Norwegian Local Governments Sector Outlook 2023

Sovereign and Public Sector: Sub-sovereigns, Scope Ratings GmbH, 26 June 2023

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| Bloomberg: RESP SCOP

Executive summary

Our study of the main credit developments for the **Norwegian local government sector** in 2023 examines the country's legal and fiscal framework, the most relevant economic and demographic trends for local-government finance as well as the sector's budgetry performance. We also look at how local-government debt is evolving. We focus on the main sector-wide trends, but also benchmark counties and larger municipalities on selected financial metrics.

Our main findings are as follows:

- **Financial resilience marked by structural trends.** The Norwegian local government sector benefits from a high level of integration with Norway's (AAA/Stable) sovereign credit profile, underpinned by mechanisms to prevent financial distress and a strong record of central government support during shocks. There are significant fiscal and financial interlinkages, including a comprehensive fiscal equalisation system which helps address the challenges stemming from adverse demographic trends and specific territorial characteristics that affect service provision at the local level. A tradition of inter-municipal cooperation in service delivery further reinforces the sector's resilience and stability.
- **Robust budget outlook.** Budgetary performance is overall robust despite some differences from municipality to municipality. The recent inflationary shock poses a challenge to maintaining prudent cost controls. This is particularly true at the municipal level, where personnel costs constitute a significant portion of operating expenditure. Nevertheless, we expect the sector's budgetary performance to at least remain stable due to the positive economic outlook for Norway that will bolster tax receipts and continued support from the central government which is likely to help the sector address any unexpected spending pressures.
- **Sustainable debt despite growing funding needs; green finance grows in importance:** Debt burdens vary widely among municipalities. However, even entities with the highest debt look able to service it judged by moderate interest payment burdens and manageable debt ratios. All larger entities have ample liquidity and strong reserves. Given that the sector's investment funding needs regularly exceed internal financial resources, reliance on debt financing is unlikely to end, though borrowing is facilitated by the substantial fiscal buffers held by local governments. The role of green finance is set to grow as adaptation to climate change climbs up the policy-making agenda.

Figure 1: Our views on the Norwegian local government sector

	In one word	Key trends
Institutional framework	*Supportive*	X High level of integration with the sovereign, strong institutional stability X Robust equalisation system addresses well demographic challenges X Mechanisms are in place to prevent financial distress
Budget outlook	*Resilient*	X Strong economic backdrop X Willingness of central government to help address unforeseen costs X Ample buffers to cope with spending pressures
Debt outlook	*Stable*	X Elevated debt burden X Recourse to borrowing for investments likely to prevent debt reduction X Debt affordability to remain strong

This research study does not constitute a credit rating action

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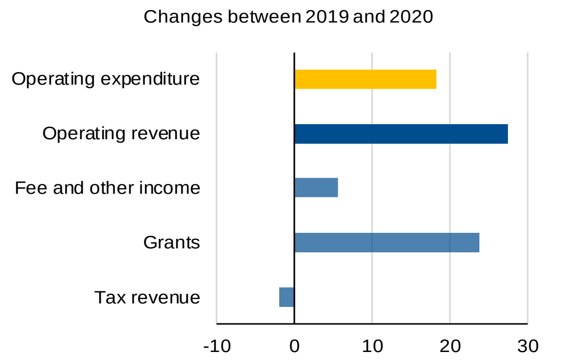
Institutional framework: financial risks and budget structures

Norway has a two-tier local government system consisting of 11 counties (regional level) and 356 municipalities (local level). The capital city Oslo is both a county and a municipality. This follows a reform implemented as of 2020 reducing the number of entities through extensive mergers. The reform will in part be reversed at the regional level, with the number of counties rising back to 15 from 2024.

Norwegian local governments benefit from a high level of institutional stability. Counties and municipalities are run by democratically elected bodies. They have mostly administrative powers but participate in the legislative process via their committee in the national parliament and sector association. There is no hierarchy between the two government layers. They are subject to the same set of regulations, primarily laid out in the Local Government Act, and share similar funding systems.[1]

Figure 2: Budgetary changes during Covid-19
NOK bn, counties and municipalities aggregate figures



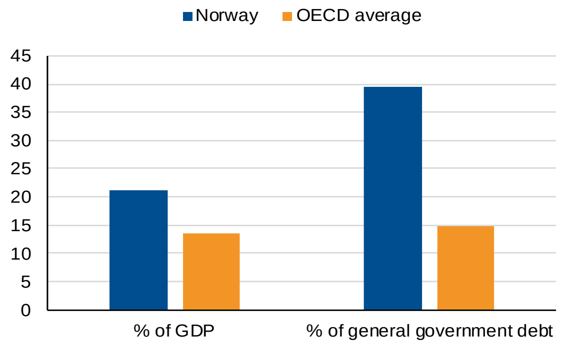
Source: Statistics Norway, Scope Ratings

The institutional framework in which Norwegian local governments operate is highly supportive thanks to a robust equalisation system, which aims to address structural fiscal disparities among entities, in terms of both revenue potential and cost structures. However, such strong redistribution also imposes limits on their budgetary flexibility. A significant portion of revenue comes in the form of grants, and the rates on main taxes are capped by the national parliament. Even so, there is still some room for maneuver as most of the transfers are non-earmarked. The framework incorporates shared taxes with the national government, sustaining intergovernmental integration.

The framework has proved its supportiveness during periods of shocks, with a strong commitment from the central government to intervene when needed. This was evident in the fiscal performance during the Covid-19 pandemic, where the national government took on most of the fiscal burden caused by the health crisis and subsequent economic restrictions (**Figure 2**). State transfers effectively mitigated revenue shortfalls and covered increased expenditures.

In terms of financing, local governments possess some autonomy and have relatively high levels of debt, also as a share of total government debt (**Figure 3**).

Figure 3: Local government debt
2020; % of GDP and % of GG debt



Source: OECD, Scope Ratings

Counties and municipalities are frequent issuers of securities on capital markets. They also benefit from common funding via the government agency Kommunalbanken, which funds about 50% of their borrowings, with the objective of securing favourable financing terms.

Financial risks are reduced by the budgetary and borrowing rules local governments are subject to, including the need to pass balanced operating budgets. Oversight is stricter for entities that experience financial imbalances and are thus included in the dedicated public registry "ROBEK". Other entities have more leeway, including with respect to determining their own financial risk framework. Local governments cannot be declared insolvent. Should an entity fall under severe financial distress, the central government has the power to take control of its finances to ensure the fulfilment of its legal and financial obligations.

Counties and municipalities demonstrate a high level of financial management sophistication, owing to their ownership of financial assets, in general originating from investing the realised capital from sold shares in their power companies or simply their excess liquidity. This contributes to debt affordability as it allows them to mitigate net interest exposure. However, this also exposes them to financial risks and thus requires prudent financial management.

In general, we consider the Norwegian local government sector to be closely integrated with the sovereign, given a history of support during challenging periods, extensive financial ties, and a strong commitment to cooperation among entities.

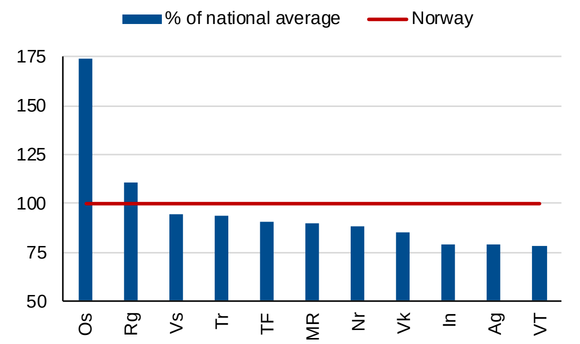
[1] Sources: OECD – Norway local governments, Government webpage on local government finance, Local Government Act

Economy and demographics: key trends affecting spending mandates

Norway is one of the wealthiest economies in the world, but it also has wide economic disparities across its regions, with a strong wealth concentration in the Oslo area. Still, GDP per capita does not fall below 75% of the national average in any county (**Figure 4**).

Figure 4: GDP per capita, by county

% of national GDP per capita, 2020



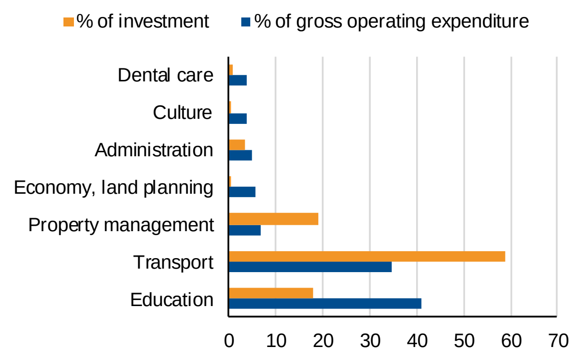
Name abbreviations are available in annex I

Source: Statistics Norway, Scope Ratings

Despite a favourable economic context, the Norwegian local government sector faces significant structural challenges due to low population density and a high degree of population fragmentation across municipalities. These factors, combined with unfavourable demographic trends, create substantial pressures on service delivery and local finances for the foreseeable future. These challenges are particularly pronounced given that regional and local authorities bear the primary responsibility for providing welfare and transportation services (**Figure 5 and 6**).

Figure 5: Spending responsibilities, counties

% of total, 2022



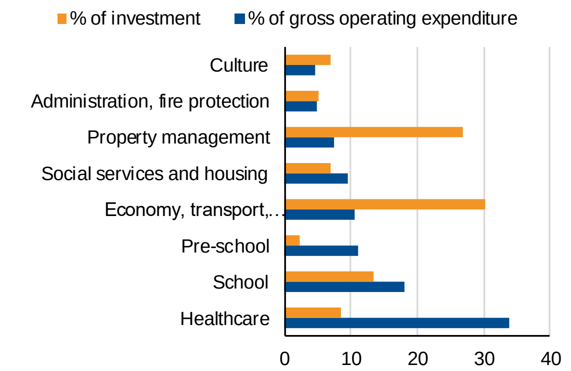
Source: Statistics Norway (KOSTRA), Scope Ratings

Looking at population density, municipalities range from a population size of 200 to 700,000. In the Oslo region, almost 100% of the population lives in densely populated areas, but this share decreases to just 70% in the county of Nordland.

These characteristics are relevant for local government spending on their key responsibilities, given the importance of mandates in transport activities but also, for instance, in education, as population density strongly affects economy of scales in associated service delivery. These factors also explain the recent reform on municipal and regional mergers.

Figure 6: Spending responsibilities, municipalities

% of total, 2022

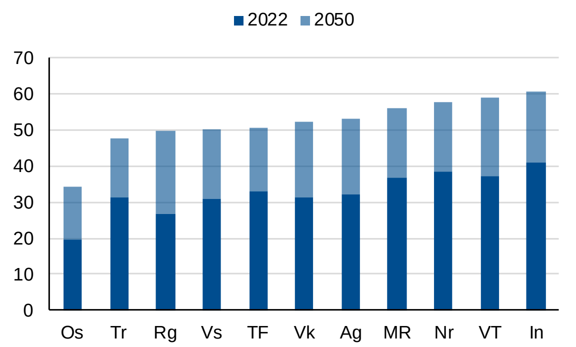


Source: Statistics Norway (KOSTRA), Scope Ratings

Given the extensive mandates of Norwegian regional and local governments in welfare services, including in healthcare, the other key structural trend affecting their finances over the medium-to-long run is population ageing. According to population projections carried out by Statistics Norway, this is a common challenge to all the regions, though some are more exposed than others (**Figure 7**).

Figure 7: Old-age dependency ratio, projections

%, age-groups 20-64 and 65+



Source: Statistics Norway, Scope Ratings

The Norwegian local government framework addresses some of these challenges through the robust equalisation system which accounts for these factors, but also through strong political coherence and institutional stability, underpinned by a tradition of intermunicipal cooperation in service delivery, which fosters efficiency.

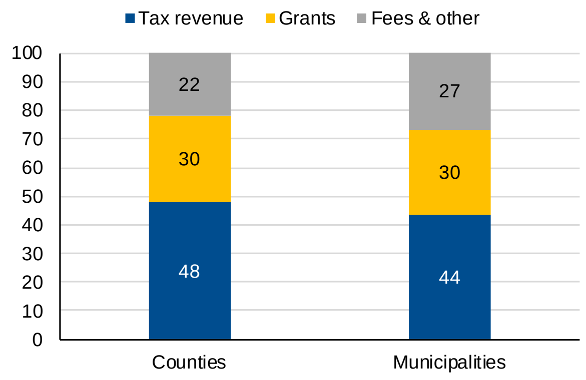
Still, structural budgetary pressures arising from an ageing population, on top of those related to climate change, are set to exert growing fiscal pressure on the sector over the long run and will require a trade-off between implementing forward-looking investments while building-up sufficient fiscal buffers.

Budgetary performance: sources of income and trends

Norwegian local governments display a broadly stable and solid operating performance[2] over time, with ample margins to cover their interest payments. Inflation-induced expenditure growth will likely pose some pressures on operating margins in the coming years. However, a favourable economic outlook supporting tax revenue and prompt adjustments to grant allocations underpin a resilient budgetary performance. Even so, the sector's investment needs are (and will remain) elevated, requiring regular recourse to debt financing.

Both at the county and municipal level, operating revenue comes mainly from taxes, though both grant allocations as well as fee and other income represent important source of income (**Figure 8**).

Figure 8: Operating revenue, per government tier
% of total, 2022

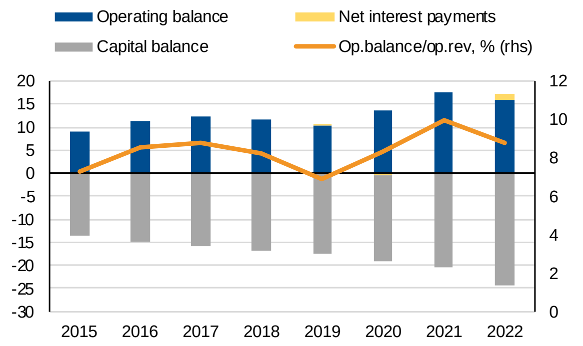


Source: Statistics Norway (KOSTRA), Scope Ratings

Most of tax revenue comes from the personal income tax, which is shared with the central government. The national parliament sets a maximum tax rate each year. Other taxes are levied on wealth and natural resources. Municipalities also collect property taxes. Grants play a significant role in local government finances and are primarily allocated through the equalisation system. While most grants can be used freely, some are earmarked for specific purposes. Operating revenue from service fees and dividends from owned companies, especially utilities, also contributes significantly to the budget. Budgetary flexibility is thus constrained by the large equalisation element and the cap on the personal income tax rate. However, the structural operating surplus in the sector indicates that revenue is broadly commensurate to spending needs.

Throughout the Covid-19 pandemic, the local government sector demonstrated resilience in its operating performance, thanks to significant support from the central government, reflected in much higher grants (+11% between 2019 and 2020). Performance remained strong in 2022, though underperformed the previous year (**Figure 9 and 10**). Inflation-induced expenditure growth and lower grants after the pandemic were largely, but not fully, offset by robust tax revenue growth and elevated service charges and dividends, especially from municipal energy companies.

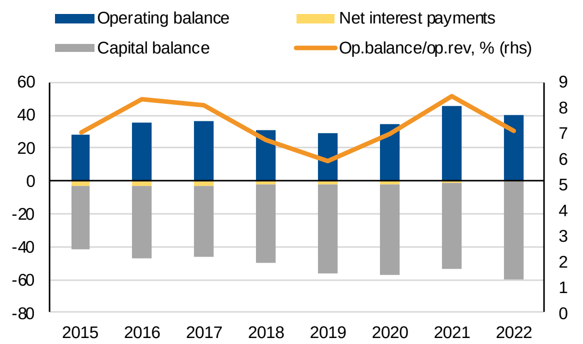
Figure 9: Budget performance[2], counties
NOK bn lhs), % (rhs)



Source: Statistics Norway (KOSTRA), Scope Ratings

We expect the sector to perform fairly well also in 2023. While the lagged effects of inflation on service provision and personnel costs represent a challenge, the central government has shown willingness to step in and ensure the sector is compensated, approving increased grant allocations in the revised national budget aligned with requests by the local government association KS.

Figure 10: Budget performance[2], municipalities
NOK bn (lhs), % (rhs)



Source: Statistics Norway (KOSTRA), Scope Ratings

The sector's operating performance should remain solid over coming years, underpinned by a sound economic outlook, bolstering tax revenues, and by the supportive stance of the central government. Certainly, the inflation shock will continue challenging the ability of sub-sovereigns to maintain prudent cost controls, also given that personnel costs account for a large chunk of operating expenditure, especially at the municipal level (~60%). The cost-shock is also likely to affect investment plans, maintaining elevated the need for debt financing.

[2] Our classification of items into operating revenue and expenditure slightly differs from that of Statistics Norway: we exclude depreciation and instalments from operating expenditure; we include all the other items of the operational accounts, except for interest payments, which we maintain separate.

Debt profile: borrowing needs and green finance

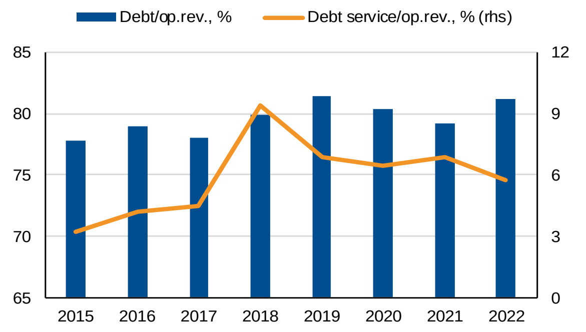
We anticipate continued reliance on debt financing as the sector's investment funding needs surpass available resources. This is not expected to result in significant pressures on debt affordability in the near-to-medium term, however, thanks to the ample fiscal buffers maintained by local governments.

Debt levels in the Norwegian local government sector are overall high, especially at the municipal level, both as a share of operating revenue and as a share of total general government debt (one third) in an international context. This reflects their important investment responsibilities and rather ample financial autonomy.

The debt burden has remained stable over time - when measured as a share of operating revenue, at the county level (**Figure 11**), and on a gradual increasing trend in the case of municipalities (**Figure 12**).

Figure 11: Debt burden, counties

%



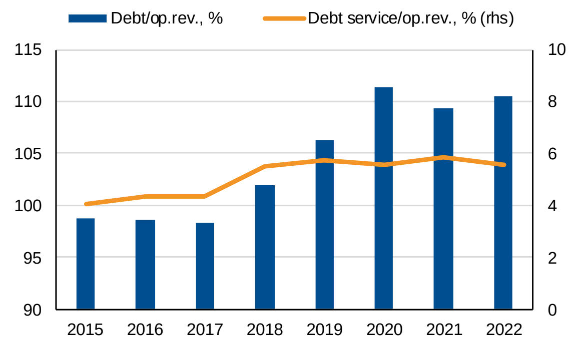
Debt service inlcudes net interests, instalments and maturing bonds

Source: Statistics Norway (KOSTRA), Scope Ratings

Even so, debt remains very affordable. The net interest payment burden as a share of operating revenue is negligible for both counties and municipalities, also because entities held financial assets, which reduce their net exposure to interest payments. Total debt service, including loan instalments and maturing securities is below 10% of operating revenue.

Figure 12: Debt burden, municipalities

%



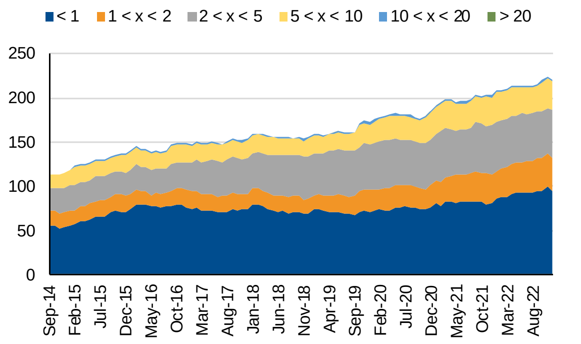
Debt service inlcudes net interests, instalments and maturing bonds

Source: Statistics Norway (KOSTRA), Scope Ratings

Local government debt mostly consists of loans, with a significant involvement of the funding agency Kommunalbanken, which accounts for approximately 50% of the sector's debt financing. Additionally, counties and municipalities frequently issue securities in the domestic capital markets, with a total outstanding volume exceeding NOK 220bn (**Figure 13**).

Figure 13: Debt securities, local governments

NOK bn; legend indicates residual maturity (years)



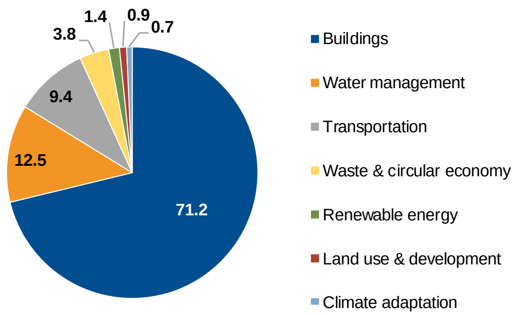
Source: Statistics Norway, Scope Ratings

As local governments increasingly prioritize addressing climate-related challenges in their policy agendas, the relevance of green finance has grown. Direct issuance of green bonds is limited so far among Norwegian local governments, which instead access these funds through Kommunalbanken' green loan programmes.

In 2022 and 2023, the counties of Agder and Vestland followed Oslo's lead (2015) by issuing their first green bonds. However, currently, no other entities are active ESG bond issuers, as reported by Euronext. On the other hand, green loans by Kommunalbanken have risen substantially over recent years. These help channel funding from international markets, which is then converted into green loans for municipalities.

Figure 14: Green loans via Kommunalbanken

% of total, 2022



Source: Kommunalbanken, Impact Report 2022, Scope Ratings

By-end 2022, outstanding green loans reached NOK 41bn, over twice the amount in 2018. Key areas of investment include building, water management and transport (**Figure 14**).

Benchmarking of financial ratios: Counties

We benchmark counties using selected ratios[3].

- **Debt burden** is assessed through the debt-to-operating revenue and the interest payment-to-operating revenue ratios, which display the challenge of debt affordability based on the size of debt and interest payments relative to the main source of repayment.

- **Liquidity** is evaluated through the current ratio, meaning current assets to short-term liabilities, while **reserves** are assessed by scaling the entities' reported "equity'' in their balance sheet to their operating revenue. Higher ratios indicate stronger liquidity positions and financial reserves.
- **Budget performance** is analysed using the operating balance-to-operating revenue and the balance before debt movement-to-revenue ratios, indicating the availability of budgetary buffers for investments and debt repayment.
- **Budget flexibility** is assessed through the transfers/grants-to-operating revenue ratio and the capital expenditure-to-expenditure ratio. The higher the transfers-to-operating revenue ratio, the less flexible the operating revenue of the entity. Higher transfers-to-operating revenue ratios indicate less flexibility in operating revenue, while a higher capex-to-expenditure ratio reflects greater flexibility to postpone spending in the face of fiscal pressures or shocks.

Overall, there are significant variations in debt burden among counties, but the sector as a whole maintains strong affordability with minimal interest payment burdens. All counties exhibit good liquidity positions with positive current ratios and strong reserves. While there are disparities in budgetary performance, all entities maintain solid operating margins, although some rely heavily on significant debt financing for their investment needs. Sector-wide expenditure flexibility is generally high, but certain entities have limited revenue flexibility and rely heavily on transfers from the central government.

Figure 15a: Debt burden

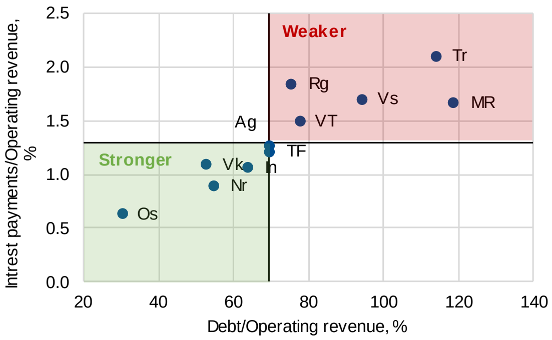


Figure 15b: Liquidity and reserves

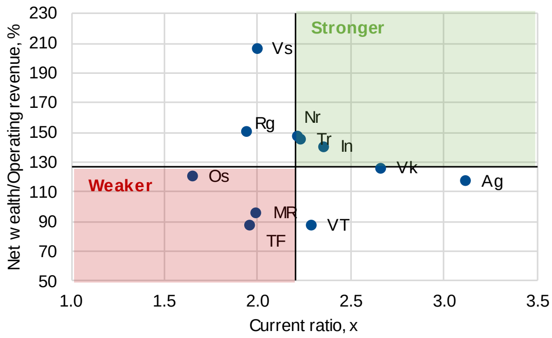


Figure 15c: Budget performance

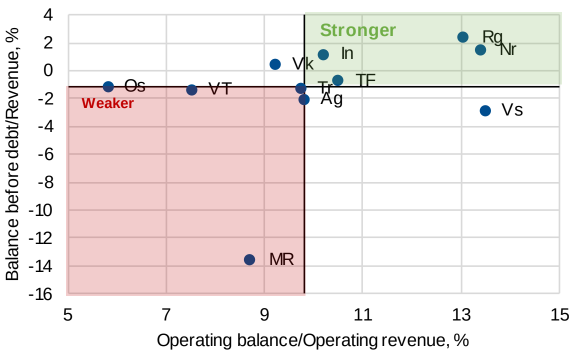
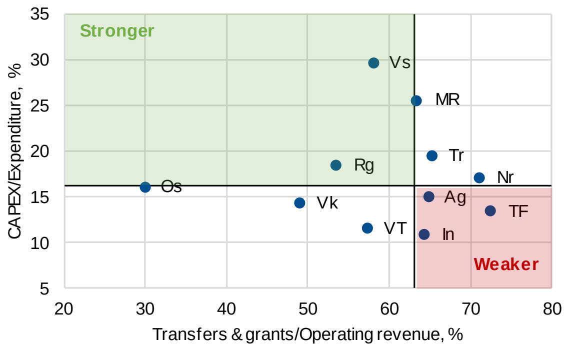


Figure 15d: Budget flexibility



NB: Averages over 2020-22; axes cross at the median values; name abbreviations are available in Annex I

Source: Statistics Norway (KOSTRA), Scope Ratings

[3] Most of these are also part of our sub-sovereign methodology, complemented with some country-specific metrics, based on data availability. Please note that the charts here presented are only a preliminary and partial snapshot of what we would assess in a full rating exercise.

Benchmarking of financial ratios: Municipalities (population: 50,000+)

We benchmark municipalities using selected ratios[3].

- **Debt burden** is assessed through the debt-to-operating revenue and the interest payment-to-operating revenue ratios, which display the challenge of debt affordability based on the size of debt and interest payments relative to the main source of repayment.

- **Liquidity** is evaluated through the current ratio, meaning current assets to short-term liabilities, while **reserves** are assessed by scaling the entities' reported "equity'' in their balance sheet to their operating revenue. Higher ratios indicate stronger liquidity positions and financial reserves.
- **Budget performance** is analysed using the operating balance-to-operating revenue and the balance before debt movement-to-revenue ratios, indicating the availability of budgetary buffers for investments and debt repayment.
- **Budget flexibility** is assessed through the transfers/grants-to-operating revenue ratio and the capital expenditure-to-expenditure ratio. The higher the transfers-to-operating revenue ratio, the less flexible the operating revenue of the entity. Higher transfers-to-operating revenue ratios indicate less flexibility in operating revenue, while a higher capex-to-expenditure ratio reflects greater flexibility to postpone spending in the face of fiscal pressures or shocks.

Overall, there are significant variations in debt burden among municipalities. However, even entities with highest debt stocks maintain strong affordability, as indicated by moderate interest payment burdens. All municipalities exhibit positive current ratios, indicating good liquidity positions, although weaker entities have narrower margins. Reserves are positive and elevated, though there are disparities among municipalities in terms of wealth. Budgetary performance shows strong discrepancies, with weaker entities facing challenges in maintaining robust operating margins. Some municipalities rely on significant debt financing to cover their investment needs. The sector as a whole demonstrates high expenditure flexibility, and revenue flexibility is not excessively constrained.

Figure 16a: Debt burden

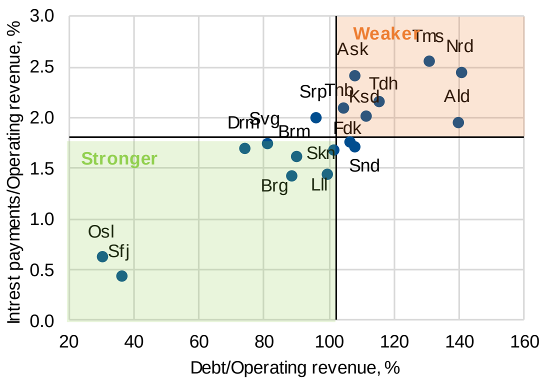


Figure 16b: Liquidity and reserves

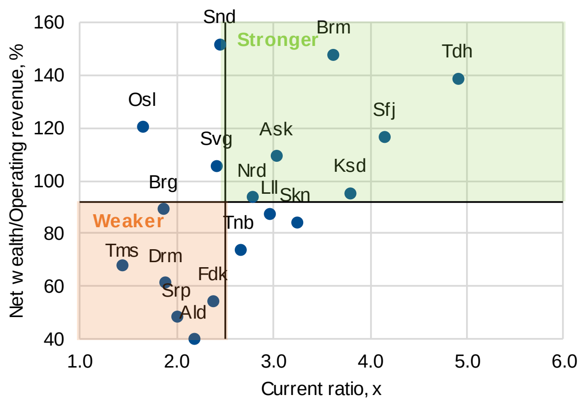


Figure 16c: Budget performance

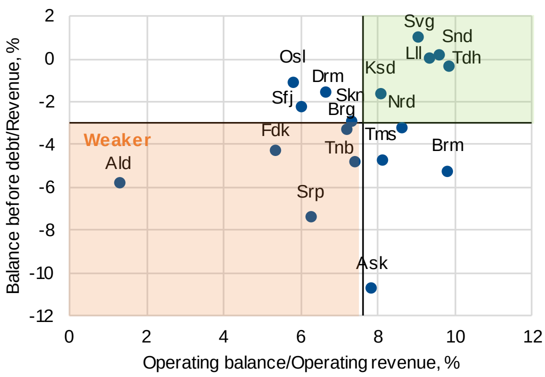
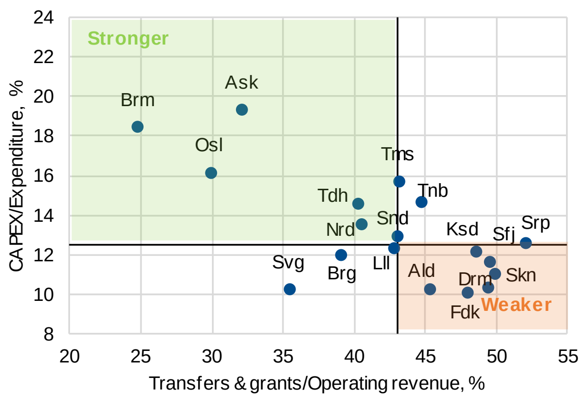


Figure 16d: Budget flexibility



NB: Averages over 2020-22; axes cross at the median values; name abbreviations are available in Annex I

Source: Statistics Norway (KOSTRA), Scope Ratings

Annex I: Name abbreviations

Counties	Code
Viken	Vk
Oslo	Os
Innlandet	In
Vestfold and Telemark	VT
Agder	Ag
Rogaland	Rg
Vestland	Vs
Møre og Romsdal	MR
Trøndelag	Tr
Nordland	Nr
Troms and Finnmark	TF

Municipalities	Code
Sarpsborg	Srp
Fredrikstad	Fdk
Drammen	Drm
Nordre Follo	Nrd
Bærum	Brm
Asker	Ask
Lillestrøm	Lll
Oslo	Osl
Tønsberg	Tnb
Sandefjord	Sfj
Skien	Skn
Kristiansand	Ksd
Stavanger	Svg
Sandnes	Snd
Bergen	Brg
Ålesund	Åld
Trondheim	Tdh
Tromsø	Tms

Annex II: How we rate sub-sovereigns – in brief

Our approach comprises two main analytical pillars (illustrated by a hypothetical example):

(1) Institutional framework

We evaluate the level of institutional and fiscal integration between sub-sovereigns and their respective sovereign.

We establish an indicative rating range, below the sovereign rating, within which the sub-sovereign ratings can be assigned.

We advocate for a "framework-driven approach" in sub-sovereign ratings, taking into account the diverse relationships between sub-sovereign and sovereign entities, as well as country-specific budget structures and debt management practices that result from these relationships.

Analytical components	Full integration (100)	Strong integration (75)	Medium integration (50)	Some integration (25)	Low integration (0)
Extraordinary support and bailout practices	◉	○	○	○	○
Ordinary budgetary support and fiscal equalisation	○	◉	○	○	○
Funding practices	○	◉	○	○	○
Fiscal rules and oversight	○	◉	○	○	○
Revenue and spending powers	○	◉	○	○	○
Political coherence and multi-level governance	○	○	◉	○	○

Integration score	*75*
Downward rating range	***0-3***

(2) Individual credit profile

We evaluate a sub-sovereign's individual credit fundamentals based on several key factors, including debt and liquidity, budget, economy, and governance, while also considering environmental and social factors.

Our assessment process utilises a scorecard that combines quantitative benchmarking of financial ratios with qualitative analysis and forward-looking perspectives.

By comparing sub-sovereign issuers with their national peers, we take into account the unique framework within each country, considering variations in spending responsibilities, fiscal rules, and accounting standards, to provide a comprehensive evaluation of budget and debt metrics.

Risk pillar		Analytical components	Stronger (100)	Mid-range (50)	Weaker (0)
Debt and liquidity	40%	Debt burden & trajectory	◉	○	○
		Debt profile & affordability	○	◉	○
		Contingent liabilities	◉	○	○
		Liquidity position & funding flexibility	○	◉	○
Budget	30%	Budgetary performance & outlook	○	◉	○
		Revenue flexibility	○	◉	○
		Expenditure flexibility	○	◉	○
Economy	20%	Wealth levels & economic resilience	○	○	◉
		Economic sustainability	○	○	◉
Governance	10%	Governance & financial management quality	○	◉	○

Additional environmental and social factors	Positive impact (+5)	No impact (0)	Negative impact (-5)
Environmental factors and resilience	○	◉	○
Social factors and resilience	○	◉	○

ICP score	50
Indicative notching	***-1***

We map the institutional framework assessment and the individual credit profile to derive an **(3) indicative rating**.

Rating anchor	Institutional framework assessment		Individual credit profile score							
"Sovereign ABC"	Score	Downward rating range	100 > x ≥ 80	80 > x ≥ 70	70 > x ≥ 60	**60 > x ≥ 50**	50 > x ≥ 40	40 > x ≥ 30	30 > x ≥ 20	20 > x ≥ 0
AAA/Stable	100 > x ≥ 90	0-1	AAA	AAA	AAA	AAA	AAA	AAA	AA+	AA+
	90 > x ≥ 80	0-2	AAA	AAA	AA+	AA+	AA+	AA+	AA	AA
	80 > x ≥ 70	**0-3**	AAA	AA+	AA+	**AA+**	AA	AA	AA-	AA-
	70 > x ≥ 60	0-4	AAA	AA+	AA+	AA	AA	AA-	AA-	A+
	60 > x ≥ 50	0-5	AAA	AA+	AA+	AA	AA	AA-	A+	A
	50 > x ≥ 40	0-6	AAA	AA+	AA+/ AA	AA/ AA-	AA/ AA-	AA-/ A+	A+/ A	A-
	40 > x ≥ 30	0-7	AAA	AA+/ AA	AA+/ AA	AA/ AA-	AA-/ A+	A+/ A	A/ A-	BBB+
	30 > x ≥ 20	0-8	AAA	AA+/ AA	AA/ AA-	AA-/ A+	A+/ A	A/ A-	A-/ BBB+	BBB
	20 > x ≥ 10	0-9	AAA	AA+/ AA	AA/ AA-	AA-/ A+	A+/ A	A/ A-	BBB+/ BBB	BBB-
	10 > x ≥ 0	0-10	AAA	AA+/ AA	AA/ AA-	AA-/ A+	A/ A-	BBB+/ BBB	BBB-/ BB+	BB+

After reviewing if any **(4) additional considerations**, such as exceptional circumstances, could alter the indicative rating, we derive the final rating. Find out more in our sub-sovereign rating methodology.

Annex III: Rated portfolio and research

Rated portfolio

GERMANY		
Baden-Württemberg	AAA	Stable
Bavaria	AAA	Stable
Berlin	AAA	Stable
Brandenburg	AVAILABLE ON SCOPEONE	
Bremen	AVAILABLE ON SCOPEONE	
Hamburg	AVAILABLE ON SCOPEONE	
Hessen	AVAILABLE ON SCOPEONE	
Lower Saxony	AVAILABLE ON SCOPEONE	
Mecklenburg-Vorpommen	AVAILABLE ON SCOPEONE	
North-Rhine Westphalia	AVAILABLE ON SCOPEONE	
Rhineland-Palatinate	AVAILABLE ON SCOPEONE	
Saarland	AVAILABLE ON SCOPEONE	
Saxony	AVAILABLE ON SCOPEONE	
Saxony-Anhalt	AVAILABLE ON SCOPEONE	
Schleswig-Holstein	AVAILABLE ON SCOPEONE	
Thuringia	AVAILABLE ON SCOPEONE	

ITALY		
Lombardy	AVAILABLE ON SCOPEONE	
Milan	BBB+	Stable
SPAIN		
Andalusia	AVAILABLE ON SCOPEONE	
Catalonia	AVAILABLE ON SCOPEONE	
Galicia	AVAILABLE ON SCOPEONE	
Madrid	AVAILABLE ON SCOPEONE	
Valencia	AVAILABLE ON SCOPEONE	
SWITZERLAND		
Basel Country	AVAILABLE ON SCOPEONE	
Geneva	AVAILABLE ON SCOPEONE	
Zürich	AVAILABLE ON SCOPEONE	

NB: Only the public and subscription ratings are shown in the table above.

Research overview

Spain’s environmental governance challenge: regional elections take place amid rising climate risk	26 May 2023
Spain’s regional elections offer chance for economic, fiscal reform; political fragmentation a risk	25 May 2023
German Länder – Sector Outlook 2023	15 Feb 2023
Spanish Autonomous Communities – Sector Outlook 2023	14 Feb 2023
Sub-Sovereign Outlook: structural budgetary pressures mount; central government support diminishes	30 Jan 2023
German Länder: energy shock concentrated in two states; federal budget cushions blow	21 Oct 2022
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German regional development banks: low-risk despite structural challenges	7 Mar 2022
Sub-Sovereign Outlook 2022: regional, local governments face challenge of post-crisis adjustment	25 Jan 2022
German Federal government shields Länder from pandemic debt burden supporting creditworthiness	9 Nov 2021
ESG financing: Spanish regions' shift to ESG-linked bonds supports financial autonomy, debt profiles	8 Sep 2021
Scope’s institutional framework studies on Italian and Spanish regions available on subscription	15 Apr 2021
Germany’s federal fiscal framework: closer Länder-central government ties underpin credit quality	17 Feb 2021
Italy: healthcare spending pressures from Covid-19, demographics challenge regions’ fiscal framework	25 Jan 2021
France: municipal finances resilient to Covid-19 shock but regional disparities persist	28 May 2020
European sub-sovereigns mostly able to weather Covid-19 shock, but face medium-term challenges	7 May 2020
France’s residency tax reform poses fiscal risks at the local and national level	13 Jun 2019
Italian regions’ autonomy plans weigh on predictability of the country’s fiscal framework	29 Apr 2019
Spain set to reinvigorate reform of federal financing	17 Jan 2018
Credit quality of German Länder driven by institutional framework, says Scope	17 Jul 2017

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