

**CHECKLIST: MINIMUM CRITERIA FOR THE CONSIDERATION OF REQUESTS FOR GUARANTEES, SECURITIES, INDEMNITIES AND RESTRICTIONS ON BORROWING (BORROWING LIMITS AND BORROWING AUTHORISATIONS) BY THE FISCAL LIABILITIES COMMITTEE**

	a) There should be a demonstrable need for government to accept the risk (i.e. the underlying transaction must be necessary in the fulfilment of the applicant's mandate in accordance with government's overall strategy).
	b) The applicant must demonstrate adequately that it will generate sufficient cash flows during the term of the underlying transaction (e.g. debt obligation) that will enable it to settle its obligation in line with the terms of the transaction timeously.
	c) The guarantee, security, indemnity and restriction on borrowing (borrowing limit and borrowing authorisation) or transaction for which an approval is being applied for, should be offered by government and should be in line with all applicable legislation
	d) The type of project that the underlying financing is needed for should be in line with the applicant's mandate.
	e) Sufficient evidence that, a clear assessment of the underlying project viability or lending activity, in the case of a development finance institution (DFI), has been conducted by the relevant Ministry should be submitted as part of the application. Where it is determined that the underlying project will yield social benefits without generating enough revenue and returns that will enable the public entity to service the required debt, then the project or lending activity should be funded through the budget appropriation process.
	f) Public Entities that have previously not adhered to guarantee conditions or conditions attached to borrowing limits and authority should not submit applications for new guarantees, security, indemnity, borrowing limits and borrowing authority.