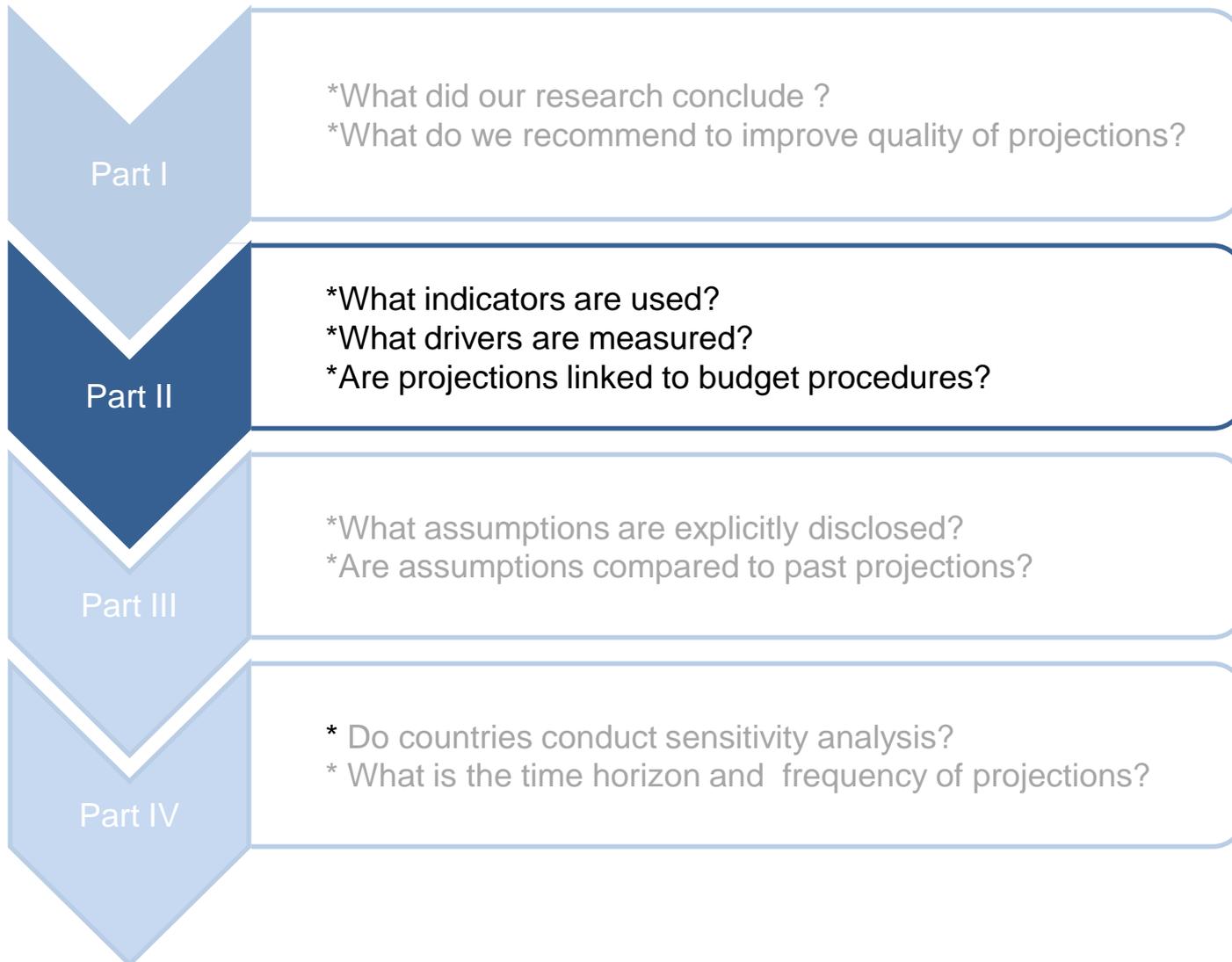
1. Have OECD countries introduced long-term fiscal projections as a basis to discuss the sustainability of current government policies?  
**Yes, 27 out of 30 (excl. Chile)**
2. What evidence is there of the effectiveness of projections in managing political incentives that result in a projected fiscal imbalance?  
**Some, but difficult to determine linkage between reforms, incentives and outcomes**
3. To what extent and in what ways is the experience of successful countries relevant for other countries exposed to similar fiscal pressures and risks?  
**Fiscal projections raise awareness of a country's fiscal future. Combining their use with performance information, fiscal rules and triggers can help**

# Caveats

- Introduction of fiscal projections is a relatively recent development:  
4 OECD countries in 1999; 27 OECD countries in 2009.
- While most OECD countries have introduced fiscal projections, many do so because of European Commission SGP requirements.
- Long-term fiscal outcomes, and the fiscal assumptions underlying them, are very uncertain.

# What do we recommend to improve quality of projections?

| OECD Best Practices (2001)                                                                                                     | Our Recommendations                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Baseline projections or fiscal gap analysis typically covering 10-40 years</li> </ul> | <ul style="list-style-type: none"> <li>• Baseline projections or fiscal gap analysis typically covering 10-40 years;</li> <li>• <b>Incorporate comparisons with past government assessments to highlight trends in sustainability</b></li> </ul>                                                                           |
| <ul style="list-style-type: none"> <li>• Illustrate a range of possible projected scenarios</li> </ul>                         | <ul style="list-style-type: none"> <li>• <b>Include sensitivity analysis of demographic, macro- and micro-economic, and other assumptions to illustrate exposure to risks</b></li> <li>• <b>Illustrate the fiscal consequences of reforms or policy options—if not in report, when initiatives are proposed</b></li> </ul> |
| <ul style="list-style-type: none"> <li>• Explicit presentation of all key assumptions underlying projections</li> </ul>        | <ul style="list-style-type: none"> <li>• Explicit presentation of all key assumptions underlying projections</li> <li>• <b>Clearly present changes in methodology and key assumptions to provide a means of assurance</b></li> </ul>                                                                                       |
| <ul style="list-style-type: none"> <li>• Focus of projections should be more than just demographic change</li> </ul>           | <ul style="list-style-type: none"> <li>• Focus of projections should be more than just demographic change</li> </ul>                                                                                                                                                                                                       |
| <ul style="list-style-type: none"> <li>• Published at least every five years, or following major policy changes</li> </ul>     | <ul style="list-style-type: none"> <li>• <b>Prepare them on an annual basis to eliminate discretion over when projections are produced</b></li> </ul>                                                                                                                                                                      |
|                                                                                                                                | <ul style="list-style-type: none"> <li>• <b>Tie projections to budget practices (e.g. fiscal rules, fiscal triggers) to build action around projections</b></li> </ul>                                                                                                                                                     |



# What fiscal indicators are used?

## 2008/2009 data

|                     | Report | (Unconstrained) baseline projections of budget balance and debt | Synthetic indicators (e.g. fiscal gap) | Generational accounting: net individual tax benefits by demographic cohort |
|---------------------|--------|-----------------------------------------------------------------|----------------------------------------|----------------------------------------------------------------------------|
| Australia           | 2007   | ●                                                               | ●                                      | ○                                                                          |
| Canada              | 2002   | ●                                                               | ○                                      | ○                                                                          |
| Denmark             | 2008   | ●                                                               | ●                                      | ○                                                                          |
| Germany             | 2008   | ●                                                               | ●                                      | ○                                                                          |
| Korea               | 2006   | ○ <sup>1</sup>                                                  | ○                                      | ○                                                                          |
| Netherlands         | 2006   | ●                                                               | ●                                      | ●                                                                          |
| New Zealand         | 2006   | ● <sup>2</sup>                                                  | ○                                      | ○                                                                          |
| Norway              | 2008   | ●                                                               | ●                                      | ●                                                                          |
| Sweden              | 2008   | ●                                                               | ●                                      | ○                                                                          |
| Switzerland         | 2008   | ●                                                               | ●                                      | ○                                                                          |
| United Kingdom      | 2008   | ● <sup>2</sup>                                                  | ●                                      | ○ <sup>3</sup>                                                             |
| United States (OMB) | 2008   | ●                                                               | ○ <sup>4</sup>                         | ○ <sup>5</sup>                                                             |
| United States (CBO) | 2007   | ●                                                               | ●                                      | ○ <sup>5</sup>                                                             |
| United States (GAO) | 2008   | ●                                                               | ●                                      | ○                                                                          |
| <b>Total</b>        |        | <b>13</b>                                                       | <b>10</b>                              | <b>2</b>                                                                   |

### NOTES:

● = presented; ○ = not presented.

1. Korea: Fiscal projections based only upon expenditure and not revenues.

2. New Zealand and the United Kingdom: Also published constrained baseline projections.

3. United Kingdom: Generational accounting presented together with baseline projections and synthetic indicators between 2003 and 2005.

4. United States: The present value of the Medicare and Social Security obligations as prepared for their respective trust fund is also presented in the budget documentation.

5. United States: The Office of Management and Budget experimented with generational accounting in 1992, 1993 and 1994; the Congressional Budget Office experimented with generational accounting in 1995.

# What drivers are measured?

## 2008/2009 data

|                     | Report | Demographic change      |                |                 | Non-demographic fiscal costs and risks |                        |
|---------------------|--------|-------------------------|----------------|-----------------|----------------------------------------|------------------------|
|                     |        | Health and old-age care | Education      | Public pensions | Climate change                         | Contingent liabilities |
| Australia           | 2007   | ●                       | ●              | ●               | ●                                      | ○                      |
| Canada              | 2002   | ●                       | ●              | ●               | ○                                      | ○                      |
| Denmark             | 2008   | ●                       | ●              | ●               | ●                                      | ○                      |
| Germany             | 2008   | ●                       | ●              | ●               | ○                                      | ○                      |
| Korea               | 2006   | ○                       | ○              | ○               | ○                                      | ○                      |
| Netherlands         | 2006   | ●                       | ●              | ●               | ○                                      | ○                      |
| New Zealand         | 2006   | ●                       | ●              | ●               | ○                                      | ○                      |
| Norway              | 2008   | n/a                     | n/a            | n/a             | n/a                                    | n/a                    |
| Sweden              | 2008   | ○ <sup>1</sup>          | ○ <sup>1</sup> | ○ <sup>1</sup>  | ○                                      | ○                      |
| Switzerland         | 2008   | ●                       | ●              | ●               | ○                                      | ○                      |
| United Kingdom      | 2008   | ●                       | ●              | ●               | ○                                      | ○                      |
| United States (OMB) | 2008   | ●                       | ○              | ●               | ○                                      | ○                      |
| United States (CBO) | 2007   | ●                       | ○              | ●               | ○                                      | ○                      |
| United States (GAO) | 2008   | ●                       | ○              | ●               | ○                                      | ○                      |
| <b>Total</b>        |        | <b>11</b>               | <b>8</b>       | <b>11</b>       | <b>2</b>                               | <b>0</b>               |

### NOTES:

● = presented; ○ = not presented; n/a = information not available.

1. Sweden: The Spring Fiscal Policy Bill and the Budget Bill discuss government consumption, investment and transfers and not health and old-age care, education, public pensions, etc. These categories are, however, presented in Sweden's convergence programme report to the European Commission.

# How are projections linked to the budget?

## 2008/2009 data

|                     | Report | Fiscal projections are presented with the annual budget | Fiscal projections trigger adjustments to the government's fiscal strategy | Long-term cost projections required for proposed programmes and reforms |
|---------------------|--------|---------------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Australia           | 2007   | ○ <sup>1</sup>                                          | ○                                                                          | ○ <sup>2</sup>                                                          |
| Canada              | 2002   | ○                                                       | ○                                                                          | ○                                                                       |
| Denmark             | 2008   | ○ <sup>3</sup>                                          | ●                                                                          | ○                                                                       |
| Germany             | 2008   | ○                                                       | ○                                                                          | ○                                                                       |
| Korea               | 2006   | ○                                                       | ○                                                                          | ○                                                                       |
| Netherlands         | 2006   | ○                                                       | ●                                                                          | ○                                                                       |
| New Zealand         | 2006   | ○                                                       | ○                                                                          | ○                                                                       |
| Norway              | 2008   | ●                                                       | ●                                                                          | ●                                                                       |
| Sweden              | 2008   | ●                                                       | ○                                                                          | ●                                                                       |
| Switzerland         | 2008   | ○ <sup>4</sup>                                          | ○                                                                          | ○                                                                       |
| United Kingdom      | 2008   | ● <sup>5</sup>                                          | ○                                                                          | ○                                                                       |
| United States (OMB) | 2008   | ●                                                       | ○                                                                          | ○                                                                       |
| United States (CBO) | 2007   | n/a                                                     | ○                                                                          | n/a                                                                     |
| United States (GAO) | 2008   | n/a                                                     | ○                                                                          | n/a                                                                     |
| <b>Total</b>        |        | <b>4</b>                                                | <b>3</b>                                                                   | <b>2</b>                                                                |

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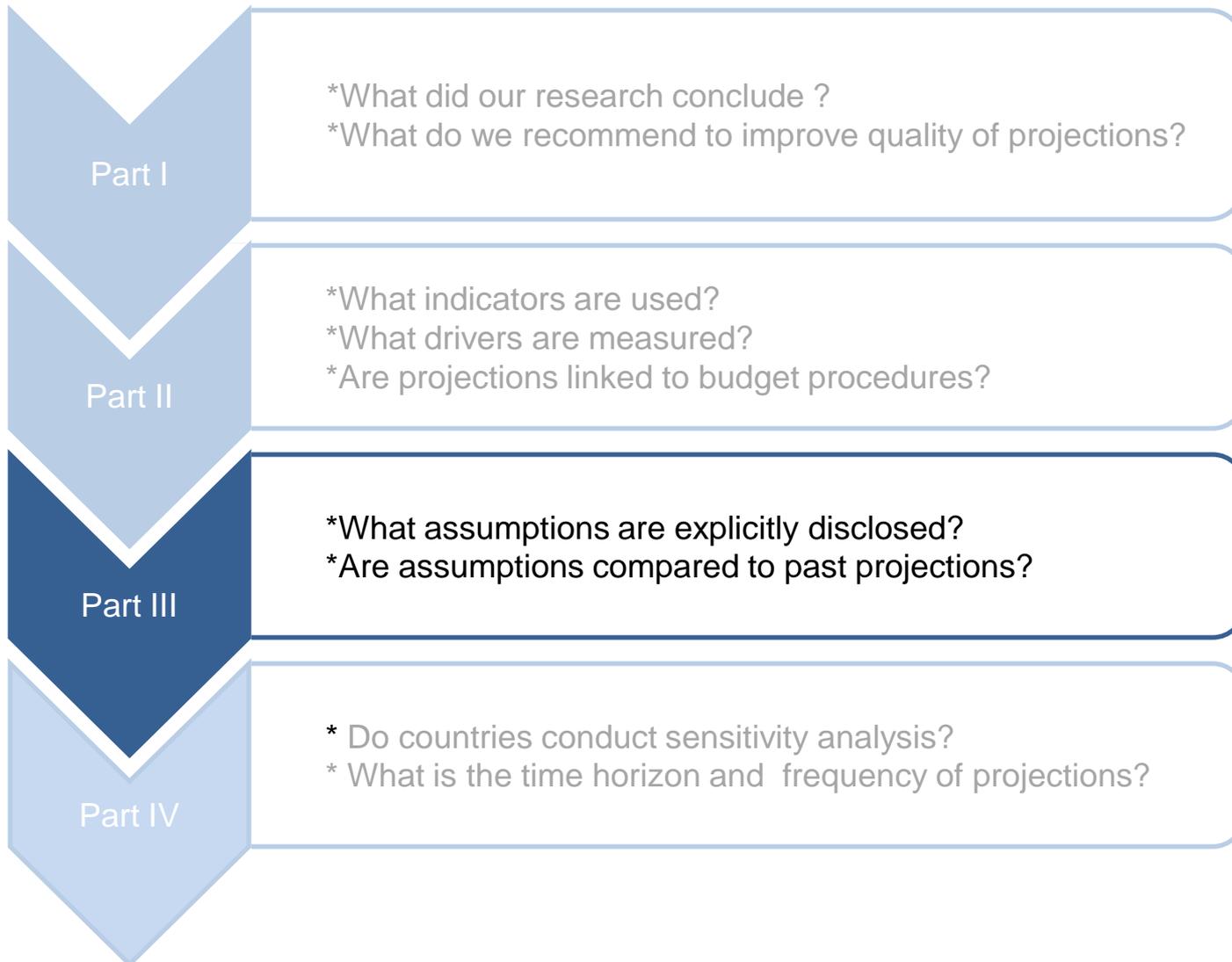
1. Australia: The first intergenerational report was presented with the Commonwealth budget, the second intergenerational report was not. Commonwealth budgets since 2007/08 have included a 15-20 year projection of the underlying cash balance based on a similar methodology to the intergenerational report together with the medium-term fiscal outlook.

2. Australia: Announced in "Operation Sunlight".

3. Denmark: 2008 fiscal projections were presented together with the annual budget; normally they are presented one month before.

4. Switzerland: Not presented together with the annual budget; however, development scenarios are presented as part of the budget documents submitted to the parliament. These development scenarios have the purpose of focusing on certain areas together with a discussion of policy options.

5. United Kingdom: Presented together with the annual budget since 2008.



# What assumptions are explicitly disclosed?

## 2008/2009 data

|                     | Report | Demographic and macroeconomic assumptions/methodology |                                    | Microeconomic (expenditure) assumptions/methodology |                                    |
|---------------------|--------|-------------------------------------------------------|------------------------------------|-----------------------------------------------------|------------------------------------|
|                     |        | Summary of key assumptions or method                  | Comparison to previous projections | Summary of key assumptions or method                | Comparison to previous projections |
| Australia           | 2007   | ●                                                     | ●                                  | ●                                                   | ○                                  |
| Canada              | 2002   | ○                                                     | ○                                  | ○                                                   | ○                                  |
| Denmark             | 2008   | ●                                                     | ○                                  | ○ <sup>1</sup>                                      | ○                                  |
| Germany             | 2008   | ●                                                     | ●                                  | ○                                                   | ○                                  |
| Korea               | 2006   | ●                                                     | n/a <sup>2</sup>                   | ○                                                   | n/a <sup>3</sup>                   |
| Netherlands         | 2006   | ●                                                     | ○                                  | ●                                                   | ○                                  |
| New Zealand         | 2006   | ●                                                     | ○                                  | ●                                                   | ○                                  |
| Norway              | 2008   | n/a                                                   | ○                                  | n/a                                                 | ○                                  |
| Sweden              | 2008   | ●                                                     | ○                                  | ○                                                   | ○                                  |
| Switzerland         | 2008   | ●                                                     | n/a <sup>4</sup>                   | ●                                                   | n/a <sup>5</sup>                   |
| United Kingdom      | 2008   | ●                                                     | ●                                  | ○                                                   | ○                                  |
| United States (OMB) | 2008   | ○ <sup>6</sup>                                        | ○                                  | ○                                                   | ○                                  |
| United States (CBO) | 2007   | ○ <sup>7</sup>                                        | ○                                  | ●                                                   | ○                                  |
| United States (GAO) | 2008   | ○ <sup>8</sup>                                        | ○                                  | ●                                                   | ○                                  |
| <b>Total</b>        |        | <b>9</b>                                              | <b>3</b>                           | <b>6</b>                                            | <b>0</b>                           |

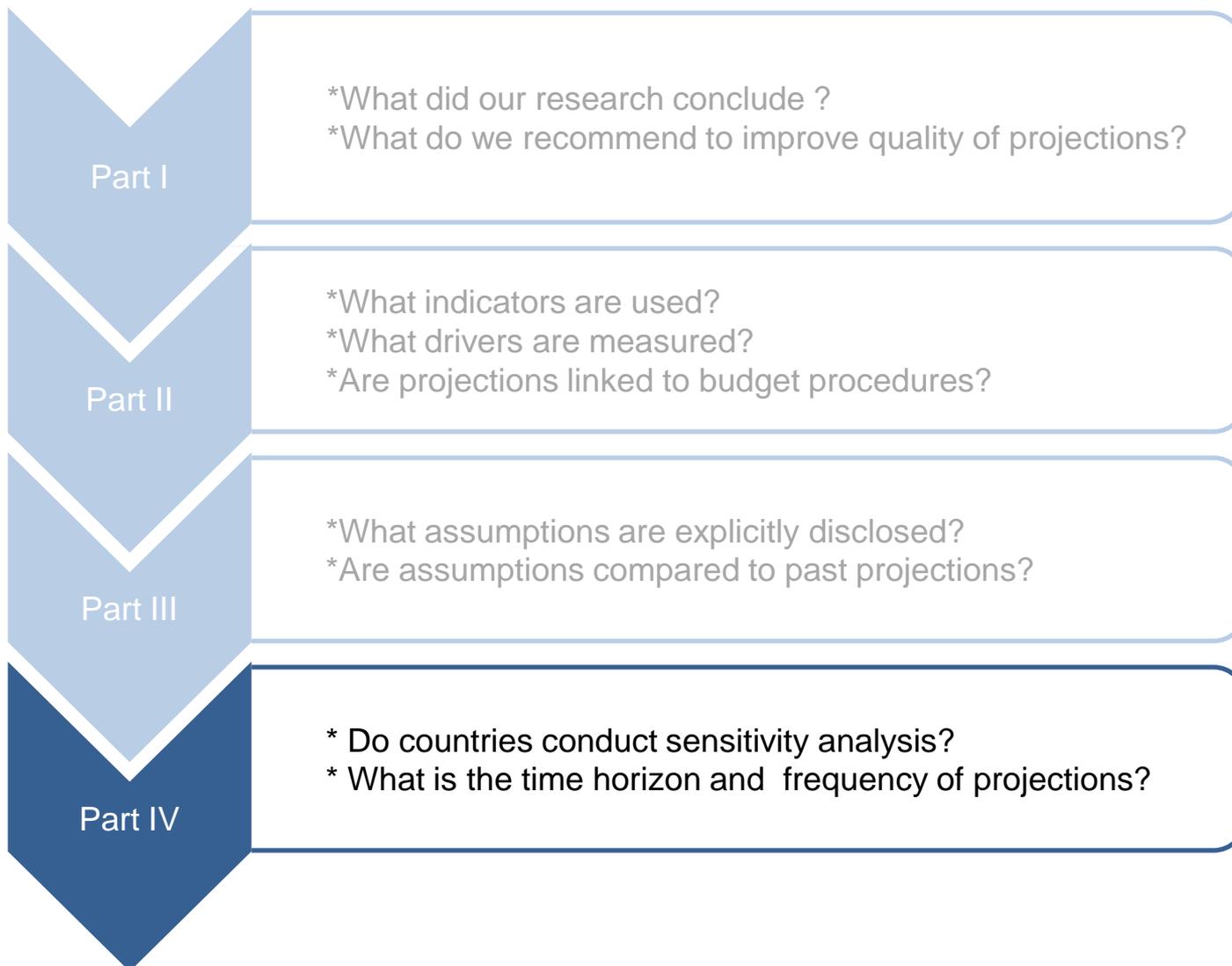
### NOTES:

● = presented; ○ = not presented; n/a = information not available.

1. Denmark: Table of key microeconomic assumptions not presented but available upon request from the Ministry of Finance.

2-5. Korea, Switzerland: Only one fiscal projection prepared to date.

6-8. United States: Demographic assumptions based upon Social Security and Medicare actuarial projections assumptions but not presented in the OMB, CBO or GAO reports.



# Why produce sensitivity analysis and illustrative policy actions?

|                                    | <b>Strengths</b>                                                                                                                                                                                                                                                                                              | <b>Note of caution</b>                                                                                                                                                                                                                                                               |
|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Sensitivity analysis</b>        | <ul style="list-style-type: none"> <li>• Illustrates the relationship between fiscal indicators and their underlying assumptions</li> <li>• Reinforces the fact that projections are only projections, and not estimates, and are ultimately subject to uncertainty.</li> </ul>                               | <ul style="list-style-type: none"> <li>• Rationale and justification for sensitivity analysis of the selected variables needs to be considered.</li> <li>• More is not necessarily better and it may, adversely, detract from the main analysis of fiscal sustainability.</li> </ul> |
| <b>Illustrative policy actions</b> | <ul style="list-style-type: none"> <li>• Can help to stimulate discussion on the need for government action and its appropriate form.</li> <li>• Demonstrates to policy makers that improvements in fiscal sustainability are possible, but may not eliminate the long-term fiscal gap altogether.</li> </ul> | <ul style="list-style-type: none"> <li>• May be seen as participating in policy making or at the very least endorsing particular policies.</li> </ul>                                                                                                                                |

# Sensitivity analysis: more common for demographic and macro assumptions

## 2008/2009 data

|                     | Report | Comparison of the value of fiscal indicators with past projections | Sensitivity analysis                         |                                          |
|---------------------|--------|--------------------------------------------------------------------|----------------------------------------------|------------------------------------------|
|                     |        |                                                                    | Of demographic and macroeconomic assumptions | Of expenditure/microeconomic assumptions |
| Australia           | 2007   | ●                                                                  | ●                                            | ○                                        |
| Canada              | 2002   | ○                                                                  | ○                                            | ●                                        |
| Denmark             | 2008   | ●                                                                  | ○                                            | ○                                        |
| Germany             | 2008   | ○                                                                  | ●                                            | ○                                        |
| Korea               | 2006   | n/a <sup>1</sup>                                                   | ○                                            | ○                                        |
| Netherlands         | 2006   | ●                                                                  | ●                                            | ○                                        |
| New Zealand         | 2006   | ○ <sup>2</sup>                                                     | ●                                            | ○                                        |
| Norway              | 2008   | ● <sup>3</sup>                                                     | ●                                            | ○                                        |
| Sweden              | 2008   | ○                                                                  | ●                                            | ●                                        |
| Switzerland         | 2008   | n/a <sup>4</sup>                                                   | ●                                            | ○                                        |
| United Kingdom      | 2008   | ●                                                                  | ●                                            | ○                                        |
| United States (OMB) | 2008   | ○                                                                  | ●                                            | ●                                        |
| United States (CBO) | 2007   | ○                                                                  | ○                                            | ●                                        |
| United States (GAO) | 2008   | ○                                                                  | ○                                            | ●                                        |
| <b>Total</b>        |        | <b>5</b>                                                           | <b>9</b>                                     | <b>5</b>                                 |

### Notes:

● = presented; ○ = not presented; n/a = not applicable.

1., 4. Korea, Switzerland: Only one fiscal projection prepared to date.

2. New Zealand: The 2006 projections were the first "New Zealand Long-Term Fiscal Position" to be published but not the first fiscal projection.

3. Norway: Comparison only for generational accounting.

# Illustrative policies actions: Incentives to illustrate past over future

2008/2009 data

|                     | Report | Projections illustrate the impact of past policy reforms | Projections illustrate the impact of possible policies | Projections illustrate the impact of delayed action |
|---------------------|--------|----------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------|
| Australia           | 2007   | ●                                                        | ●                                                      | ○                                                   |
| Canada              | 2002   | ●                                                        | ●                                                      | ○                                                   |
| Denmark             | 2008   | ●                                                        | ○                                                      | ○                                                   |
| Germany             | 2008   | ●                                                        | ○                                                      | ●                                                   |
| Korea               | 2006   | ○                                                        | ○                                                      | ○                                                   |
| Netherlands         | 2006   | ○                                                        | ●                                                      | ●                                                   |
| New Zealand         | 2006   | ○                                                        | ●                                                      | ○                                                   |
| Norway              | 2008   | ○                                                        | ○                                                      | ○                                                   |
| Sweden              | 2008   | ○                                                        | ○                                                      | ○                                                   |
| Switzerland         | 2008   | ○                                                        | ○ <sup>1</sup>                                         | ○                                                   |
| United Kingdom      | 2008   | ○                                                        | ●                                                      | ○                                                   |
| United States (OMB) | 2008   | ○                                                        | ●                                                      | ○                                                   |
| United States (CBO) | 2007   | ○                                                        | ○                                                      | ●                                                   |
| United States (GAO) | 2008   | ○                                                        | ○                                                      | ●                                                   |
| <b>Total</b>        |        | <b>4</b>                                                 | <b>6</b>                                               | <b>4</b>                                            |

NOTES:

● = presented; ○ = not presented.

1. Switzerland: Not presented together with the annual budget; however, development scenarios are presented as part of the budget documents submitted to the parliament. These development scenarios have the purpose of focusing on certain areas together with a discussion of policy options.

# Which OECD countries publish fiscal projections?

## 2008/2009 data

| Frequency produced             | Years covered |                        |                                                                                                                                           |                                    |                          | Total |
|--------------------------------|---------------|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------------|-------|
|                                | 21-30         | 31-40                  | 41-50                                                                                                                                     | 51-60                              | 61+                      |       |
| Annually                       |               |                        | Austria, Belgium, Finland*, France*, Greece, Hungary, Ireland, Italy*, Luxembourg, Poland*, Portugal, Slovak Rep., Spain, United Kingdom* | Czech Rep. 2*, Sweden <sup>3</sup> | Denmark*, United States  | 18    |
| Periodically (every 3-5 years) |               | Australia, New Zealand | Germany <sup>4</sup> , Norway, Switzerland                                                                                                |                                    |                          | 5     |
| <i>Ad hoc</i> basis            | Korea         | Canada <sup>5</sup>    | Japan <sup>6</sup>                                                                                                                        |                                    | Netherlands <sup>7</sup> | 4     |
| Total                          | 1             | 3                      | 18                                                                                                                                        | 2                                  | 3                        |       |

### NOTES:

1. No fiscal projections reported by Iceland, Mexico and Turkey.

2. Czech Republic: Fiscal projections until 2060 in 2009, previously until 2050, otherwise identical to other EU member countries.

3. Sweden: Fiscal projections until 2060 in 2009, previously until 2050.

4. Germany: Fiscal projections are also published annually as part of its stability programme reports to the European Commission. The projection for the Commission is adapted from the government's *Report on the Sustainability of Public Finances* published within four years of the previous report.

5. Canada: Fiscal projections have been published by way of staff working papers on an *ad hoc* basis.

6. Japan: Fiscal projections were prepared in 2007 by the Council on Economic and Fiscal Policy until 2025 and the Financial Systems Council within the Ministry of Finance until 2050.

7. Netherlands: Fiscal projections are also published annually as part of its stability programme reports to the European Commission. The projection for the Commission is adapted from the independent CPB Bureau for Economic Policy Analysis ageing reports published on an *ad hoc* basis.

\* Countries also publish an approximation of the intertemporal budget constraint. In the case of European Union member states, this corresponds with the  $S_2$  indicator, i.e. the size of the permanent budgetary adjustment necessary for the gross consolidated debt to reach 60% of GDP over an infinite period of time.

Sources: OECD *International Budget Practices and Procedures Database* ([www.oecd.org/gov/budget/database](http://www.oecd.org/gov/budget/database)); authors' notes.

## For further information

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