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Treasury Single Account Coverage in PEMPAL Countries: 2025 Thematic Survey Results

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Abbreviations and Acronyms

EBF	Extrabudgetary Fund
ECA	Europe and Central Asia
GFSM	Government Finance Statistics Manual
IFI	International Financial Institution
IFMIS	Integrated Financial Management Information System
MDA	Ministries, departments, agencies
PEFA	Public Expenditure and Financial Accountability
PEMPAL	Public Expenditure Management Peer Assisted Learning
PFM	Public Finance Management
PIU	Project Implementation Unit
SOE	State-owned enterprise
TCOP	Treasury Community of Practice
TSA	Treasury Single Account



Introduction & Acknowledgements

Treasury single account (TSA) is “a bank account or a set of linked bank accounts through which the government transacts all its receipts and payments and gets a consolidated view of its cash position” (Yaker & Pattanayak, 2011). TSA is a prerequisite for modern cash management and an essential foundation for financial management information system (FMIS) deployment (Kachur & Fernandez, 2026). It is also an effective tool for establishing centralized oversight and control over the government’s cash resources. Consolidating government cash on the TSA provides a basis for improving public finance management, strengthening budget control and monitoring, and has positive implications for cash management effectiveness. Recent research has demonstrated the positive effects of the TSA on the ability of treasuries to reduce borrowing costs in OECD countries (Çınar et al., 2022).

While the importance of TSA is broadly acknowledged, country practices of TSA coverage vary. In OECD, TSA typically covers central government entities, though some countries, including Germany, Hungary, France, Italy, Ireland, Portugal, Switzerland, and the United Kingdom, have broader coverage (OECD, 2025). While the potential optimal scope of TSA includes the whole

general government as defined in (IMF, 2014), for various reasons, countries often have more limited TSA coverage (PEMPAL, 2024).

Due to the benefits of government cash consolidation, the interest in expanding TSA coverage has been among the key treasury reform priorities in Europe and Central Asian countries and, therefore, has been high on the agenda of the PEMPAL¹ Treasury Community of Practice (TCOP).² As of 2025, almost all PEMPAL member countries have established a TSA,³ and the TCOP TSA and Cash Management Survey conducted in 2021 showed significant progress in expanding TSA coverage since the survey in 2016 (PEMPAL, 2021). However, the discussions at several recent TCOP events have demonstrated that the issue of TSA coverage remains an important priority for further treasury modernization.⁴ Moreover, now that tax and non-tax receipts of central governments are fully covered by the TSA, further reforms may prove more challenging and necessitate a more nuanced approach tailored to each country’s specific context (Silins et al., 2025).

This note was prepared at the request of the TCOP Executive Committee. It aims to inform further

¹ Public Expenditure Management Peer Assisted Learning (PEMPAL) network supports knowledge exchange among public finance professionals across the ECA countries. PEMPAL is organized around three thematic communities of practice (COPs) focusing on budget, treasury, and internal audit issues. More information about PEMPAL can be found at www.pempal.org.

² Treasury Community of Practice (TCOP) includes officials from the central government agencies responsible for government budget execution and monitoring (predominantly national treasuries and ministries of finance). TCOP supports member countries in implementing PFM reforms in the area of budget execution that address their development priorities and are aligned with relevant international standards and good practices through TCOP activities and knowledge products and strengthens national treasuries’ staff capacities. More information about TCOP is available at: <https://www.pempal.org/tcop>.

³ All PEMPAL member countries, except for Turkmenistan.

⁴ See, for instance, event reports from the 2024 TCOP Plenary meeting in Belgrade (June 2024), available at: <https://www.pempal.org/events/pempal-tcop-plenary-meeting-2024>; TCOP VC on Optimal TSA Coverage (September 2024), available at: <https://www.pempal.org/events/tcop-thematic-group-cash-management-and-cash-forecasting>; TCOP Thematic Event in Tirana on Strengthening and Measuring Treasury Performance in Cash Management and Forecasting (November 2024), available at: <https://www.pempal.org/events/pempal-tcop-thematic-meeting>; TCOP Extended Study Visit to Georgia (May 2025), available at: <https://www.pempal.org/events/tcop-extended-study-visit-georgia>; and the 2025 TCOP Plenary in Tashkent (October 2025), available at: <https://www.pempal.org/events/pempal-tcop-plenary-meeting-2025>.

efforts on establishing optimal coverage of the TSA in the region by providing an update to the 2021 TSA and Cash Management Survey (PEMPAL, 2021) and summarizing additional data on the issue. The note is based on the brief survey on the TSA coverage conducted in September – November 2025 among PEMPAL member countries. Seventeen countries responded to the survey.⁵ Discussions at the recent TCOP events have also provided a useful framework for the preparation of the note.

The note was prepared by the World Bank resource team working with TCOP and led by Fabienne Mroczka. Elena Dobrolyubova, TCOP resource team member, is the main author of the note. The note has benefited from the comments received from Roman Kachur, Senior Public Sector Specialist, Governance Global Practice, World Bank, and Mark Silins, TCOP lead thematic advisor. The team would like to extend its deep gratitude to all TCOP members for contributing to the survey and providing additional information during the preparation of this note.

⁵ The survey questionnaire was sent to all PEMPAL TCOP member countries. Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Croatia, Georgia, Hungary, Kazakhstan, Kyrgyz Republic, Moldova, Montenegro, North Macedonia, Romania, Serbia, Tajikistan, Türkiye, and Uzbekistan responded to the survey. Bulgaria, Kosovo, Ukraine, and Turkmenistan did not respond to the survey. For survey methodology please refer to Annex 1.



Consolidating Flows to the TSA

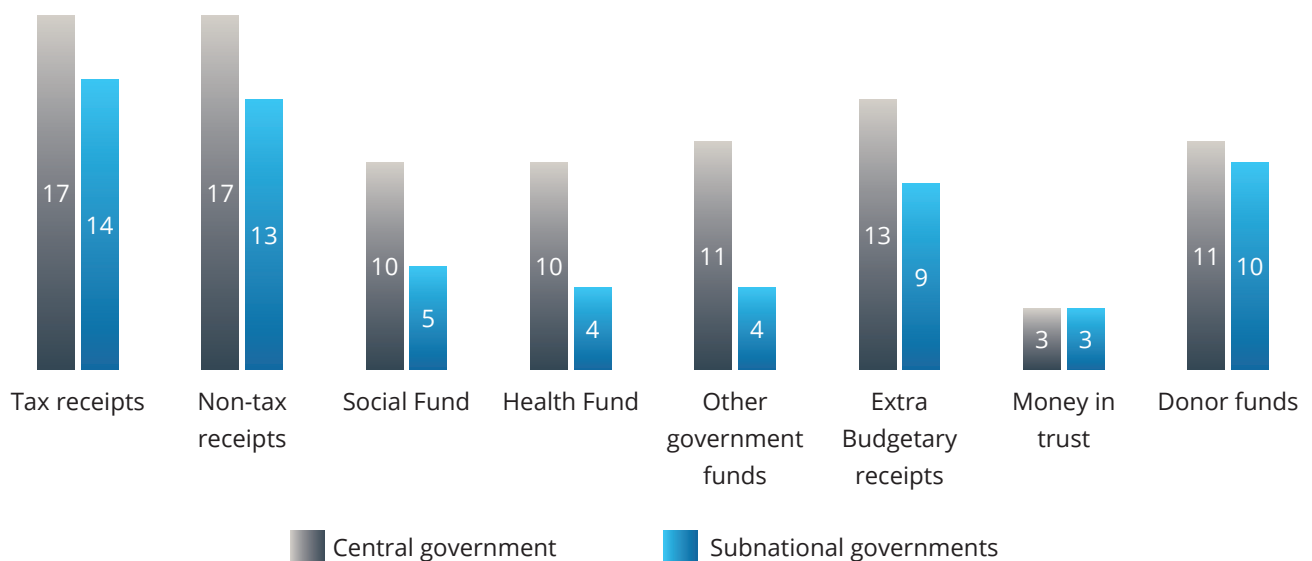
The survey demonstrates that most revenue flows in PEMPAL countries are consolidated in the TSA. Thus, all PEMPAL countries that have responded to the survey consolidate central government tax and non-tax revenue on the TSA. Fourteen out of 17 countries also consolidate subnational governments' tax revenue (**Figure 1**). The exceptions include Hungary, Montenegro, and Türkiye. Thirteen out of 17 countries also report consolidating subnational governments' non-tax revenue on the TSA.⁶

Thirteen out of seventeen PEMPAL countries also consolidate extrabudgetary receipts (special means

of budget entities)⁷ on the TSA. Exceptions include Albania, Bosnia and Herzegovina, North Macedonia, and Serbia. Nine PEMPAL countries also report consolidating extrabudgetary receipts of subnational governments.

At the national level, most PEMPAL countries also consolidate receipts of the Social, Health, and other extrabudgetary funds on the TSA. Eleven out of seventeen PEMPAL countries also consolidate the flows of donor funds on TSA. In Albania, Türkiye, and Uzbekistan, such consolidation is partial. Thus, in Albania, donor-specific loans are consolidated on

Figure 1. Flows into TSA in PEMPAL Countries in 2025 (number of countries)



Source: Brief Survey on TSA Coverage

⁶ The exceptions are Bosnia and Herzegovina, Hungary, Montenegro, and Türkiye.

⁷ These revenues are generally collections by budget entities (including MDAs and spending units) where the law allows the entity to retain the revenues and separately from other budgetary funds and to utilize the funds to supplement budgetary spending.

the TSA, but some donor specific-purpose grants are outside the TSA system. However, starting from July 2024, all new projects financed from donors are required to be implemented through TSA, unless

relevant agreements provide otherwise. In Uzbekistan, donor loans and grants are partially routed through TSA, and a draft law is being developed to ensure the full coverage of donor funds by the TSA (**Table 1**).

Table 1. Flows into the TSA by Country

Country	Taxes	Non-tax receipts	Social Fund	Health Fund	Other Govt Funds	Extrabudg. receipts/ special means	Money in trust	Donor funds	Other flows	SNG taxes	SNG non-tax receipts
Albania	Y	Y	Part	Part	N	N	..	Part	..	Y	Y
Armenia	Y	Y	n/a	n/a	Part.	Y	n/a	Y	Y	Y	Y
Azerbaijan	Y	Y	Y	Y	Y	Y	..	N	..	Y	Y
BiH	Y	Y	Part.	Part.	Part.	N	N	N	..	Y	N
Croatia	Y	Y	n/a*	N	n/a	Y	Y	Y	Y	Y**	Y**
Georgia	Y	Y	n/a	n/a	n/a	Y	N	Y	N	Y	Y
Hungary	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N
Kazakhstan	Y	Y	N	N	Y	Y	N	Y	N	Y	Y
Kyrgyz Republic	Y	Y	Y	Y	N	Y	N	N	..	Y	Y
Moldova	Y	Y	Y	Y	Y	Y	-	Y	..	Y	Y
Montenegro	Y	Y	Y	Y	Y	Y	N	Y	..	N	N
North Macedonia	Y	Y	Y	Y	Y	N	N	Y	N	Y	Y
Romania	Y	Y	Y	Y	Y	Y		Y	..	Y	Y
Serbia	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y
Tajikistan	Y	Y	N	N	Y	Y	N	Y		Y	Y
Türkiye	Y	Y	Y	Y	Y	Y	N	Part.	..	N	N
Uzbekistan	Y	Y	Y	Y	Y	Y	..	Part.	..	Y	Y

Note: Y – yes, N – no, Part. – partially, n/a – this type of institution does not exist in the country, .. – no response provided.

* There is no Social Fund in Croatia. The Pension Insurance Fund in Croatia is included in the TSA.

** These flows are consolidated on the local budget TSAs opened in credit institutions.

Source: Brief Survey on TSA Coverage

The least consolidated type of flows into TSA includes money held in trust, which is money controlled but not owned by the government. This receipt type is consolidated on the TSA only in Croatia, Hungary, and Serbia.

Three countries also reported other types of flows to the TSA. In Armenia, these include funds for tender application security and contract enforcement funds provided by public procurement vendors. In Croatia and Serbia, these include the borrowing proceeds (funds received after placement of treasury bonds and bills). In addition, Serbia noted other types of receipts, such as revenues generated by the use of public funds and self-contributions.

The data demonstrates that consolidating cash flows on the TSA depends on constitutional arrangements and decentralization levels. Thus, in the only non-unitary country in the sample, Bosnia and Herzegovina, cash consolidation is limited by a multi-tier TSA system with the country's entities (Federation of Bosnia and Herzegovina, Republic of Srpska, and Brčko District) operating their own TSAs. A two-tier TSA system is also operational in Croatia, where state tax and non-tax revenues flow into the TSA managed by the Ministry of Finance, while local tax and non-tax revenues flow into the local level TSAs managed by local governments (Mihaljević, 2024). While the available data on the level of decentralization in PEMPAL countries is limited,⁸ on average, PEMPAL countries that do not consolidate tax and/or non-tax receipts of subnational governments on the national-level TSA have higher regional authority index (12.5), compared to the countries that consolidate such receipts on the TSA (5.9).⁹

It should also be noted that the size of public sector and share of government expenditure in GDP vary significantly among PEMPAL countries. Thus, in 2024, general government expenditure varied from only 20.7 percent in Kazakhstan and below 30 percent in Albania, Armenia, Tajikistan and Uzbekistan to 48

percent in Croatia and 46.9 percent in Hungary (IMF, 2025). The estimated share of the public sector in paid employment among the countries that responded to the survey varies even greater, from 18 percent in Romania to 59 percent in Montenegro (World Bank, 2023).¹⁰

The institutional arrangements also differ, and not all respondent countries have all types of institutions mentioned in the survey. For instance, there are no Social and Health funds in Armenia and Georgia, respective functions are funded directly through the national budget, and no additional efforts on cash consolidation are needed. Croatia and Georgia reported having no other extrabudgetary funds (i.e., road funds, agriculture funds, etc.). In other countries, such as Kazakhstan and Tajikistan, Social and Health funds exist, but their receipts are not consolidated into the TSA. In Croatia, since 2014, the Health Insurance Fund has been excluded from the TSA and currently has its own accounts in the National Bank. However, the Pension Insurance Fund is considered an extrabudgetary spending unit within the TSA. Albania and Bosnia and Herzegovina reported the partial flow of extrabudgetary funds' receipts to TSA. For instance, in Albania, the receipts of the Social Insurance and Healthcare Insurance Institutes flow to TSA through the tax authority that acts as a fiscal agent for the collection of social and healthcare contributions, with some funds flowing directly to the bank accounts of these institutions in the commercial banks (outside the TSA).

Overall, the data suggests that most PEMPAL countries consolidate major revenue flows on the TSA. However, this extensive consolidation does not always mean that the inflows into the TSA are kept in the TSA for final government expenditures, and that all consolidated funds are available for cash management purposes. The analysis of funds kept in the TSA by institution type presented in the following chapter provides further details on this matter.

⁸ For instance, most PEMPAL countries are not covered by the OECD Fiscal Decentralization database listed among the most notable approaches to measuring decentralization (Saito, 2024).

⁹ Regional authority index averages were estimated as simple averages of country RAI based on the latest available data for 2018 (Shair-Rozenfield et al, 2021). The data is available only for nine PEMPAL countries that responded to this survey, five countries that do not consolidate tax and/or non-tax receipts of subnational governments at the national level TSA (Bosnia and Herzegovina, Croatia, Hungary, Montenegro, Türkiye), and four countries that consolidate these flows on the TSA (Albania, North Macedonia, Romania, and Serbia).

¹⁰ For available data on other countries see Annex 2.



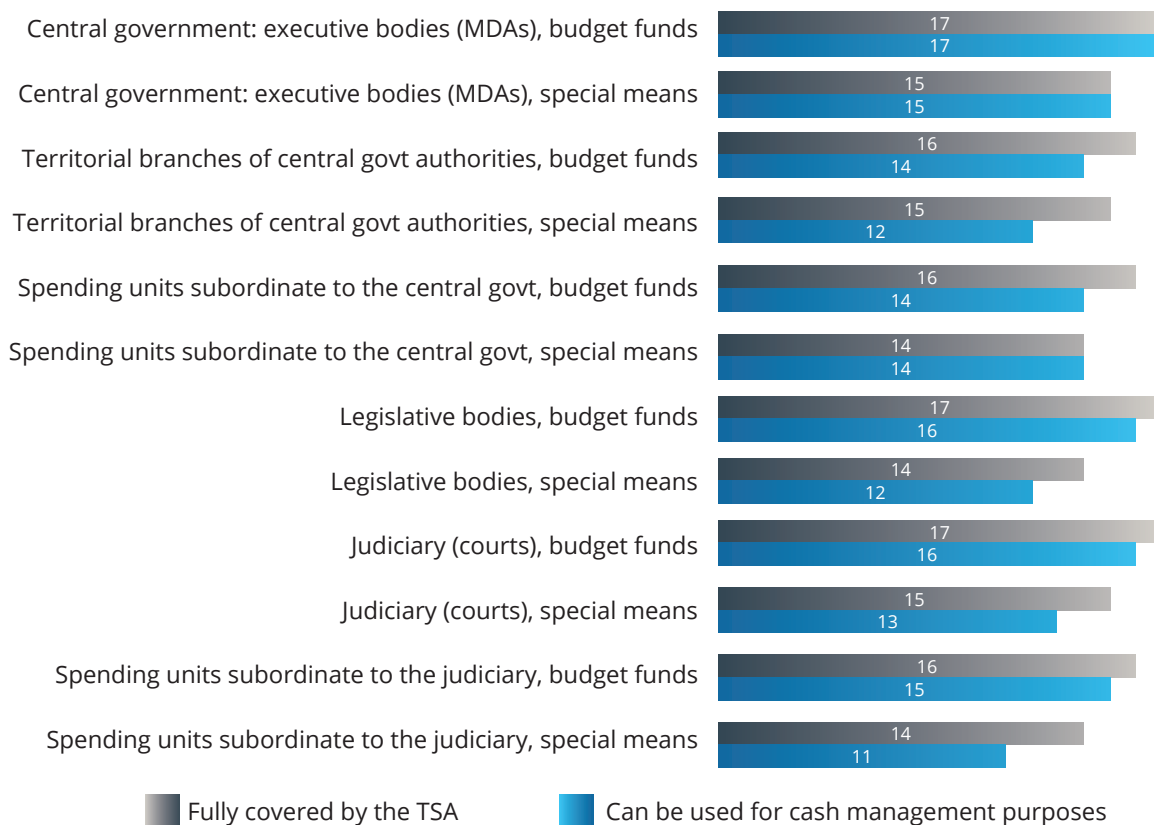
TSA Coverage and Fungibility: Institutional Breakdown

2.1. Central Government Level

Though the degree of cash consolidation in PEMPAL countries is very high, the recent discussions at TCOP meetings demonstrated that ensuring full fungibility of funds remains an important priority for the future (Silins et al., 2025). Delving into the issue calls for examining the institutional breakdown of the TSA coverage.

The survey data suggests that in all PEMPAL countries, budget funds of the central government (including the executive, legislative, and the judiciary, along with all deconcentrated entities) are kept on the TSA. **Figure 2** shows that most central government funds are fungible, with some cash balances subject to restrictions in a few countries.

Figure 2. TSA Coverage and Fungibility of Cash Balances at the Central Government Level in PEMPAL Countries (number of countries)



Cash balances of the budget funds of the legislative and the judiciary are not fungible in Tajikistan. Similarly, cash balances of the budget funds of territorial branches of the central government authorities are not fully fungible in Tajikistan or Uzbekistan. In Georgia, territorial branches of central government authorities, as well as spending units subordinate to the executive, can place their surplus funds directly with commercial banks, so the funds are not fully accessible for cash management purposes by the treasury. A similar approach is implemented for own revenues of all spending units in Uzbekistan.

Fungibility also depends on the source of funds. While budget funds of the central government are covered and mostly fungible, own revenues and special means, though often covered by the TSA, are sometimes not fully fungible. For instance, in Albania, own revenues (special means) of the central government are partially covered by the TSA. The exceptions include special means of the Agency for the Administration of Sequestered and Confiscated Assets, the General Prosecutor's office, and the Special Prosecutor's office. Even when the own revenues of the central government bodies are covered by the TSA, these funds are not available to the treasury for cash management purposes. In Croatia, there are also institutions in the execution of sanctions (prisons and penitentiaries), which are exempted by law from the payment of income and receipts and the execution of expenditures through TSA. In Kazakhstan, special means of the spending units subordinate to the executive are not covered by the TSA, whereas in Türkiye, such funds are partially covered.

2.2. Extrabudgetary Funds Included in General Government

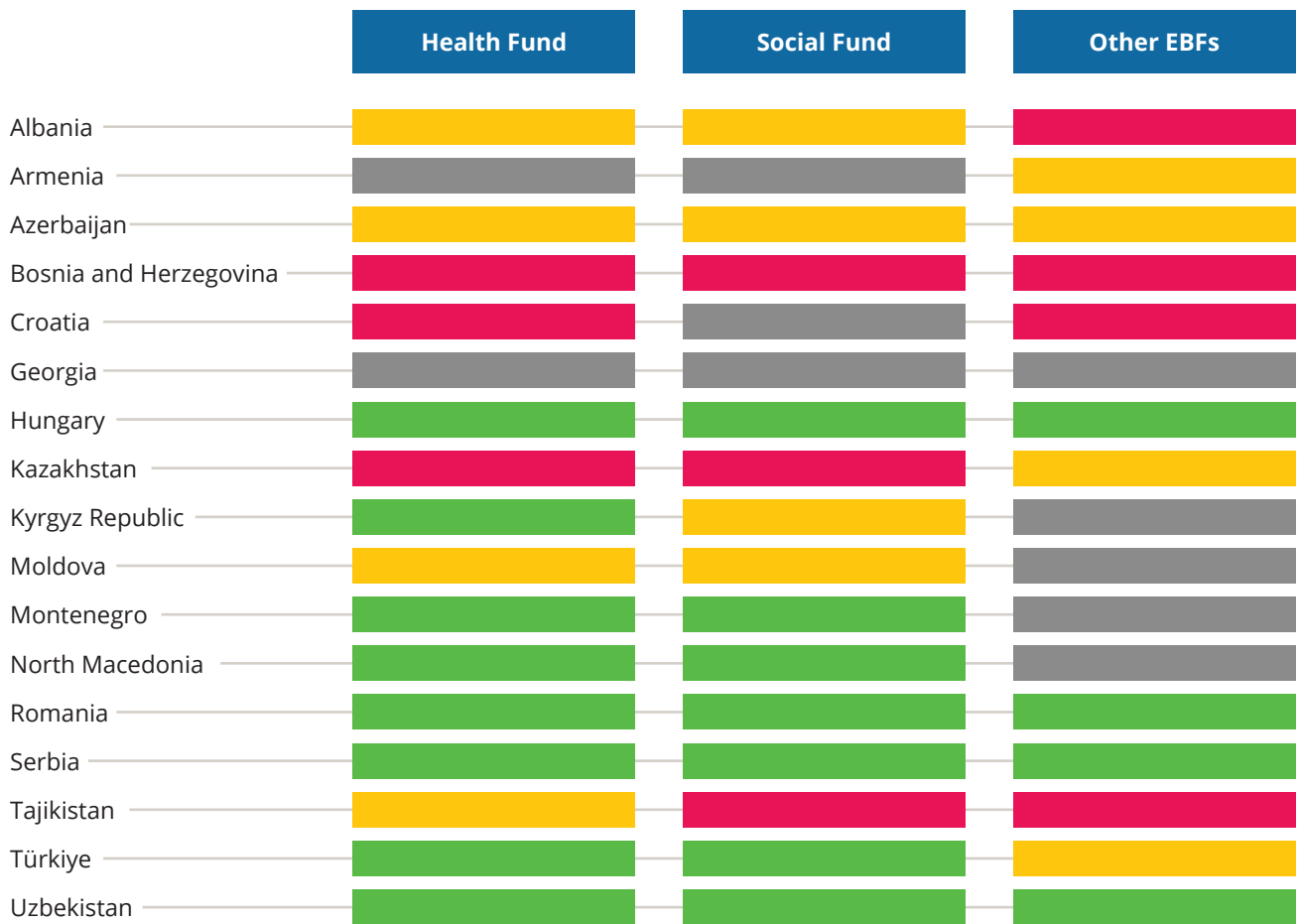
The issue of including extrabudgetary funds into TSA is more nuanced in the PEMPAL region. Though extrabudgetary funds are considered a part of the general government (IMF, 2014) as they carry

out specific government functions, such as road construction, or the nonmarket production of health or education services but are funded outside the budget,¹¹ these organizations usually enjoy legal autonomy. The results of the survey demonstrate various approaches to treasury coverage of extrabudgetary funds taken in PEMPAL countries, including differentiation by source of funds (budget funds vs. own revenues), by institutions (some extrabudgetary funds are included while others are not), or in terms of fungibility of cash balances. **Figure 3** below shows that the largest TSA coverage of extrabudgetary funds is achieved in Hungary, Romania, Serbia, and Uzbekistan. In these countries, both budget funds and revenues of all types of extrabudgetary funds are covered by the TSA, and relevant cash balances are available to the treasury for cash management purposes.

As follows from **Figure 3**, budget funds and own revenues of **health funds** are fully covered by the TSA and fully fungible in eight countries out of 17 (Hungary, Kyrgyz Republic, Montenegro, North Macedonia, Romania, Serbia, Türkiye, and Uzbekistan). In three countries (Bosnia and Herzegovina, Croatia, and Kazakhstan), these funds are fully outside the TSA. In other countries, the situation is mixed. In Moldova, both budget funds and the own revenues of EBFs are included in the TSA, but these funds are not fungible. In Tajikistan, budget funds are included in the TSA and are fungible, but the own revenues of the health fund are outside the TSA. In Azerbaijan, only the own revenues of the health insurance fund are included in the TSA. In Albania, the transfer to the Health Security Fund is kept in the TSA until the transfer is made (and a similar approach is used for other extrabudgetary funds). In Armenia and Georgia, no health funds exist.

Similarly, seven PEMPAL countries (Hungary, Montenegro, North Macedonia, Romania, Serbia, Türkiye, and Uzbekistan) have consolidated both budget funds and the own revenues of the **social funds** on the TSA, and these funds are available for the treasury for cash management purposes. In Bosnia and Herzegovina, Kazakhstan, and Tajikistan social funds are not included into the TSA, whereas in Armenia, Croatia, and Georgia, such funds do not exist

¹¹ It should be noted that some government funds, such as future funds and pension funds have a long-term financing horizon and may be classified both as part of the general government and as part of the broader public sector. Such funds are analyzed in Section 2.3 of this note.

Figure 3. TSA Coverage of Extrabudgetary Funds in PEMPAL Countries**Legend:**

- both budget funds and own revenues are covered by the TSA and can be used for cash management purposes
- some funds are covered by the TSA and/or funds are covered by the TSA but cannot be used for cash management purposes
- funds are not covered by the TSA
- not applicable / no response

Source: Brief Survey on TSA Coverage

(in Armenia, social payments are payable to the state budget). Albania, Azerbaijan, the Kyrgyz Republic, and Moldova have mixed models; they consolidate at least part of social funds' receipts on the TSA but cannot use the balances for managing government cash.

Four PEMPAL countries (Hungary, Romania, Serbia, and Uzbekistan) reported that budget funds and own revenues of other extrabudgetary funds are also consolidated on the TSA. In Armenia, Azerbaijan, Kazakhstan, and Türkiye, cash of these funds is partially consolidated. Thus, in Armenia, such funds

may deposit cash on the TSA at their own discretion (and in this case, such balances are available for cash management purposes). In Türkiye, numerous extrabudgetary funds, such as the Defense Industry Support Fund, Privatization Revenue Fund, and Social Assistance and Solidarity Incentive Fund, have been included in the TSA. However, the Savings Deposit Insurance Fund, Unemployment Insurance Fund, and Disaster Reconstruction Fund are not included in the TSA. In Kazakhstan, only budget funds transferred to the extrabudgetary funds are subject to consolidation, whereas own revenues are outside the scope of the

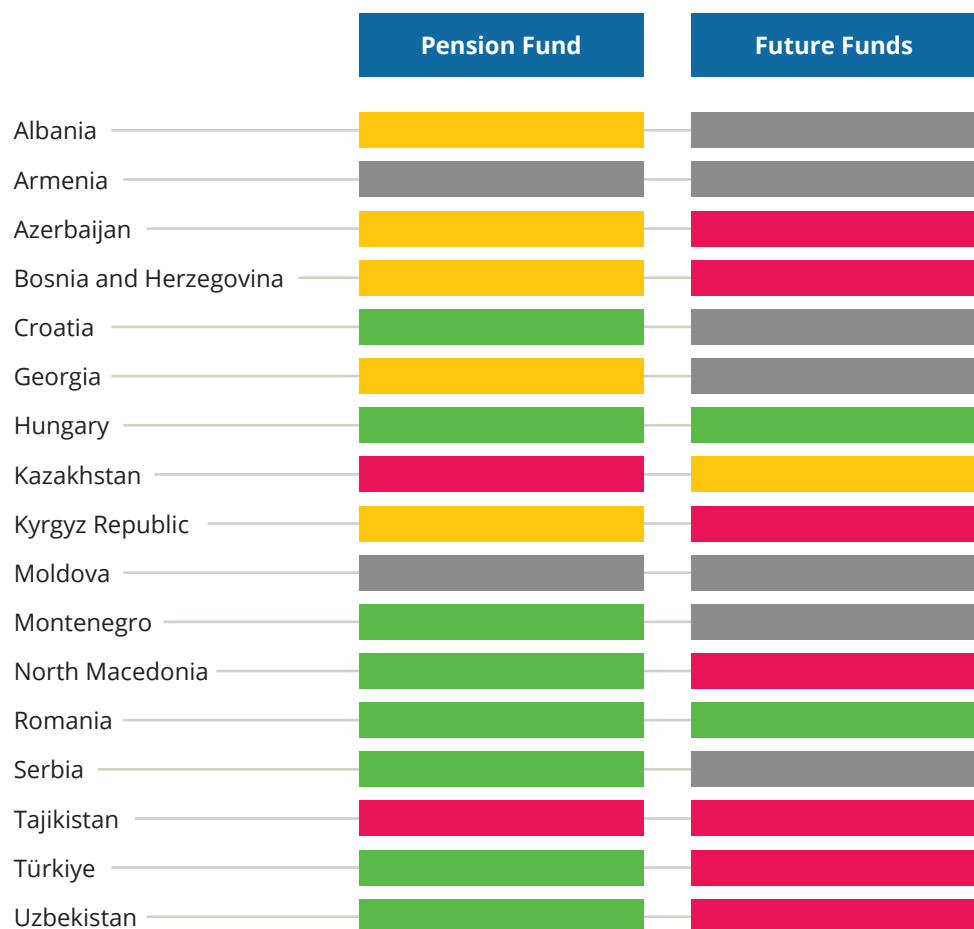
TSA. In Azerbaijan, other extrabudgetary funds are covered by the TSA, but the balances are not used for cash management purposes. In five PEMPAL countries (Albania, Bosnia and Herzegovina, Croatia, North Macedonia, and Tajikistan) other extrabudgetary funds are not included in the TSA.

Treasury coverage of organizations subordinate to extrabudgetary funds depends on the inclusion of parent funds in the TSA. Thus, in Hungary, the Kyrgyz Republic, Romania, Serbia, Türkiye,¹² and Uzbekistan, such entities are included in the TSA, and their cash balances are fungible.

2.3. Long-Term Government Funds

Some government funds, such as pension funds and future funds, are long-term oriented. Therefore, they may have different investment priorities that cannot be achieved should these entities be fully integrated into the TSA (PEMPAL, 2024). The survey demonstrates that in most PEMPAL countries where pension funds are established, their balances are at least partially covered by the TSA, while the future funds (where they exist) are usually outside the TSA (**Figure 4**).

Figure 4. TSA Coverage of Long-Term Government Funds in PEMPAL Countries



Legend:

- both budget funds and own revenues are covered by the TSA and can be used for cash management purposes
- some funds are covered by the TSA and/or funds are covered by the TSA but cannot be used for cash management purposes
- funds are not covered by the TSA
- not applicable / no response

¹² In Türkiye, organizations subordinate to extrabudgetary funds are partially included into the TSA.

Eight PEMPAL countries (Croatia, Hungary, Montenegro, North Macedonia, Romania, Serbia, Türkiye, and Uzbekistan) have consolidated both budget funds and own revenues of **pension funds** on the TSA, and these funds are available for the treasury for cash management purposes. In Kazakhstan and Tajikistan, pension funds are not included in the TSA. Albania, Azerbaijan, Bosnia and Herzegovina, Georgia, and the Kyrgyz Republic report at least partial consolidation of the pension funds' balances on the TSA but note that these funds are not fungible.

Not all PEMPAL countries have **future funds**, and in most cases, these funds are outside the TSA. The exceptions include Hungary and Romania (where such funds are fully covered by the TSA and these balances are fungible) and Kazakhstan (where only budget funds of these institutions are included in the TSA and are fully fungible).

2.4 Subnational and Local Governments

The survey results show that in eleven PEMPAL countries, the budget funds of subnational and local governments are covered by the TSA; in ten of them, TSA coverage also applies to own revenues/special means of subnational and local self-governments. In one country (Hungary), the coverage is partial, but the reform is ongoing (**Box 1**), while in five countries (Bosnia and Herzegovina, Croatia, Montenegro, North Macedonia, and Türkiye), subnational governments remain outside the TSA (**Figure 5**).

Similarly, in ten PEMPAL countries, spending units subordinate to subnational governments are covered by the TSA; in 3 countries (Armenia, Hungary, and Türkiye), such spending units are partially covered,

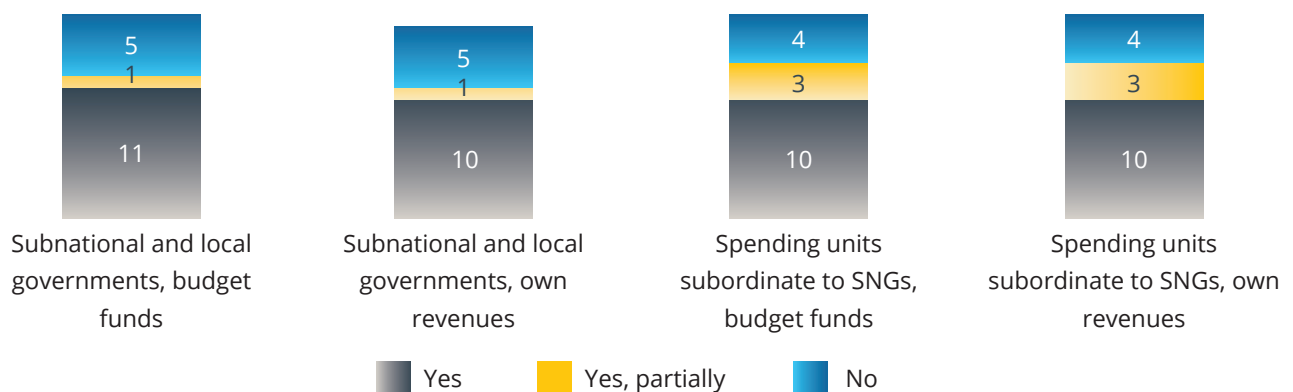
Box 1. Integrating Subnational Governments into the TSA in Hungary

In 2025, Hungary embarked on a reform aimed at expanding the scope of the TSA to include municipalities. Following the model used in the Netherlands, a decision was made to mandate local authorities and their budgetary institutions to transfer and maintain on the TSA the liquidity exceeding five percent of their annual budgets.

In October 2025, the system was applied to the 49 largest municipalities, resulting in additional EUR1 billion liquidity on the TSA. It is planned to expand it to all municipalities in 2027. The reform is expected to reduce TSA volatility since local authorities' flows are not correlated with those of the core TSA. The new system will also help the Debt Agency reduce public debt and enable local authorities to invest idle cash and receive additional revenues.

Source: Réz (2025).

Figure 5. TSA Coverage of Subnational and Local Governments in PEMPAL Countries (number of countries)



Source: Brief Survey on TSA Coverage

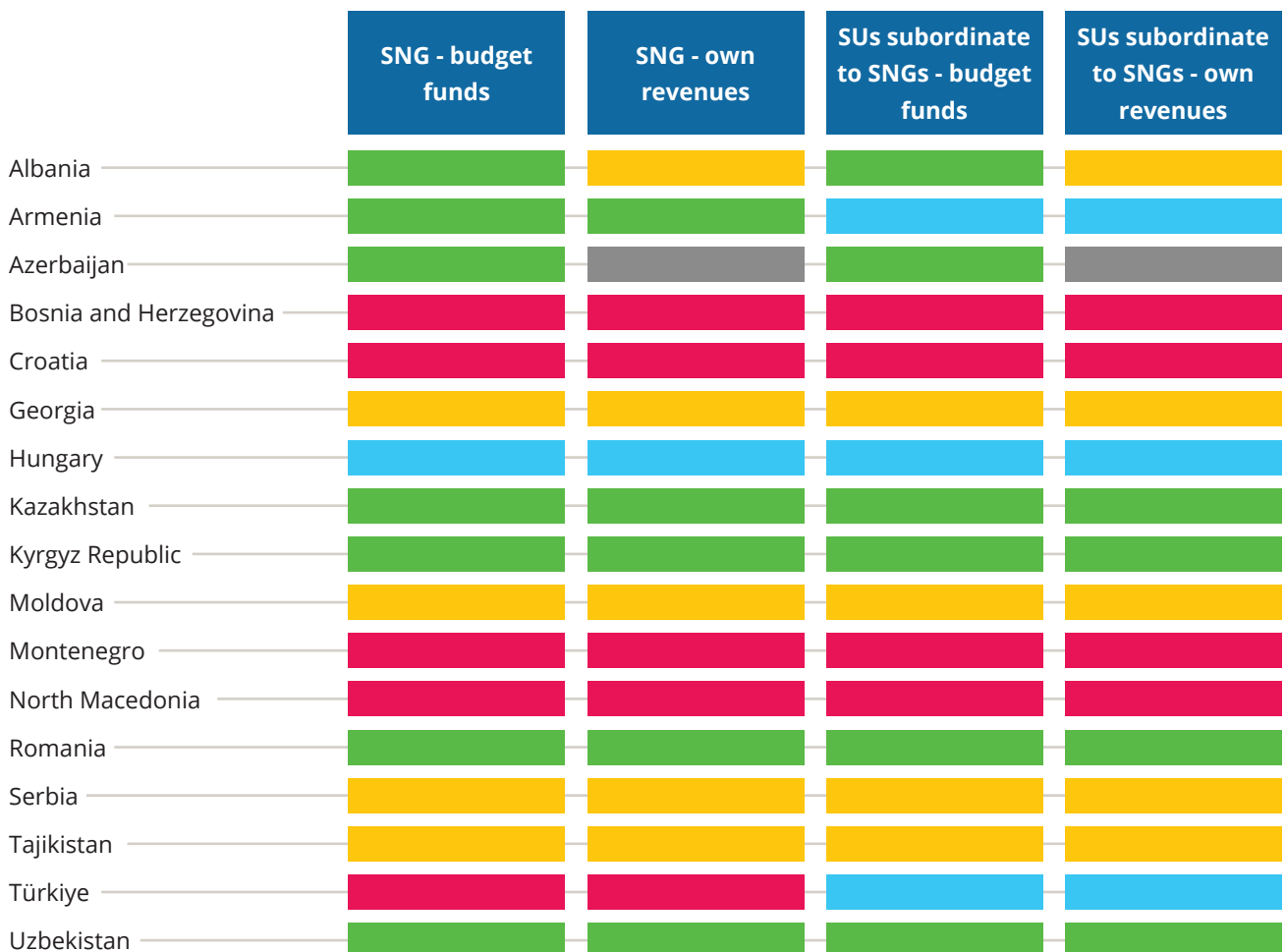
whereas in four countries (Bosnia and Herzegovina, Croatia, Montenegro, and North Macedonia), the spending units subordinate to subnational governments remain outside the TSA.¹³

Notably, even when subnational governments and their subordinate spending units are covered by the TSA, respective balances are not always fungible. The survey demonstrates that several approaches to treasury coverage at the subnational level have evolved in the PEMPAL region (**Figure 6**).

The first approach is represented by Kazakhstan, Kyrgyz Republic, Romania, and Uzbekistan, where both budget funds and own revenues of subnational governments and their spending units are included in the TSA. These funds are available to national treasuries for cash management purposes. This approach is also implemented in Armenia (in regards to subnational governments).

The second approach represents broad coverage with limited or no fungibility of funds. This approach has

Figure 6. Subnational Governments and Subordinate Units: TSA Coverage and Funds Fungibility



Legend:

covered by TSA and available to the treasury for cash management purposes

covered by TSA but not available to the treasury for cash management purposes

not applicable / no response

partially covered by TSA and available to the treasury for cash management purposes

not covered by TSA

Source: Brief Survey on TSA Coverage

¹³ In Bosnia and Herzegovina and Croatia, these spending units are included into the subnational TSAs, as both countries operate multi-tier TSA systems.

been implemented in Georgia, Moldova, Serbia, and Tajikistan, where subnational governments and their subordinate spending units are also covered by the TSA, but their cash balances cannot be used for active cash management. Albania and Azerbaijan represent mixed examples between the first and second approaches.

The third approach assumes partial coverage of subnational governments and/or their subordinate spending units with full fungibility of the funds consolidated. It is exemplified by Hungary (to both types of treasury clients in question) and Türkiye and Armenia (as regards spending units subordinate to subnational governments). Interestingly, in Türkiye, subnational governments are not included in the TSA. In addition, neither in Hungary nor in Türkiye are subnational governments' tax and non-tax revenues consolidated on the TSA. These examples highlight the differences between consolidating cash flows to the TSA (discussed in Section 1 of the note) and consolidating cash balances in the TSA, discussed in this section.

Finally, four countries (Bosnia and Herzegovina, Croatia, Montenegro, and North Macedonia) reported that neither subnational governments nor their subordinate spending units were included in the TSA.

The significant variation in approaches to integrating subnational governments and their subordinate spending units into the TSA reflects both historical

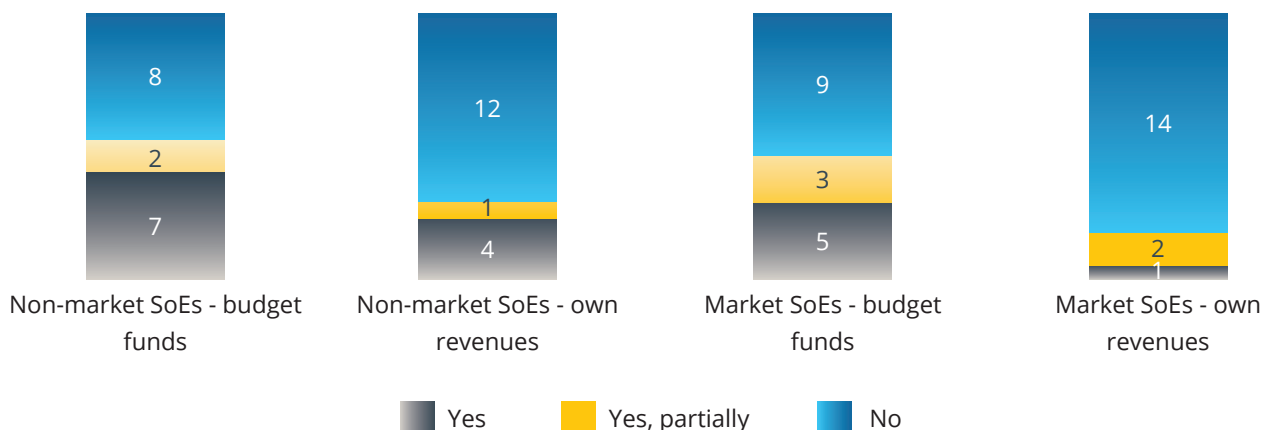
legacies and diversity in legal frameworks and policy contexts in different PEMPAL states. It should be noted, however, that the countries that ensure fungibility when integrating subnational governments and their subordinate units in the TSA are more likely to enjoy more benefits from cash consolidation.

2.5. State-Owned Enterprises

Significant interest in further TSA extension in PEMPAL countries has made the issue of including state-owned enterprises (SOEs) in the TSA an issue of high relevance. Given the varied approach to the legal definition of SOEs in different countries, during the survey, respondent countries were asked to differentiate between market and non-market SOEs.¹⁴ This differentiation is especially important given that non-market SOEs are considered a part of the general government, whereas market SOEs are part of the larger public sector.

The survey results demonstrate that integrating SOEs in the TSA is increasingly common in PEMPAL countries. Nine countries reported that budget funds of at least some non-market SOEs are included in the TSA, and eight countries noted at least partial consolidation of budget fund balances of market SOEs. Most PEMPAL countries do not consolidate SOEs' own revenues (Figure 7).

Figure 7. TSA Coverage of SOEs in PEMPAL Countries (number of countries)



Source: Brief Survey on TSA Coverage

¹⁴ According to GFSM, **nonmarket units** include those that provide goods and services to the community or individuals for free or at prices that are not economically significant (i.e., prices that do not have a significant influence on the amounts the producers are willing to supply and on the amounts purchasers wish to buy). Therefore, nonmarket institutions are mostly financed by the government. Nonmarket units also include SOEs that sell most of their output to the government units (for instance, government-owned IT centers that provide IT support exclusively (or almost exclusively) to the government). **Market units** include organizations that sell their goods and services on the market at economically significant prices (IMF, 2014).

The differentiation between market and non-market SOEs calls for a sectorization process that helps classify SOEs as units of the general government and those pertaining to the broader public sector. The recent TCOP discussions in Tashkent demonstrated

that there are different approaches to defining SOEs that should be covered by the treasury, and economically significant prices are not the only criterion used for sectorization (**Box 2**).

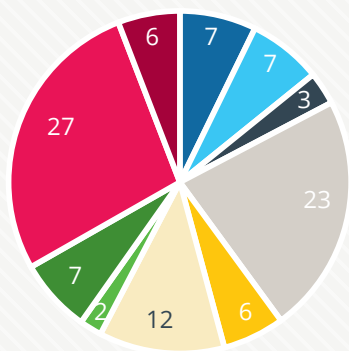
Box 2. Sectorization of State-Owned Enterprises in Georgia

In Georgia, SOEs can be managed by the central government or subnational governments. The integration of SOEs into the TSA was based on the results of the sectorization process undertaken in 2022, which used qualitative and quantitative criteria to classify SOEs between the general government and public sector. The criteria included: (i) at least state equity, (ii) profit generation for the owner, (iii) dependence on budget funding, (iv) type of activity (market or non-market), and (v) importance of price levels (cover or do not cover costs).

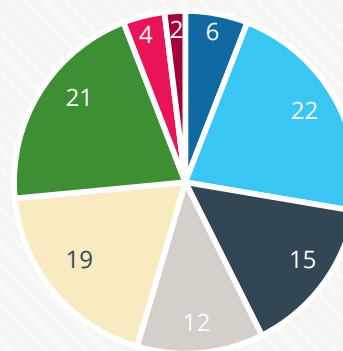
As a result, 270 SOEs were classified as general government (they are gradually being included in the TSA), and 89 SOEs were classified as public corporations (they will not be covered by the treasury). The share of SOEs classified as general government varies by level of government. Thus, among the SOEs managed by the central government, 59.8 percent (113) were classified as general government and 40.2 percent (76) – as public corporations. At the subnational level the ratio of general government SOEs is higher. 73.7 percent of SOEs managed by the autonomous republic government (14 out of 19) and 94.7 percent of SOEs managed by municipal governments (143 out of 151) were classified as general government.

Notably, the sub-sector of economic activity is not a primary factor affecting the decision: SOEs from the same sector (industry, energy, utilities, etc.) could be classified as general government SOEs or as public corporations (see figures below).

General Government SOEs by Economic Activity, %



Public Corporations by Economic Activity, %



As is the case with extrabudgetary funds and subnational and local governments, even when SOEs' cash balances are kept on the TSA, they are not always fully fungible. In this regard, several country models have been identified based on the survey results (**Figure 8**).

The first approach entails consolidating both budget funds and own revenues of all or some SOEs and ensuring these cash balances are available for cash management purposes. This approach has been implemented in Armenia and is being implemented in Uzbekistan (to all non-market SOEs and some market

units), Moldova (non-market SOEs), and Hungary (some non-market SOEs).

The second approach sees cash balances of SOEs' budget funds being fully consolidated and fungible, whereas SOEs' own funds are not included in the TSA. This approach was implemented in Kazakhstan (to both non-market and market units), Moldova (to market units), Hungary (to some market units), and Montenegro (to some non-market units). Serbia presents a variation of this approach by consolidating SOEs' budget funds that are partially available to the treasury for cash management purposes.

Figure 8. SOEs: TSA Coverage and Funds Fungibility



Legend:

■ covered by TSA and available to the treasury for cash management purposes	■ covered by TSA but not available to the treasury for cash management purposes
■ partially covered by TSA and available to the treasury for cash management purposes	■ not covered by TSA
■ covered by TSA and partially available to the treasury for cash management purposes	■ not applicable / no response

Finally, Georgia, following the sectorization process, has been integrating SOEs in the TSA (Box 2), but their cash balances are not fungible. In eight PEMPAL countries (Albania, Bosnia and Herzegovina, Croatia, Kyrgyz Republic, North Macedonia, Romania, Tajikistan, and Türkiye), SOEs are not covered by the TSA.

2.6. Other Institutions Covered by the TSA

Three PEMPAL countries noted that they have some other institutions covered by the TSA. Thus, in Georgia, the Deposit Insurance Agency is covered

by the TSA (but the balance is not available to the treasury for cash management purposes). In Hungary, some public foundations are covered by the TSA. In Moldova, TSA covers extra-budgetary state institutions (state institutions in the field of healthcare, secondary and higher educational institutions) and other extra-budgetary state institutions: State Road Administration, Information Technology and Cybersecurity Service, and the Regional Development Agency. It should be noted that the differentiation of these institutions from the types discussed above is largely due to the specifics of the countries' legal framework: in other countries, healthcare and education institutions may be considered budget institutions (i.e., spending units subordinate to the executive or local self-government), while public foundations may be classified as non-market SOEs.

3.

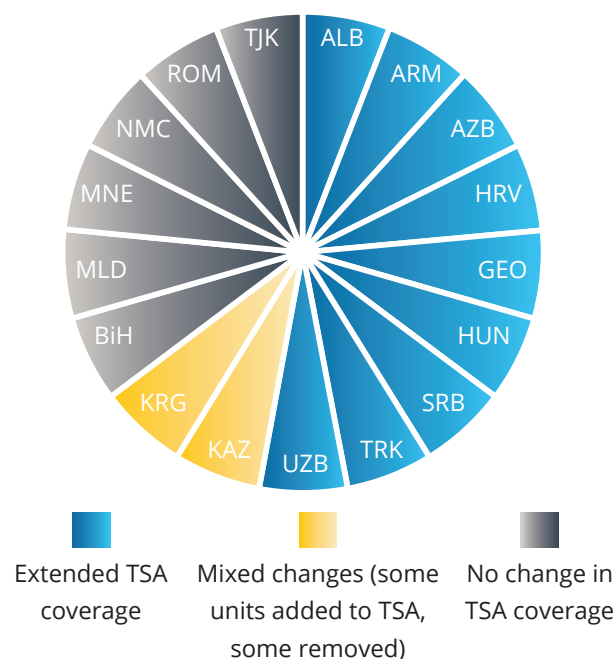


Changes in the TSA Coverage since 2021

The 2021 survey noted active reforms in the area of TSA coverage and payment systems upgrade (PEMPAL, 2021), and the current survey demonstrates further cash consolidation efforts. Thus, nine countries out of 17 (Albania, Armenia, Azerbaijan, Croatia, Georgia, Hungary, Serbia, Türkiye, and Uzbekistan) have extended the TSA coverage since 2021. In Kazakhstan and the Kyrgyz Republic, the changes in TSA coverage are mixed: some institutions were added to the TSA, while some were excluded. In 6 countries (Bosnia and Herzegovina, Moldova, Montenegro, North Macedonia, Romania, and Tajikistan), no changes in TSA coverage since 2021 were reported (**Figure 9**).

The recent changes in TSA coverage by country are summarized in **Table 2**. The extent of TSA coverage changes varies by country (and largely depends on the TSA coverage achieved by 2021). The largest recent TSA extension reforms were conducted in Georgia (**Box 3**), Hungary (see **Box 1**), Serbia (**Box 3**), Türkiye (**Box 5**), and Uzbekistan (**Box 4**).

Figure 9. Changes in TSA Coverage in PEMPAL Countries



Source: Brief Survey on TSA Coverage

Box 3. Extending the TSA Coverage in Serbia and Georgia

Implementation of the new financial management information system (SPIRI) integrating the whole budget cycle (including budget preparation, execution, and reporting) in 2022 has enabled the Treasury Administration of Serbia to integrate indirect treasury clients (i.e., spending units subordinate to line ministries and local governments) into the TSA. Overall, since 2021, the number of direct treasury clients has increased by 1972, with integration of 171 local government spending units and 1801 spending units subordinate to line ministries. Thus, the total number of direct treasury clients has increased 3.7 times.

Significant treasury coverage extension reform enabled by FMIS upgrades is underway in Georgia where in 2023 – 2025 over 2000 educational institutions (schools and kindergartens) were gradually integrated into the TSA. To ensure the support of the reform, the treasury

provided spending units an opportunity to invest surplus balances in the commercial banks to earn interest, while all expenditure operations are conducted through the treasury system and are subject to treasury control.

Notably, both in Serbia and Georgia special efforts were made to support training for the staff of the new treasury clients. Both countries noted that the reform had resulted in improved transparency and stronger expenditure control, as well as easier data consolidation.

Sources: Gvaladze & Mikatadze (2024), Nemsadze (2025), Vraneš (2024), Brief Survey on TSA Coverage.

Table 2. Changes in TSA Coverage in PEMPAL Countries since 2021

Country	Changes in TSA Coverage since 2021
Increased TSA Coverage	
Albania	Non-performing loans agency and foreign-funded project implementation units for grants have been added to the TSA.
Armenia	Companies where over 50% of equity is owned by the state or municipalities and legal entities founded by such companies may place their funds on the TSA (at their own discretion)
Azerbaijan	Utilization fund and some state-owned market and non-market units have been added to the TSA
Croatia	Port authorities (10), institutes and institutions in science and education (Croatian Science Foundation, Croatian Veterinary Institute, Institute for Water, University of Defense and Security), social welfare institutions (Croatian Institute for Social Work, Academy of Social Welfare, Family Centre), health institutions (Croatian Institute of Public Health, Croatian Institute for Transfusion Medicine, Health Centre of the Ministry of the Interior and National Memorial Hospital Vukovar) and others (Council for Water Services) were added to the TSA
Georgia	Public schools, state universities, various non-profit institutions, and some state-owned enterprises have been added to the TSA
Hungary	In 2024, the TSA in foreign currency (in EUR) was established in order to maintain FX deposits of central budgetary institutions. In October 2025, the funds over 5 percent of annual expenditures of the 49 largest municipalities (the capital, capital districts, and county seat cities) were included in the TSA.
Serbia	Since 2021, TSA has been expanded to include indirect clients of the Ministry of Education (over 1800 organizations), and 171 local spending units. Several sources of funds have been added: own revenues, donations from foreign countries and international organizations, transfers from other levels of government, voluntary contributions by legal and physical entities, and parent contributions for extracurricular activities.
Türkiye	TSA expansion since 2021 involved central government institutions, including special budget administrations, regulatory bodies, and special accounts of the general budget institutions; universities, social security institutions, revolving funds of universities, development agencies, extra-budgetary funds, other institutions such as Investment Monitoring and Coordination Boards

Country	Changes in TSA Coverage since 2021
Uzbekistan	TSA coverage expansion included accounts in foreign currency and some state-owned enterprises
Mixed Changes	
Kazakhstan	Since 2021, the following have been added to the TSA: financial support operators; legal entities that received a loan guaranteed by the state, Fund for Educational Infrastructure Support, Special State Fund, single operator in the area of public procurement. The Fund for Social and Medical Insurance was excluded from the TSA.
Kyrgyz Republic	The State Agency on Land Resources, Cadaster, Geodesy and Cartography was integrated into the TSA, but in 2024, some higher education institutions received special status that allowed them to be excluded from the TSA

Source: Brief Survey on TSA Coverage

As confirmed by PEFA reports, cash consolidation has contributed to some improvements in PFM practices in PEMPAL countries over the past five years. Thus, the PEFA report on Albania noted improvements in consolidation of cash balances though noting that some cash balances of extrabudgetary funds still remain outside the TSA. Better cash consolidation and strengthened commitment controls have also resulted in significant improvements in arrears management: the score on expenditure arrears indicator (PI-22) increased from C+ in 2016 to A in 2025 (PEFA, 2025).

In Armenia, increase in the TSA coverage has enabled to improve financial reporting by integrating Social Security Fund and state non-commercial organizations into financial reporting of respective line ministries and thus improving the score on PEFA indicator PI-6 (central government operations outside financial reports) from B+ to A (PEFA, 2024a). In Uzbekistan, cash consolidation has resulted in strengthening financial integrity and ensuring comprehensive financial reporting (**Box 4**).

Box 4. Extending TSA Coverage in Uzbekistan

For the past two decades, the treasury of Uzbekistan has evolved from a pilot in selected regions to a large modern organization serving about 9.6 thousand clients, including central and local governments, budget organizations, and some state-owned enterprises (SOEs). Since 2016, all budget revenues have been consolidated on the TSA, and in 2018, the Treasury moved to more active cash management by using auctions for temporary investment of TSA balances. Since 2020, foreign currency accounts of all spending units (including extrabudgetary funds) were moved to the treasury. Since 2022, some unitary enterprises established by budget organizations, have been covered by the treasury.

Cash consolidation in Uzbekistan, including consolidation of all expenditure of extrabudgetary units and state target funds has resulted in remarkable improvements in financial reporting coverage (PEFA indicator measuring central government operations outside financial reports demonstrated increased from C in 2019 to A in 2024) and reconciliation of bank accounts: PEFA score for indicator 27.1 (bank account reconciliation) improved dramatically from D in 2019 to A in 2024.

Sources: Khaydarov (2025), PEFA (2024b), Brief Survey on TSA Coverage.

The TSA extension has secured significant benefits in terms of managing government cash and securing additional interest revenues in several PEMPAL countries, with Georgia, Türkiye, and Uzbekistan being the most prominent examples (**Box 5**).

In addition to the increase in government interest revenues, extending TSA coverage may yield other benefits, both for the PFM at large and for the institutions integrated, including higher security of funds, better transparency in budget execution and general government operations, and reduced risks of fraud. However, as highlighted during the recent discussions at the TCOP Plenary Meeting in Tashkent, there are also challenges and risks

associated with the TSA expansion. Thus, integrating additional institutions into the TSA may distract treasuries from their core business of managing government cash to providing services to commercial entities and managing private funds and call for significant upgrades in IT systems and changes in the regulatory base, Unified Chart of Accounts, and reporting procedures. Transfer of public institutions' cash balances from commercial banks to the TSA may affect the liquidity of the banking sector, while excessive treasury controls may result in lower operational efficiency of integrated institutions. Also, national treasuries do not provide some banking services, and service quality may be lower, as compared to commercial banks (**Table 3**).

Box 5. Increase in Interest Revenue due to TSA Extension in Some PEMPAL Counties

In **Türkiye**, since 2018, 277 institutions have joined the TSA. This resulted in a five-fold decrease in transaction costs (from 0.05% of total expenditure in 2018 to 0.01% in 2024). 70% of the extended TSA is used as a cash buffer that allows the country to reduce short-term borrowing costs. Temporary investment of cash surpluses allows the Ministry of Treasury and Finance to increase revenues through active investing of public funds. By November 2024, these interest revenues amounted to ₺75.7 billion (about US\$2.1 billion). Cash consolidation also allowed the investment of public funds at close to market interest rates.

Since 2017, the Treasury of **Georgia** has conducted over 530 auctions for the placement of TSA cash surpluses in commercial banks using the Bloomberg platform. 99% of deposits included collateral to minimize treasury risks. The interest revenue gained from the temporary investment of cash surpluses proved to be an important source of revenue: in 2023, it accounted for some 0.72% of the national budget.

In **Uzbekistan**, temporarily available cash balances are placed in commercial banks as deposits through the Gazna Resource automated system. The treasury invests temporarily available balances of budget funds, whereas other institutions, such as ministries and agencies, as well as extrabudgetary funds, higher education institutions, and SOEs, may invest temporarily available balances of their own revenues and special means. In 2024, the total interest revenue on the idle balances accounted for US\$214.7 million.

Sources: Can & Dobrolyubova (2025), Gognadze & Gvaladze (2025), Khaydarov (2025).

Though the overall trend in TSA coverage has been related to TSA extension, in Kazakhstan and the Kyrgyz Republic, some institutions were excluded from the TSA coverage. Interestingly, both in Kazakhstan in 2024 and in Croatia in 2014, the decrease of TSA coverage was related to the exclusion of an

extrabudgetary fund – health insurance fund. These cases illustrate the need for securing political support and implementing a gradual and nuanced approach to the TSA extension, and for Treasury to ensure a focus on service quality, particularly where payments are executed on behalf of these entities.

Table 3. Advantages, Challenges, and Risks Related to TSA Extension

Advantages	<p>For PFM in general</p> <ul style="list-style-type: none"> ■ Increased transparency of general government revenue and expenditure ■ Reduced risk of excessive subventions/subsidies to the integrated institutions from the budget and more efficient use of public funds ■ Reduced risk of misuse of budget funds by integrated institutions, strengthening budget discipline, preventing fraud and tax evasion ■ Possibility to control expenditures of integrated institutions (for instance, on payroll) ■ Increased volume of cash on the TSA, increased cash buffer, and potentially increased interest revenues ■ Reduced borrowing needs ■ Possibility to integrate institutions into consolidated financial reporting <p>For Integrated Institutions</p> <ul style="list-style-type: none"> ■ Security of funds (as compared to the bankruptcy risk in commercial banks) ■ Savings for institutions on bank commissions ■ Additional opportunities for SOEs to invest idle funds and earn revenues
Challenges	<p>For the Treasury</p> <ul style="list-style-type: none"> ■ Amendments to legal and regulatory framework may be needed ■ Increased workload on treasury staff and increased load on treasury information systems ■ Treasury systems have to be expanded to be able to support new types of transactions ■ Unified Chart of Accounts needs to be changed ■ New reporting procedures need to be implemented ■ Significant TSA extension may require broadening the sources of data used for cash forecasting <p>For Integrated Institutions</p> <ul style="list-style-type: none"> ■ Reluctance of integrated institutions (especially, extrabudgetary funds, subnational governments, and SOEs) to share information on financial flows ■ Lack of capacity, special training is needed for the staff of integrated institutions
Risks	<p>Broad economic risks</p> <ul style="list-style-type: none"> ■ Excessive controls may contradict market principles (especially relevant for SOEs) ■ Motivation and operational efficiency of integrated institutions may deteriorate ■ Negative impacts on commercial banks' liquidity <p>For the Treasury</p> <ul style="list-style-type: none"> ■ Integrating additional institutions (especially SOEs and private money) may distract the treasury from its core business <p>For Integrated Institutions</p> <ul style="list-style-type: none"> ■ Treasury cannot offer all the services provided by commercial banks, and the quality of treasury services may be lower

Source: compiled based on TCOP (2025).

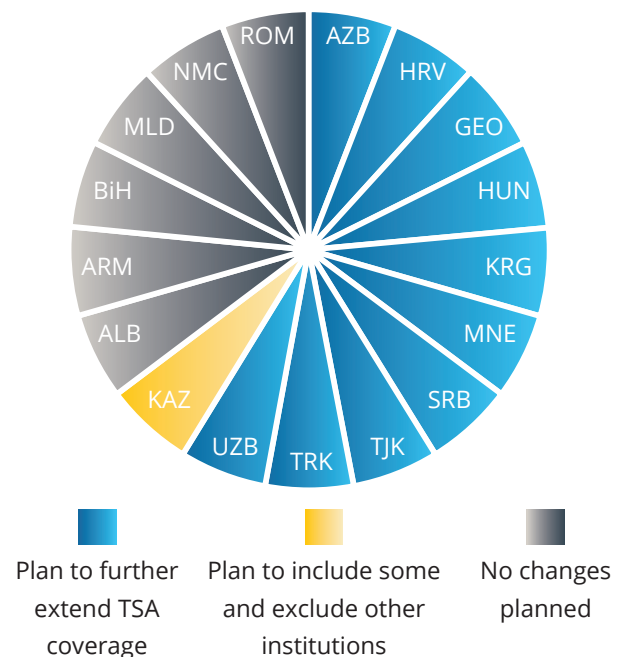


Future Prospects of TSA Extension in PEMPAL Countries

The survey data show that, despite the challenges of further TSA extension, most PEMPAL countries (ten out of 17) plan to further increase the TSA coverage. Six countries do not expect any significant changes, while one country (Kazakhstan) plans both inclusion and exclusion of institutions into the TSA (**Figure 10**).

It is expected that the next wave of TSA extension reforms will target some indirect treasury clients (i.e., spending units subordinate to direct treasury clients, such as ministries of education and culture or health funds) in some Western Balkans countries (Croatia, Montenegro, and Serbia), smaller public institutions not yet integrated into the TSA in Türkiye, municipal funds (Hungary), donor grant and loan funds (Azerbaijan, Kyrgyz Republic), extrabudgetary funds (Kazakhstan), pension fund (Tajikistan), and SOEs (Georgia, Kyrgyz Republic, and Uzbekistan) (see **Table 4** for details).

Figure 10. Plans on Changing TSA Coverage in PEMPAL Countries in the Next 3 Years



Source: Brief Survey on TSA Coverage

Table 4. Planned Changes in TSA Coverage in PEMPAL Countries in the Next 3 Years

Country	Planned Changes
Azerbaijan	Integrating grant funds into the TSA
Croatia	In the next three years it is planned to include in the TSA: <ul style="list-style-type: none"> ■ remaining health institutions (hospitals) that are included in the state budget as of 1 January 2024 (22 hospitals that were previously budget users of counties), ■ budget users in science and education (University of Zagreb, University Computing Center SRCE (currently operating partially), and National University Library in Zagreb)

Country	Planned Changes
	<ul style="list-style-type: none"> ■ budget users in culture: Croatian National Theatre, Croatian Library for the Blind, Croatian Folk Dance and Song Ensemble Lado, Croatian Audiovisual Centre, International Centre for Underwater Archaeology, and Agency for Electronic Media.
Georgia	Remaining SOEs classified as general government after sectorization (so far, 114 SOEs out of 270 classified as general government were included in the TSA)
Hungary	All municipalities' funds (exceeding 5 percent of annual expenditures) will be included in the TSA from 2027.
Kazakhstan	<p>It is planned to include the Social Health Insurance Fund (budget credits for budget investment projects) and autonomous educational entities (as far as budget investment is concerned).</p> <p>It is planned to exclude the Education Infrastructure Support Fund.</p>
Kyrgyz Republic	<p>Including the following sources of funds into the TSA:</p> <ul style="list-style-type: none"> ■ donor funds: funds of PIUs financed by IFIs and donor countries as part of public investments and technical assistance through the Ministry of Finance of the Kyrgyz Republic ■ SOEs' funds.
Montenegro	Integrating spending units subordinate to the Ministry of Education and the Health Insurance Fund
Serbia	Integrating indirect treasury clients subordinate to the Ministry of Education (tertiary education, 122 spending units)
Tajikistan	Integrating funds of the Pension Fund
Türkiye	In the upcoming period, some additional public entities with relatively small balances are expected to be included, primarily revolving-fund institutions other than universities.
Uzbekistan	Integrating remaining SOEs with the share of state equal or exceeding 50 percent classified as general government following the sectorization.

Source: Brief Survey on TSA Coverage

Thus, for many PEMPAL countries, TSA coverage remains a relevant issue for the reform agenda in the medium term. Moreover, the reforms planned by PEMPAL countries are often more difficult than those already implemented (for instance, integration

of SOEs into the TSA calls for the process of sectorization). Thus, the exchange of experience and peer-to-peer learning on the issues related to the treasury coverage, enabled by PEMPAL, remain highly valuable for TCOP members.



Conclusions

As demonstrated by the survey, overall, PEMPAL countries have an extensive TSA coverage and consolidate most government cash resources on the TSA. In all PEMPAL countries, TSA coverage goes beyond the budget funds of the central government, though TSA models significantly vary by country. Most countries also consolidate cash balances of subnational governments, at least some extrabudgetary funds, as well as special means (own revenues) of at least some public institutions. The greatest TSA coverage is reported by Armenia, Hungary, Georgia, Moldova, Serbia, and Uzbekistan: in these countries, in addition to the funds of the central government and its subordinate spending units, cash of extrabudgetary funds, subnational governments, and some SOEs is integrated on the TSA.

Despite the large TSA coverage, in many PEMPAL countries, fungibility of all funds kept on the TSA remains an issue. Except for Armenia, Croatia, Hungary, Montenegro, North Macedonia, Romania, and Türkiye, other PEMPAL countries reported that at least some funds that are covered by the TSA are not available to the treasury for cash management purposes. Such limited fungibility of funds reduces the benefits of cash consolidation.

For the past four years, TSA coverage in nine PEMPAL countries has increased, and ten PEMPAL countries have plans for further TSA extensions. The cases of excluding institutions from the TSA coverage are quite rare. TSA extensions have resulted in significant benefits in terms of PFM transparency and helped several countries, including Georgia, Türkiye, and Uzbekistan, secure additional interest revenues on temporarily available cash balances.

These future TSA reforms are challenging, as further integration involves either new funding sources (such as donor funds) or new institutions (such as extrabudgetary funds or SOEs) that are currently outside the TSA and may have other service and accounting requirements, as well as investment priorities. Moreover, broader economic consequences of cash consolidation should be considered in the context of consolidating large extrabudgetary funds as well as SOEs. To this end, the approach to SOE sectorization that helped classify SOEs between the general government and public sector could be helpful for other countries planning similar reforms.



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Methodological Notes

The data for this note was collected through a survey sent to PEMPAL TCOP members (officials of national treasuries and ministries of finance). The survey questionnaire was sent out to 21 TCOP member countries in September 2025. Interim survey results were presented at the TCOP Plenary Meeting in Tashkent in October 2025. Following the presentation of the interim results, additional responses and corrections to previously submitted data were received. Overall, responses from 17 countries were received and are analyzed in this note.¹⁶

The survey aimed to evaluate the TSA coverage based on the data on the types of flows to the TSA and the data on institutions and types of funds that are kept on the TSA.

To ensure comparability with the previous survey (PEMPAL, 2021), the following **flows** to the TSA were included for the central government and subnational governments:¹⁷

- Taxes,
- Non-tax receipts
- Social Fund receipts
- Health Fund receipts
- Other Government Funds' receipts, including other funds beyond the social and health fund. Common examples include Agricultural, Road, Loan and Resource Funds.
- Extra Budgetary Receipts/ special means of budget entities include collections by budget entities (including MDAs and spending units) where the law allows the entity to retain the revenues separately from other budgetary funds.

- Money held in Trust that refers to funds that are not owned by the government but are held by government on behalf of other legal and physical persons.
- Donor specific-purpose grants and loans include loans and grants provided by a development partner for a specific purpose or project.

In addition, responding countries could identify other flows to the TSA.

To analyze the institutional coverage of the TSA, the survey inquired about the budget funds and own revenues (including special means - own revenue sources for budget entities) that are kept on the TSA and the fungibility of these funds (i.e., the possibility for the treasury to use respective balances for cash management purposes). The following types of institutions that are parts of the general government or the broader public sector as defined by GFS (IMF, 2014) were included in the survey:

- Central government executive bodies, their territorial (regional, local) branches, and subordinate spending units,
- Central government legislative bodies
- Judiciary bodies and subordinate spending units
- Extrabudgetary funds included in the general government that carry out specific government functions, such as road construction, or the nonmarket production of health or education services within the year but are defined outside the budget, including
 - Social Fund

¹⁶ Including Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Croatia, Georgia, Hungary, Kazakhstan, Kyrgyz Republic, Moldova, Montenegro, North Macedonia, Romania, Serbia, Tajikistan, Türkiye, and Uzbekistan.

¹⁷ All PEMPAL countries are unitary states, except for Bosnia and Herzegovina. Thus, in most cases subnational governments represent local governments or local self-government bodies.

- Health Fund
- Other Extrabudgetary Funds (such as Road, Agriculture Funds, etc.)
- Long-term focused government funds that (depending on the context) may be classified as general government or public sector units:¹⁸
 - Pension fund(s)
 - Future funds established in some (mostly resource-rich) countries to balance the budget flows between generations (in the long term).
- Subnational and local governments and spending units subordinate to them, and
 - State-owned enterprises, including:
 - **nonmarket units** that provide goods and services to the community or individuals for free or at prices that are not economically significant and/or SoEs that sell most of their output to the government units (and, therefore, are part of the general government)
 - **market units** that include organizations that sell their goods and services on the market at economically significant prices (and, therefore, are not part of the general government but are part of the public sector).

¹⁸ For instance, GFS suggests classifying pension funds for government employees as units of the general government whereas other pension funds are classified as public financial corporations outside the general government. Similarly, several conditions are used to determine whether future or stabilization funds are to be classified as general government or public sector units (IMF, 2014).

Size of Public Sector and General Government Expenditures in PEMPAL Countries

Country	Share of public sector in paid employment (%)	General government expenditure as a % of GDP
Albania	36	28.9
Armenia	33	29.0
Azerbaijan	23	33.9
BiH	40	43.3
Croatia	23	48.0
Georgia	49	30.3
Hungary	29	46.9
Kazakhstan	49	20.7
Kyrgyz Republic	n.a.	33.7
Moldova	47	38.0
Montenegro	59	43.5
North Macedonia	n.a.	36.7
Romania	18	39.9
Serbia	22	42.7
Tajikistan	38	27.7
Türkiye	24	32.6
Uzbekistan	41	27.6

Sources: The data on the share of public sector employment is for 2018 from World Bank (2023); the data on general government expenditure as a percentage of GDP is for 2024 from IMF (2025).

