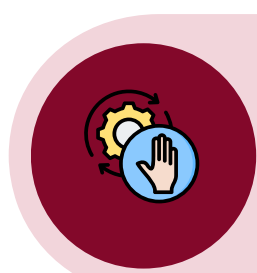


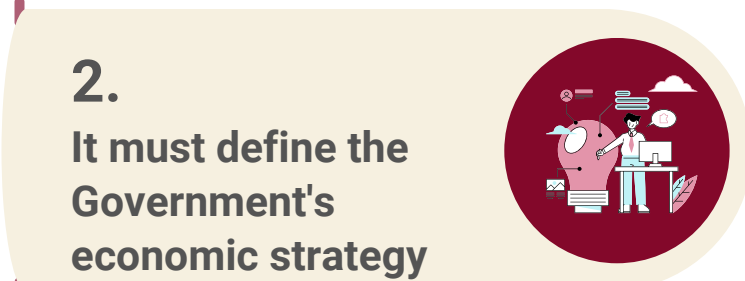
The IMF Transparency Manual and other **IMF** documents define best practices for the preparation of medium-term fiscal plans.



1.
It should be integrated into budgetary planning

- It should be the **first milestone** in budgetary planning
- It should have a **sound legal framework** for its preparation
- It should define an **expenditure path** consistent with the fiscal rules
- The participation of the **IFIs** in the process is essential

The **Government's economic strategy** is understood as the set of main targets to be achieved in terms of the economy's performance and the **instruments** to achieve them.



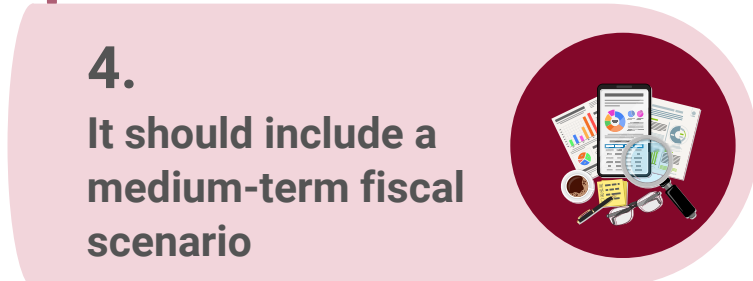
2.
It must define the Government's economic strategy



3.
It must include a complete macroeconomic scenario

- The **fiscal projections** that form part of the strategy should be based on this macroeconomic scenario
- The **exogenous assumptions** should include the most relevant **variables** for the preparation of the plan
- They should be **consistent with the fiscal scenario**: one scenario at constant policies and another with measures needed

- Describing the **starting point**
- Establish fiscal **policy guidelines and strategies** that fit with fiscal rules
- Reflecting **revenue and expenditure projections** at constant policies and with measures, specifying their impact, sectoral breakdowns and items
- Including a **reconciliation of projections**



4.
It should include a medium-term fiscal scenario



5.
It should project and analyse debt dynamics

- The projection should be **consistent** with the macroeconomic forecasts and the fiscal scenario
- It should incorporate **sensitivity and scenario analysis** and fan charts
- It should include a study of the effect of long-term factors such as **demographics and pensions** on public finances

- Some risks may be significant and **compromise the fiscal strategy**



6.
It should include an analysis of fiscal risks