



Institute for Economic and Social Reforms

# Financial health of local governments in Slovakia

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INEKO Director

November 19, 2019

Kyiv, Ukraine

Seminar on transparency and financial health of local governments in Ukraine

# About INEKO

- Economic think-tank established in 1999
- Mission: Supporting transition to democracy and market economy in Slovakia
- Current projects:
  - Financial health of local governments
  - Results of primary and secondary schools
  - Quality and efficiency of hospitals
  - Feasibility of big transport infrastructure projects
  - Fostering democracy (independent institutions, civic education)
  - Transfer of reform know-how abroad: Ukraine, Moldova, Serbia, Macedonia
- Permanent staff: 7+
- Budget: EUR300,000+ (Slovak Aid, European Social Fund, European Commission, private donors)

# Financial health of LGAs

- Since 2012: INEKO portal computing financial health of all municipalities and regions:  
<http://www.hospodarenieobci.sk/>
- Data taken from the MoF Data Centre
- Major developments/impact:
  - Intensive public attention and pressure to govern finances of local Gvts responsibly
    - 168 thousand unique users, 2 million pageviews
    - Hundreds of media releases every year
  - New legal constraints (penalty, debt brakes, more strict rules on hidden debt)
  - Fiscal stabilization of local Gvts
- Major upgrade to be released in 2019

Zadajte názov obce, mesta alebo VÚC

Finančné zdravie a údaje o hospodárení za 138 miest,  
2786 obcí a 8 VÚC za roky 2006 - 2018

Viac informácií

## Najlepšie hospodáriace mestá

1

Svätý Jur ★★★★★ 6,0

2

Nové Mesto nad Váhom ★★★★★ 5,9

3

Dubnica nad Váhom ★★★★★ 5,9

4

Strážske ★★★★★ 5,9

5

Leopoldov ★★★★★ 5,9

Zobraziť celý rebríček

## Najhoršie hospodáriace mestá

1

Myjava ★★★★★ 2,9

⊕ Závazky aspoň 60 dní po splatnosti ⊖ Závazky po splatnosti k príjmom

2

Martin ★★★★★ 3,9

⊕ Dlhová služba ⊖ Závazky po splatnosti k príjmom

3

Svidník ★★★★★ 4,1

⊕ Celkový dlh ⊖ Závazky po splatnosti k príjmom

4

Senica ★★★★★ 4,2

⊕ Závazky aspoň 60 dní po splatnosti ⊖ Závazky po splatnosti k príjmom

5

Prešov ★★★★★ 4,2

⊕ Závazky aspoň 60 dní po splatnosti ⊖ Závazky po splatnosti k príjmom

Zobraziť celý rebríček

## Hospodárenie vyšších územnosprávnych celkov (VÚC)



Banskobystrický

★★★★★ 5,0



Bratislavský

★★★★★ 4,7



Košický

★★★★★ 4,5



Nitriansky

★★★★★ 5,1



Prešovský

★★★★★ 4,8



Trenčiansky

★★★★★ 5,0



Trnavský

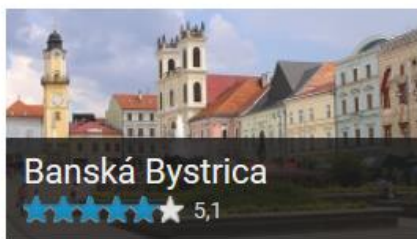
★★★★★ 4,9



Žilinský

★★★★★ 5,0

## Hospodárenie krajských miest



Banská Bystrica

★★★★★ 5,1



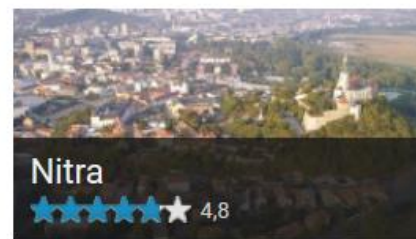
Bratislava (magistrát)

★★★★★ 4,4



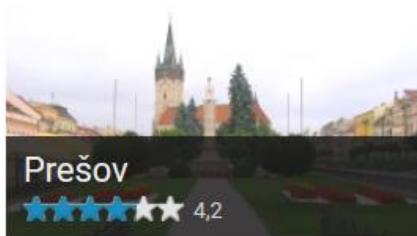
Košice (magistrát)

★★★★★ 4,8



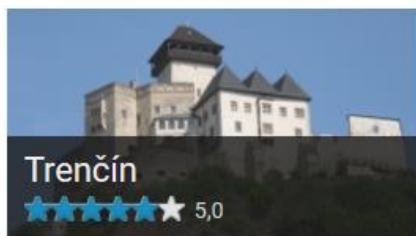
Nitra

★★★★★ 4,8



Prešov

★★★★★ 4,2



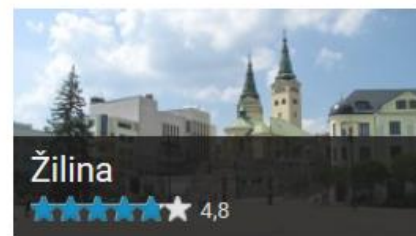
Trenčín

★★★★★ 5,0



Trnava

★★★★★ 5,4

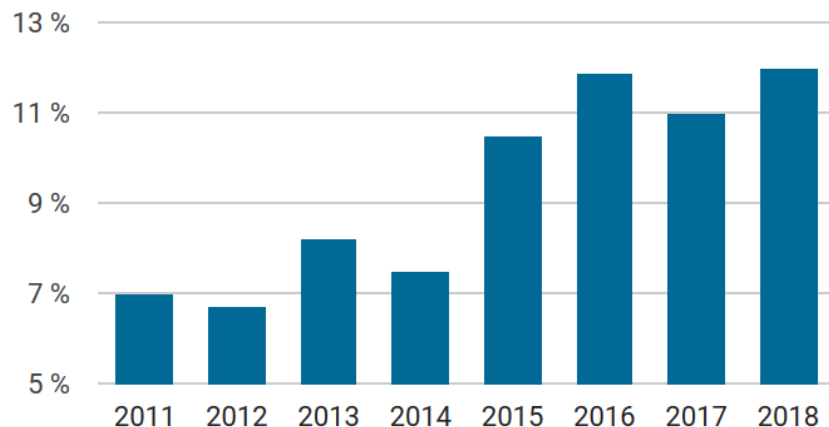


Žilina

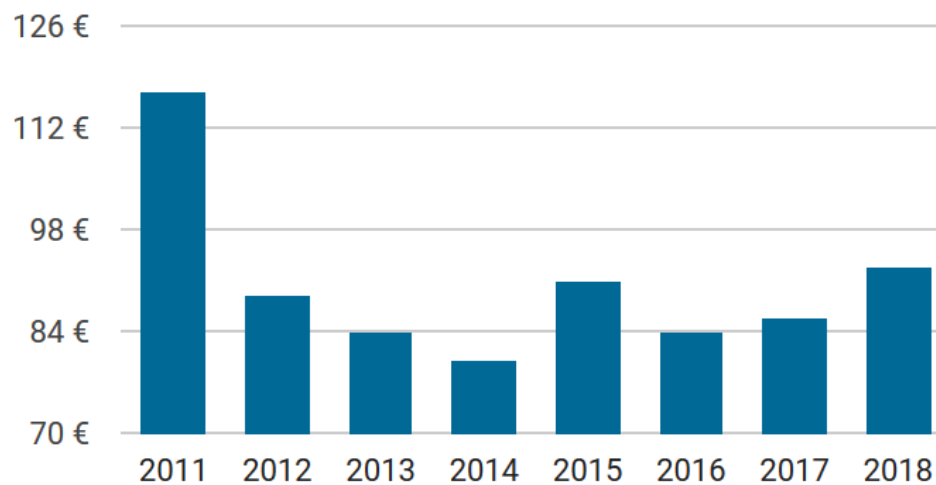
★★★★★ 4,8

# Hospodárenie za všetky samosprávy spolu

## Bilancia bežného účtu (% príjmov)



## Dlh na obyvateľa (€)




## Svätý Jur


2006 07 08 09 10 11 12 13 14 15 16 17 2018

### INEKO hodnotenie finančného zdravia (2015 - 2018)


#### Celkové finančné zdravie

**6,0 / 6****Výborné  
finančné zdravie **


#### Zložky finančného zdravia

Celkový dlh 


6,0

Dlhová služba 


6,0

Bilancia bežného účtu 

6,0

Závazky po splatnosti k príjmom 

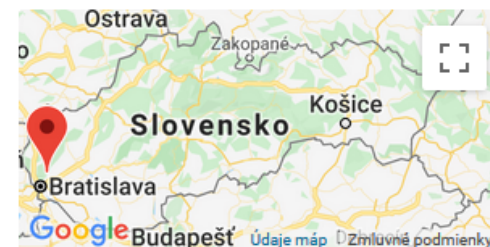
6,0

Závazky aspoň 60 dní po splatnosti 

6,0

### Základné údaje

Štatút: mesto  
Počet obyvateľov: 5 523  
Okres: Pezinok  
Kraj: Bratislavský  
E-mail: msu@svatyjur.sk



## Indikátory

### Hlavné indikátory (2018)

			priemer samospráv SR
 Celkový dlh	0,0 %	★★★★★	19,2 %
 Dlhová služba	0,0 %	★★★★★	5,6 %
 Bilancia bežného účtu	24,3 %	★★★★★	12,0 %
 Závazky po splatnosti k príjmom	0,0 %	★★★★★	0,5 %
 Závazky aspoň 60 dní po splatnosti	0,0 %	★★★★★	0,3 %

### Hodnotenie obyvateľmi

Hodnotenie spokojnosti so správou mesta Svätý Jur

Aby ste mohli hodnotiť spokojnosť so správou Vašej samosprávy, musíte sa najprv [prihlásiť](#). Pokiaľ ešte nemáte vytvorený účet, musíte sa najprv [zaregistrovať](#).

### Objekty

Cesty




Úvod

Údaje o hospodárení

Nástroje







Viac o projekte

 Odporučiť 604


## Samosprávy

- ☐ VÚC
- ☒ mestá
- ☐ obce

## Finančné zdravie

- ☒ Celkové finančné zdravie 
- ☒ Celkový dlh 
- ☒ Dlhová služba 
- ☒ Bilancia bežného účtu 
- ☒ Závazky po splatnosti k príjmom 
- ☒ Závazky aspoň 60 dní po splatnosti 

## Rok

2018 

## Ďalšie nastavenia rebríčka

Ďalšie ukazovatele o hospodárení

Špecifický výber okresov a krajov

- ☒ Ukotviť tento panel

samospráva

		Celkové finančné zdravie	Celkový dlh	Dlhová služba	Bilancia bežného účtu	Závazky po splatnosti k príjmom	Závazky aspoň 60 dní po splatnosti
1	<b>Svätý Jur</b> okres Pezinok, kraj: BA	★★★★★★	★★★★★★	★★★★★★	★★★★★★	★★★★★★	★★★★★★
2	<b>Nové Mesto nad Váhom</b> Trenčiansky kraj	★★★★★★	★★★★★★	★★★★★	★★★★★★	★★★★★★	★★★★★★
3	<b>Dubnica nad Váhom</b> okres Ilava, kraj: TN	★★★★★★	★★★★★★	★★★★★	★★★★★★	★★★★★★	★★★★★★
4	<b>Strážske</b> okres Michalovce, kraj: KE	★★★★★★	★★★★★★	★★★★★	★★★★★★	★★★★★★	★★★★★★
5	<b>Leopoldov</b> okres Hlohovec, kraj: TT	★★★★★★	★★★★★★	★★★★★	★★★★★★	★★★★★★	★★★★★★
6	<b>Tvrdošín</b> Žilinský kraj	★★★★★★	★★★★★★	★★★★★	★★★★★	★★★★★★	★★★★★★
7	<b>Sládkovičovo</b> okres Galanta, kraj: TT	★★★★★★	★★★★★★	★★★★★	★★★★★	★★★★★★	★★★★★★
8	<b>Námestovo</b> Žilinský kraj	★★★★★★	★★★★★★	★★★★★	★★★★★	★★★★★★	★★★★★
9	<b>Nemšová</b> okres Trenčín, kraj: TN	★★★★★★	★★★★★★	★★★★★	★★★★★	★★★★★★	★★★★★★
10	<b>Rajecké Teplice</b> okres Žilina, kraj: ZA	★★★★★★	★★★★★★	★★★★★	★★★★★	★★★★★★	★★★★★★



# Financial health indicators

Indicators entering final rating	Weight
Overall debt over current revenues	30%
Debt service (interest plus principle) over current revenues	10%
Current account balance over current revenues	30%
Overdue liabilities over current revenues	15%
Liabilities overdue at least 60 days over current revenues	15%

- All indicators are transformed to the scale  $\{0, 6\}$
- Overall debt is computed based on data from the most recent year
- Other four indicators are computed based on data from the 4 most recent years with following weights:
  - Year  $t$ : 4
  - Year  $t-1$ : 3
  - Year  $t-2$ : 2
  - Year  $t-3$ : 1

# Underlying data

To calculate financial health	Other
Current account revenues	Capital account revenues
Current account expenditures	Capital account expenditures
Debt service – principal	Short-term receivables
Debt service – interest	Financial assets (e.g. cash, bank deposits)
Long-term liabilities	Short-term liabilities
Bank loans	Profit/Loss
Loans from the state/EU	Immovable assets
Overdue liabilities	Number of citizens
Liabilities overdue at least 60 days	

**Thank you for your attention!**

<http://www.hospodarenieobci.sk/>

# Project in Moldova

- Portal launched in 2016: <http://localbudgets.viitorul.org/>
- Financial data of all municipalities and regions
- Data taken from the MoF, complete data available thanks to the World Bank BOOST project
- Project funded by: Slovak Aid, US Embassy, NED
- Implemented by INEKO and IDIS Viitorul
- Impact:
  - Disclosure of political clientelism
  - MD MoF displayed the portal banner on its webpage
  - Investigative articles

# Budget transparency of towns, villages and districts in Moldova

More than 950 000 values for more than 930 municipalities



## Rankings

Which towns and cities care about their budget the most? What is the structure of their budget expenditure? You can find the answers to your questions with the help of your own chart.

[CREATE OWN RANKING](#)

## Profiles

Besides the information on structure of the budget, the profile enables you to see a timeline that shows whether the mayor is doing a good job or not.

[SELECT PROFILE](#)

## Comparison

Compare the economy of several cities or villages or compare the economy of your municipality with district or country average

[COMPARE MUNICIPALITIES](#)

## Map

How do the towns near you manage their budget? Find them on the map to see all about their budget and other available information in a transparent way.

[SHOW MAP](#)

2007 08 09 10 11 12 13 14 15 16 2017

DOWNLOAD

## Columns

- x Executed revenues
- x Executed expenditures
- x Total balance
- x Number of inhabitants

ADD NEW

## Area

- x Moldova

ADD NEW

## Type

- x Mayoralty of the city

ADD NEW

	Name	Total balance	Executed expenditures	Executed revenues	Number of inhabitants
1	Mayoralty of municipality of Chisinau	3.3 %	3,316,389,888	3,427,114,496	469,402
2	Mayoralty of the municipality of Balti	-0.7 %	467,186,080	463,794,720	97,930
3	Mayoralty of the city of Ungheni	1.2 %	76,106,528	77,026,392	30,804
4	Mayoralty of the city of Cahul	-2.4 %	82,777,992	80,774,728	30,018
5	Mayoralty of the city of Soroca	0.4 %	49,116,632	49,291,212	22,196
6	Mayoralty of the city of Orhei	8.3 %	54,458,912	58,969,860	21,065
7	Mayoralty of municipality of Comrat	-54.9 %	77,997,424	35,141,224	20,113
8	Mayoralty of the city of Straseni	5.3 %	39,541,516	41,648,460	18,376
9	Mayoralty of the city of Durl esti	-2.2 %	36,591,928	35,789,508	17,210
10	Mayoralty of the city of Causeni	4.8 %	30,096,056	31,542,818	15,939
11	Mayoralty of the city of Codru	-10.5 %	30,059,916	26,912,212	15,934
12	Mayoralty of the city of Edinet	13.4 %	34,786,048	39,451,276	15,520
13	Mayoralty of the city of Ialoveni	2.7 %	34,083,972	34,996,500	12,515

AREA [MOLDOVA](#) > [REGION CHISINAU](#)STATUS [ALL](#) > [MAYORALTY OF THE CITY](#)[Switch to another site](#)

# Mayorality of municipality of Chisinau

[SHOW MORE](#)[2007](#) [08](#) [09](#) [10](#) [11](#) [12](#) [13](#) [14](#) [15](#) [16](#) [2017](#)[DOWNLOAD](#)[COMPARE WITH AVERAGE](#)[ADD TO COMPARISON](#)

## Overall governance transparency

**C+**

on the scale from F to A+

### Budget indicators

#### Main indicators

	Value
 Total balance	3.3 %
 Share of own revenues in the total revenues	6.3 %
 Share of property revenues in the total revenues	5.9 %
 Ratio of approved to executed revenues	97.9 %
 Ratio of approved to executed expenditures	111.8 %

#### Indicators per inhabitant

Value (lei)

 Total revenue per inhabitant	7,301
 Total expenditure per inhabitant	7,065

# Budget data

## Expenditures

Value (lei)

Approved expenditures	3,709,329,920
Executed expenditures	3,316,389,888

## Revenues

Value (lei)

Approved revenues	3,356,684,544
Executed revenues	3,427,114,496

# Expenditures structure

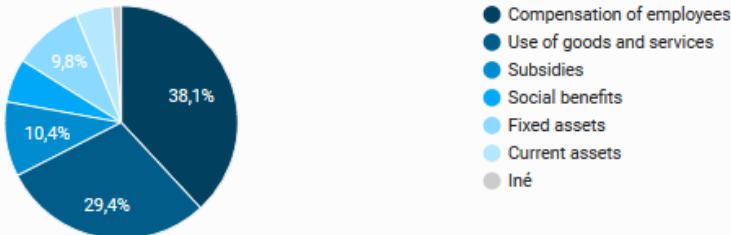
## By functional classification

SHOW DETAILED DATA



## By economic classification

SHOW DETAILED DATA



## By organizational classification

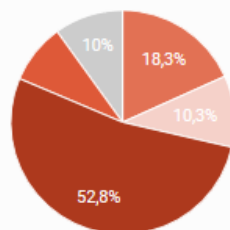
SHOW DETAILED DATA



# Expenditures structure

By functional classification

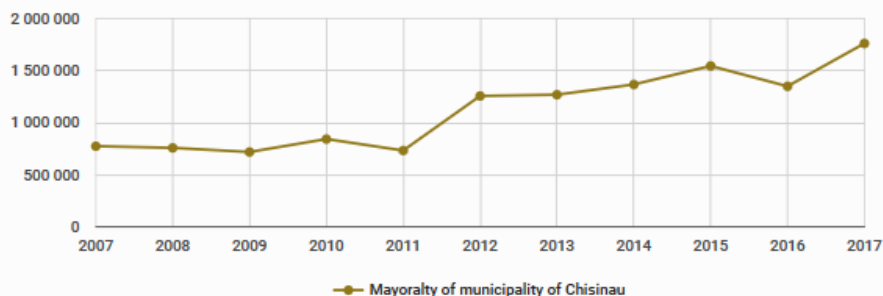
HIDE DETAILED DATA



- Services in the field of economy
- Dwelling Household and Communal Services Household
- Education
- Social protection
- Iné

Value (lei)

	<b>General government services</b>	<b>95,703,152</b>
	Legislative and executive authorities, budget-fiscal services, foreign affairs	68,507,712
	Legislative and executive authorities	59,589,468
	Budget-tax services	8,918,241
	Government services with general destination not allocated to other groups	-206,711
	Other state services with general destination	-206,711
	Debt service	27,402,152
	Internal debt service	6,941,550
	External debt service	20,460,602
	<b>National Defense</b>	<b>1,760,090</b>

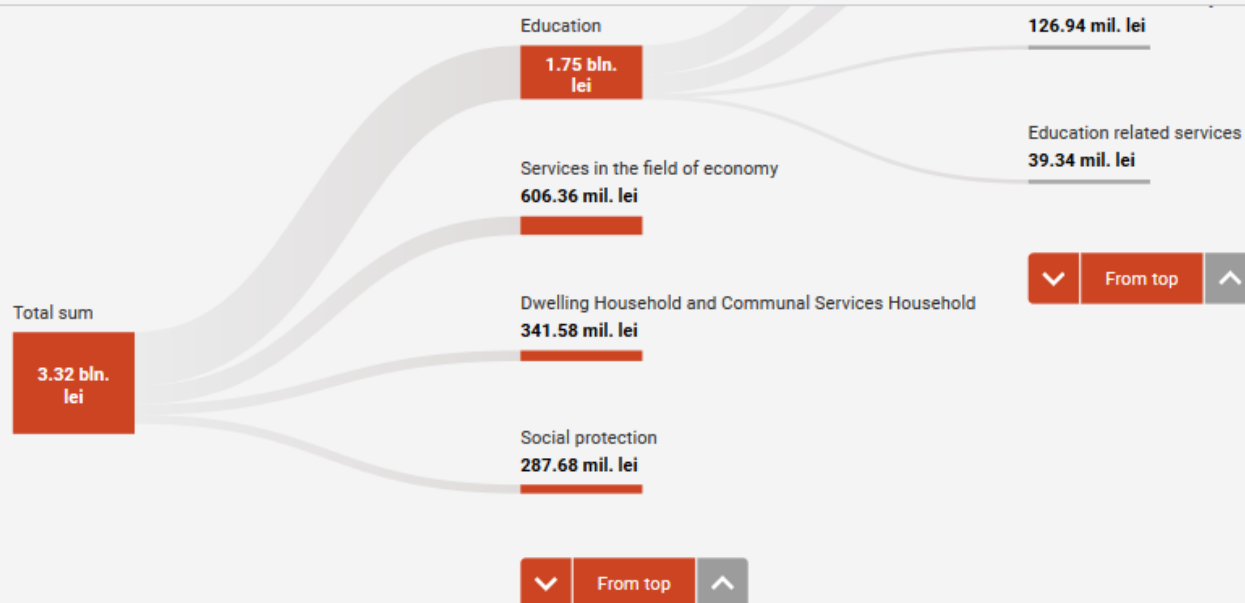


	Other defense services not assigned to other groups	1,760,090
	Other services in the field of national defense	1,760,090
	<b>Services in the field of economy</b>	<b>606,355,200</b>

## Structure of executed budget

**Revenues****Expenditures**

Display by:

☒ Functional classification

In cooperation with  
**THE BUDGET SPECIALISTS .eu**

2007 08 09 10 11 12 13 14 15 16 2017

ADD TO COMPARISON

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Mayorality of the city, Region  
Chisinau

REMOVE

CHANGE

Mayorality of the municipality of  
Balti

REMOVE

CHANGE

Mayorality of the city of Cahul

REMOVE

CHANGE

## Overall governance transparency

D

A+

B

### Budget indicators

#### Main indicators

	Average	Value	Value
Total balance	3.5 %	-0.7 %	-2.4 %
Share of own revenues in the total revenues	6.3 %	8.6 %	18.1 %
Share of property revenues in the total revenues	6.0 %	2.9 %	5.8 %
Ratio of approved to executed revenues	97.3 %	92.8 %	85.9 %
Ratio of approved to executed expenditures	110.9 %	92.3 %	83.8 %

#### Indicators per inhabitant

	Average (lei)	Value (lei)	Value (lei)
Total revenue per inhabitant	6,695	4,736	2,691
Total expenditure per inhabitant	6,471	4,771	2,758

### Budget data

#### Expenditures

	Total sum (lei)	Value (lei)	Value (lei)
Approved expenditures	3,816,256,320	431,344,992	69,401,904
Executed expenditures	3,441,926,282	467,186,080	82,777,992

#### Revenues

	Total sum (lei)	Value (lei)	Value (lei)
Approved revenues	3,463,610,944	430,344,992	69,401,904
Executed revenues	3,561,086,148	463,794,720	80,774,728