



STATEMENT
by the Network of EU Independent Fiscal Institutions

on the recent developments concerning the Danish Economic Council

We are deeply concerned about the recent news on the Danish government's decision to relocate the Danish Economic Council away from the Copenhagen area.

While we understand that the decision is a part of a broader initiative to spur activity in Denmark's smaller communities, it should be undertaken in a way that does not hamper the functional autonomy of independent oversight bodies.

All signatories of the Fiscal Compact, including Denmark, should respect in practice and not only *de jure* the principles on the national correction mechanisms. This includes principle 7 about the role and independence of monitoring institutions. According to this principle, national legal provisions should ensure a high degree of functional autonomy for independent monitoring bodies. The practical implementation of this principle should be fully aligned with the spirit of the legal provisions.

As in most countries, the Danish national provisions were evaluated as compliant with the mentioned common principles. The functional autonomy of the Danish Economic Council is, however, being seriously jeopardized with the decision adopted by the government.

As a part of their operational independence, monitoring bodies should be able to hire highly qualified staff, have access to information that they need to carry out their mandate, and to be able to communicate freely and effectively with key stakeholders in the national public policy debate.

The location of the office of independent oversight institutions may affect their capacity to recruit staff with appropriate profile, and secure other key resources for their activity. Governments should avoid unilateral decisions on the location without prior consultation with the institution concerned.

The decision in Denmark, adopted despite protest from the Council and key national stakeholders, undermines the functional autonomy of the Council, and is likely to have a sustained negative impact on the Council's ability to exercise effective oversight over public finances.

The Network of EU Independent Fiscal Institutions reiterates its call for an effective system for safeguarding the functional autonomy of national independent fiscal institutions in practice.



We now register several cases of limiting the functional autonomy of fiscal watchdogs in different ways – including decisions on budgets, hiring restrictions, location decisions, impediments to information flows or systems for appointing members.

We call for a specific periodic monitoring process at the EU level to prevent the recurrence of such undue interference with the autonomy of fiscal oversight bodies.

The Network reiterates its readiness to cooperate in the definition of a set of minimum standards to be monitored periodically to verify that Member States are complying with their legal obligations in practice.