

## Glossary

### Terms

### Used in Government at a Glance

#### Appropriation

Appropriation refers to an authorisation made by law or legislative enactment directing payment out of government funds under specified conditions or for specific purposes.

#### Award criterion

The criterion by which the successful tender is to be selected.

#### Award of a procurement contract

A final stage of the procurement resulting in the conclusion and entry into force of a procurement between the procuring entity and selected supplier(s).

#### Awarding procedures

Are the procedures carried out by Contracting Authorities in order to award a public contract for goods, works or services

#### Budget

A comprehensive statement of Government financial plans which include expenditures, revenues, deficit or surplus and debt. The budget is the Government's main economic policy document, demonstrating how the Government plans to use public resources to meet policy goals and to some extent indicating where its policy priorities

#### Budget Circular

A document/memorandum issued by the Central Budget Authority to guide line ministries/agencies in the preparations of their initial budget proposals/budget estimates. A budget circular, for instance, may contain information or guidance on automatic productivity cuts, medium-term or annual expenditure ceilings, etc.

#### Budget Cycle

The budget cycle refers to the major events or stages of the budgetary decision-making process, as well as the implementation and ex-post review of those decisions over time. Specifically, the budget cycle includes three principal stages: formulation (which includes planning), approval, and execution

#### Capital expenditure

Investments in physical assets such as buildings and equipment that can be used for a number of years.

#### Cash transfers

Benefits provided to eligible individuals by governments that are not required to be spent on a specific good or service. Examples of cash transfers include pensions, unemployment benefits and development aid.

#### Central Budget Authority (CBA)

The Central Budget Authority (CBA) is a public entity, or several coordinated entities, located at the central/national/federal level of government, which is responsible for the custody and management of the national/federal budget. In many countries, the CBA is often part of the ministry of Finance. Specific responsibilities vary by country, but generally, the CBA is responsible for formulating budget proposals, conducting budget negotiations, allocating or reallocating funds, ensuring compliance with the budget laws and conducting performance evaluations and/or efficiency reviews. This Authority regulates budget execution but does not necessarily undertake the treasury function of disbursing public funds. lastly, a very important role of the Central Budget Authority is monitoring and maintaining aggregate/national fiscal discipline and enforcing the effective control of budgetary expenditure.

<b>Central Government</b>	Central government is often called federal or national government, depending on the country. For purposes of this questionnaire, the central government consists of the institutional units controlled and financed at the central level plus those NPIs (non-profit institutions) that are controlled and mainly financed by central government. The political authority of central government extends over the entire national territory and the national economy, and central government has therefore the authority to impose taxes on all residents and non-resident units engaged in economic activities within the country. According to EU: is a contracting authority that: (i) acquires goods or services intended for one or more contracting authorities; (ii) awards public contracts for works, goods or services intended for one or more contracting authorities; or, (iii) concludes framework agreements for works, goods or services intended for one or more contracting authorities.
<b>Central/federal government</b>	According to the System of National Accounts (SNA), “central government” consists of the institutional units making up the central government (including line ministries and affiliated agencies), plus those non-profit institutions that are controlled and mainly financed by central government.
<b>Central Purchasing Agency (CPA)</b>	Central purchasing agencies or public procurement regulatory and monitoring entities are central bodies in charge of the regulation and monitoring of a country’s public procurement system. These bodies could be but are not necessarily a contracting authority
<b>Centre of Government (CoG)</b>	The Centre of Government refers to the administrative structure that serves the Executive (President or Prime minister, and the Cabinet collectively). The Centre of Government has a great variety of names across countries, such as General Secretariat, Cabinet Office, Chancellery, Office/ministry of the Presidency, Council of ministers Office, etc. In many countries the CoG is made up of more than one unit, fulfilling different functions. The role of the Centre of Government is closely linked to the role of the executive branch itself, i.e. to direct the resources of the State (financial, legal, regulatory, even military) to achieve a mission that reflects a political vision and responds to a mandate from citizens.
<b>Citizen’s budget</b>	A citizens’ guide to the budget is defined here as an easy-to understand summary of the main features of the annual budget as presented to the legislature. It should be a self-contained document that explains what is in the annual budget proposals and what their effects are expected to be. While containing links or references to more detailed documents, the guide should not require readers to refer to them, or to know their contents, in order to understand the guide.
<b>Civil servant</b>	An employee of the state, either permanent or on a long-term contract, who would remain a state employee if the government changes. In addition, civil servants are employees covered under a specific public legal framework or other specific provisions
<b>Collective goods and services</b>	Goods and services that benefit the community at large. Examples include government expenditures on defence, and public safety and order.
<b>Complementary budget</b>	Complementary budget (also supplementary budget) contains proposed amendments to the main annual budget. This is the mechanism with which the Government seeks legislative approval for spending that differs from the original budget and appropriations. Complementary budgets are given legal force through adjustment or supplemental appropriations.

<b>Composite index</b>	An indicator formed by compiling individual indicators into a single index on the basis of an underlying model (Nardo et al., 2005).
<b>Contingency reserve fund</b>	A separate fund or a budget provision set aside to meet unforeseen and unavoidable requirements that may arise during the budget year, such as natural disasters and foreseen expenditure, but not yet decided/announced such as policy reserve.
<b>Cooling off period</b>	A cooling off period is a period during which these public officials are barred from engaging in lobbying and employment that could constitute a conflict of interest
<b>Dataset</b>	A set of indicators or variables concerning a single topic (e.g. regulatory quality).
<b>Discretionary spending</b>	Public expenditure that is governed by annual or other periodic appropriations, rather than by formulas or criteria set forth in authorising legislation. The documents that contain the information considered by the legislature prior to reaching its decision to enact a law; for example memoranda from government agencies and legislators, and comments or reports from legislative committees, commissions, legal associations, and lobbying groups. A framework agreement to which a supplier (or suppliers) or a contractor (or contractors) in addition to the initial parties may subsequently become a party or parties.
<b>E-Procurement</b>	E-Procurement refers to the integration of digital technologies in the replacement or redesign of paper-based procedures throughout the procurement process.
<b>Efficiency</b>	Achieving maximum output from a given level of resources used to carry out an activity (OECD Glossary of Statistical Terms).
<b>Effectiveness</b>	The extent to which the activities stated objectives have been met (OECD Glossary of Statistical Terms).
<b>Fiscal balance</b>	Fiscal balance, also referred to as net lending (+) or net borrowing (-) of general government, is calculated as total government revenues minus total government expenditures. The fiscal balance signals whether a government is either putting financial resources at the disposal of other sectors, or using the financial resources generated by other sectors. This is generally recorded in current prices, therefore also called “nominal fiscal balance”.
<b>Executive’s budget proposal</b>	The Executive’s Budget Proposal is a comprehensive document (or set of documents), developed by the CBA following discussions and negotiations with line ministries/agencies, specifying the government’s proposals for raising revenues and allocating resources in the forthcoming financial year. The budget proposal is submitted to the parliament for review and approval.
<b>Extra-budgetary funds</b>	Special funds owned by the Government, that are not part of the budget and that receive revenues from earmarked levies, possibly in addition to other sources such as fees and contributions from the general revenue fund.
<b>Federal state</b>	A country that has a constitutionally delineated division of political authority between one central and several regional or state autonomous governments.
<b>Fiscal Rule</b>	For purposes of this book, the OECD utilises a similar definition as the European Commission. A numerical fiscal rule refers to a permanent constraint on fiscal policy aggregates (e.g. in-year rules are excluded).
<b>Full-time equivalent (FTE)</b>	The number of full-time equivalent jobs, defined as total hours worked divided by average annual hours worked in full-time jobs (OECD Glossary of Statistical Terms).

<b>Gender</b>	Socially constructed and socially learned behaviours and expectations associated with females and males. All cultures interpret and elaborate the biological differences between women and men into a set of social expectations about what behaviours and activities are appropriate and what rights, resources, and power women and men possess. Like race, ethnicity, and class, gender is a social category that largely establishes one's life chances. It shapes one's participation in society and in the economy.
<b>General Employment Framework in the public service</b>	It usually concerns the employment conditions of most government employees, and certainly concerns most statutory employees. Casual employees, by this definition, are not employed under the General Employment Framework for government employees. Please note that in a number of countries, all employees, including those employed on a short term basis, are employed under the General Employment framework, with a few exceptions (few casual employees in those cases, if any).
<b>General government</b>	The general government sector consists of the following groups of resident institutional units: a) All units of central, state or local government; b) All non-market NPIs that are controlled by government units. c) The sector also includes social security funds, either as separate institutional units or as part of any or all of central, state or local government. The sector does not include public corporations, even when all the equity of such corporations is owned by government units. Nor does it include quasi-corporations that are owned and controlled by government units. However, unincorporated enterprises owned by government units that are not quasi-corporations remain integral parts of those units and, therefore, must be included in the general government sector (2008 System of National Accounts).
<b>Governance</b>	The exercise of political, economic and administrative authority.
<b>Grants/transfers</b>	Refer to payments from a government level to another, whether they are earmarked or general purpose, discretionary or mandatory.
<b>Green (good/service or works)</b>	Refers to a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured. A consultation document designed to stimulate discussion on a particular topic. Green papers invite interested parties (bodies or individuals) to participate in a consultation process and debate a subject and provide feedback on possible solutions. Green papers are intended to provide information for discussion and do not imply any commitment to any specific action.
<b>Green public procurement</b>	Is defined in the EU as "a process whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured".
<b>Golden Rule</b>	Golden rule is a variation of a balance rule, in which the government is only allowed to borrow to finance investments. The rationale underlying the golden rule is that investments represent future and not current consumption and have the potential to generate future growth.

<b>Gross domestic product (GDP)</b>	The standard measure of the value of the goods and services produced by a country during a period. Specifically, it is equal to the sum of the gross values added of all resident institutional units engaged in production (plus any taxes, and minus any subsidies, on products not included in the value of their outputs). The sum of the final uses of goods and services (all uses except intermediate consumption) measured in purchasers' prices, less the value of imports of goods and services, or the sum of primary incomes distributed by resident producer units (OECD Glossary of Statistical Terms).
<b>Independent Fiscal Institution (IFI)</b>	A publicly funded, independent body under the statutory authority of the executive or the legislature which provides non-partisan oversight and analysis of, and in some cases advice on, fiscal policy and performance. IFIs have a forward-looking ex ante diagnostic task (in contrast to public audit institutions which perform an equally indispensable ex post task).
<b>Indicator</b>	"... quantitative or qualitative measure derived from a series of observed facts that can reveal relative positions (e.g. of a country) in a given area. When evaluated at regular intervals, an indicator can point out the direction of change across different units and through time." (Nardo et al., 2005).
<b>Individual goods and services</b>	Goods and services that mainly benefit individuals. Examples include education, health and social insurance programmes.
<b>Innovative goods/services</b>	Those characterised by a new or significantly improved product, process. For an innovation to be considered as such, it needs to have been implemented, which is interpreted as having been introduced on the market.
<b>Input</b>	Units of labour, capital, goods and services used in the production of goods and services. "Taking the health service as an example, input is defined as the time of medical and non-medical staff, the drugs, the electricity and other inputs purchased, and the capital services from the equipment and buildings used." (Lequiller, 2005).
<b>Internal audit</b>	The internal audit function examines the adequacy and effectiveness of public sector organisations' internal control systems, procedures, governance arrangements, risk management processes, and performance of operations
<b>Investment spending</b>	Investment spending includes gross capital formation and acquisitions, less disposals of nonproduced nonfinancial assets. Gross fixed capital formation (also named as fixed investment) is the main component of investment consisting for government, mainly of transport infrastructure but also including infrastructure (e.g. office buildings, housing, schools, hospitals, etc).
<b>Labour force</b>	The labour force, or currently active population, comprises all persons who fulfil the requirements for inclusion among the employed or the unemployed during a specified brief reference period (OECD Glossary of Statistical Terms).
<b>Legislative footprint</b>	Legislative footprint refers to being able to re-construct, based on publicly available information, who have influenced a regulatory process (e.g. contributed to the draft of a law) and with what interest.
<b>Line item</b>	A line item is an appropriation that is itemised on a separate line in a budget. In public budgeting it refers to the lowest or most detailed level where a legislative approval of spending (i.e. an appropriation) is given in law. The lower the level, the more restrained the executive is regarding reallocating spending

<b>Mandatory Spending</b>	Public expenditure that is governed by formulas or criteria set forth in authorising legislation, rather than by periodic appropriations alone. It includes certain kinds of entitlement spending in many OECD countries.
<b>Medium-term expenditure framework</b>	A framework for integrating fiscal policy and budgeting over the medium-term (typically over a 3-5 year period). In general terms, this involves systematic linkages between (a) aggregate fiscal forecasting, (b) maintaining detailed medium-term budget estimates reflecting existing government policies, and (c) maintaining compliance with a normative fiscal framework. A key objective of an MTEF is to establish multi-year expenditure ceilings which are effective for the purposes of planning and prioritisation.
<b>Mid-year implementation report</b>	The mid-year implementation report is an analysis of the budget's effects provided about halfway through the budget year and provides a comprehensive update on the implementation of the budget. In addition to its use for budget oversight, the mid-year report can also yield useful insights which can inform the pre-budget deliberations for the following year.
<b>Middle management</b>	D3 and D4 levels (see Annex B). Immediately below senior management levels.
<b>Ministry or line ministry</b>	An organisation which forms part of the central core of the executive branch of government. A ministry is responsible for the design and implementation of an area or sector of public policy and administration (e.g. agriculture, education, economy, foreign affairs), in line with the government plan and strategy. A ministry is also responsible for the direction of agencies under its authority. In some countries, ministries are called "departments." Sub-national governments may also be organised into ministries. A ministry has a delegated budget to exercise its responsibilities, under the authority and direction of the finance ministry or equivalent organisation responsible for the budget in central government. The term line ministry designates the majority of ministries, which exercise delegated, sectoral powers. The finance ministry is not a line ministry
<b>Off-budget expenditure</b>	Off-budget funds are special funds owned by the government, that are not part of the budget and that receive revenues from earmarked levies, possibly next to other sources such as fees and contributions from the general tax fund. Earmarked levies are different from fees in that they do not reflect the market value of the services that are financed from the revenues. In particular they may be lower or higher in view of social considerations
<b>Open data</b>	Open data refers to digital data that are made available with the technical and legal characteristics necessary for it to be freely used, re-used and redistributed by anyone, anytime, anywhere
<b>Open Government Data centralized portal</b>	The Central/federal Open Government Data central portal (or "one stop shop" portal) corresponds to a single entry point to access government's data. Access to the data can be provided either directly on the portal or indirectly (redirected to the place where the data is located e.g.: to a ministry's website).
<b>Operational spending</b>	Operational spending incurs in carrying out an organisation's day-to day activities such as payroll, rent, office supplies and utilities.
<b>Outcome</b>	Refers to what is ultimately achieved by an activity. Outcomes reflect the intended or unintended results of government actions, but other factors outside of government actions are also implicated (OECD Glossary of Statistical Terms).

<b>Output</b>	In performance assessment in government, outputs are defined as the goods or services produced by government agencies (e.g. teaching hours delivered, welfare benefits assessed and paid) (OECD Glossary of Statistical Terms).
<b>Performance Information</b>	Performance information can be generated by both government and non governmental organisations, and can be both qualitative and quantitative. Performance information refers to metrics/indicators/general information on the inputs, processes, outputs and outcomes of government policies/programmes/organisations, and can be ultimately used to assess the effectiveness, cost effectiveness and efficiency of the same. Performance information can be found in statistics; the financial and/or operational accounts of government organisations; performance reports generated by government organisations; evaluations of policies, programmes or organisations; or Spending reviews, for instance.
<b>Primary fiscal balance</b>	The primary balance is the fiscal balance excluding net interest payments on general government liabilities (i.e. interest payments minus interest receipts).
<b>Primary legislation</b>	Regulations which must be approved by the parliament or congress. Also referred to as “principal legislation” or “primary law”
<b>Procurement (public)</b>	Public procurement is the purchase of goods and services by governments and state-owned enterprises. It encompasses a sequence of related activities starting with the assessment of needs through awards to contract management and final payment
<b>Productivity</b>	Productivity is commonly defined as a ratio of a volume measure of output to a volume measure of input use (OECD Statistical Glossary). Economists distinguish between total productivity, namely total output divided by change in (weighted) input(s) and marginal productivity, namely change in output divided by change in (weighted) input(s) (Coelli et al., 1999).
<b>Public infrastructure</b>	Facilities, structures, networks, systems, plants, property, equipment or physical assets and the enterprises that employ them, which provide public goods or goods that meet a politically mandated, fundamental need that the market is not able to provide on its own.
<b>Public sector</b>	The public sector includes general government and public corporations. Quasi-corporations owned by government units are grouped with corporations in the nonfinancial or financial corporate sectors, thus part of public corporations (2008 System of National Accounts).
<b>Public sector process</b>	Structures, procedures and management arrangements with a broad application within the public sector.
<b>Public services</b>	Services that are performed for the benefit of the public or its institutions. Public services are provided by government to its citizens, either directly (through the public sector) or by financing private provision of services. The term is associated with a social consensus that certain services should be available to all, regardless of income. Even where public services are neither publicly provided nor publicly financed, for social and political reasons they are usually subject to regulation going beyond that applying to most economic sectors.
<b>Reallocation</b>	Also referred to as Virement. A movement of funds from one account/line-item/programme to another, which can be limited by formal rules. To prevent misuse, Government organisations must normally seek authorisation to make such transfers.

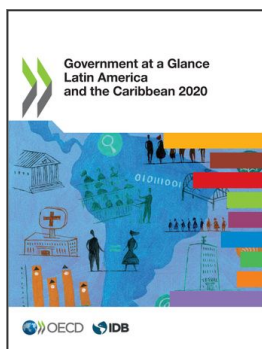
<b>Regulation</b>	The diverse set of instruments by which governments set requirements on enterprises and citizens. Regulation include all laws, formal and informal orders, subordinate rules, administrative formalities and rules issued by nongovernmental or self-regulatory bodies to whom governments have delegated regulatory powers.
<b>Responsible business conduct</b>	Responsible business conduct entails above all compliance with laws, such as those on respecting human rights, environmental protection, labour relations and financial accountability, even where these are poorly enforced. It also involves responding to societal expectations communicated by channels other than the law, e.g. inter-governmental organisations, within the workplace, by local communities and trade unions, or via the press. Private voluntary initiatives addressing this latter aspect of RBC are often referred to as corporate social responsibility (CSR).
<b>Reverse auction</b>	In an auction there is a single seller and many potential buyers bidding for the item being sold. A reverse auction, used for e-purchasing and generally using the internet (an e-auction), involves on the contrary one buyer and many sellers. The general idea is that the buyer specifies what they want to purchase and offers it to many suppliers.
<b>Secondary Policy Objectives</b>	Any of a variety of objectives such as sustainable green growth, the development of small and medium-sized enterprises, innovation, standards for responsible business conduct or broader industrial policy objectives, which governments increasingly pursue through use of procurement as a policy lever, in addition to the primary procurement objective.
<b>Secretarial positions</b>	This category includes staff working mainly on secretarial and administrative tasks, filing systems, meetings organisations, calendar organisations, outside enquiries, draft letters and memos, general office support. (see Annex B).
<b>Senior Managers</b>	D1 and D2 managers (see table B above). Alternatively referred to as Senior Civil Servants, Top Managers. Note that the word senior denotes rank, and is not a reference to age or seniority in terms of length of career or tenure. Senior managers can be younger and have fewer years of experience than middle managers if they are, in fact, their superior in terms of hierarchy.
<b>Sound fiscal policy</b>	Sound fiscal policy is one which avoids the build-up of large, unsustainable debts, and which uses favourable economic times to build up resilience and buffers against more difficult times, so that the needs of citizens and stakeholders can be addressed in an effective and enduring manner.
<b>Stakeholder engagement</b>	Refers to the process by which the government informs all interested parties of proposed changes in regulation and receives feedback. Storage (or memory) is in this context the capacity to save digital data. A recent trend in storage is the increasing use of virtualisation and cloud computing, allowing for optimisation of usage through remote storage solutions purchased as scalable services.
<b>Structural fiscal balance</b>	The structural fiscal balance represents the fiscal balance as reported in the SNA framework adjusted for the state of the economic cycle (as measured by the output gap) and non-structural elements beyond the economic cycle (e.g. one-off fiscal operations).



<b>Subordinate regulation</b>	Regulations that can be approved by the head of government, by an individual minister or by the cabinet – that is, by an authority other than the parliament/congress. Please note that many subordinate regulations are subject to disallowance by the parliament/congress. Subordinate regulations are also referred to as “secondary legislation” or “subordinate legislation” or “delegated legislation”.
<b>Supreme Audit Institution (SAI)</b>	A Supreme Audit Institution is a legally or constitutionally independent institution that receives its mandate from the legislature (Parliament). Its central role is to audit the implementation of the budget of the executive (the government) and to report to Parliament.
<b>System of National Accounts</b>	<p>The System of National Accounts (SNA) consists of a coherent, consistent and integrated set of macroeconomic accounts; balance sheets and tables based on a set of internationally agreed concepts, definitions, classifications and accounting rules. In 2009, the United Nations Statistical Commission endorsed a revised set of international standards for the compilation of national accounts: the 2008 System of National Accounts, replacing the 1993 version of the SNA. The 2008 SNA retains the basic theoretical framework of its predecessor. However, in line with the mandate of the United Nations Statistical Commission, the 2008 SNA introduces treatments for new aspects of economies that have come into prominence, elaborates on aspects that have increasingly become the focus of analytical attention and clarifies guidance on a wide range of issues. The changes in the 2008 SNA bring the accounts into line with developments in the economic environment, advances in methodological research and needs of users.</p> <p>At the European Union level, the European System of Accounts (ESA), 1995 was made consistent with the 1993 SNA. Its update called European System of Accounts, 2010 covers the recommendations and clarifications agreed at the international level for the 2008 SNA.</p>
<b>Technical support staff</b>	This category includes staff with mainly manual tasks, usually with a professional or vocational degree. (see Annex B).
<b>Total employment</b>	Total employment covers all persons engaged in productive activity that falls within the production boundary of the national accounts. The employed comprise all individuals who, during a specified brief period, were in the following categories: paid employment or self-employment.
<b>Trust</b>	Trust is broadly understood as holding a positive perception about the actions of an individual or an organisation. Trust gives us confidence that others will act as we might expect in a particular circumstances. While trust may be based on actual experience, in most cases trust is a subjective phenomenon, reflected in the eyes of the beholder.
<b>Unitary states</b>	Countries that do not have a constitutionally delineated division of political authority between one central and several regional or state autonomous governments. However, unitary states may have administrative divisions that include local and provincial or regional levels of government.
<b>Variable</b>	A characteristic of a unit being observed that may assume more than one of a set of values to which a numerical measure or a category from a classification can be assigned (e.g. income, age, weight, etc., and “occupation”, “industry”, “disease”, etc.) (OECD Glossary of Statistical Terms).

**Year-end report**

The year-end report is the government's key accountability document, both for reporting on actual budget execution during the year (budget execution reports) and for illustrating the situation of the government's accounts at the end of the fiscal year (financial statements); although both of these functions may also be handled in separate documents. The year-end report shows compliance with the level of revenue and expenditures authorised by Parliament in the budget. Any in-year adjustments to the original budget may also be shown. Additionally, the year-end report, or related documents, may include non-financial performance information, including a comparison of performance targets and actual results achieved where practicable. Finally, the year-end report often contains a comprehensive discussion of the government's financial assets and financial liabilities, non-financial assets, and employee pension obligations.



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