



EU INDEPENDENT  
FISCAL INSTITUTIONS

# **Stocktaking on the operation of EU Independent Fiscal Institutions**

**José Luis Escrivá (Chair of the Network of EU IFIs)**

**Joint session: EUNIFI and EFC-A**

**Brussels, 2 February 2017**

# Overview

1. Setting the scene
2. Agenda



# Setting the scene

# Meeting December 2015: main IFIs concerns

## ➤ Readiness to provide IFIs view and collaboration in 3 areas:

Lines of action	Specific proposals
Reinforcing the <b>role of independent bodies</b> at the national level	<b>Developing a set of minimum standards</b> for national IFIs
Streamlining EU <b>fiscal rules</b>	<b>Readiness to cooperate in the preparatory work</b> on: a) consistency between the debt rule and the MTO; b) streamlining the assessment of compliance with the SGP.
Building <b>effective fiscal frameworks</b> at the national level	Enforcing and <b>implementing existing legislation</b> (e.g. Directive on National Budgetary Frameworks)  <b>Relevance of a medium- term perspective.</b> Ready to explore ways and best practices to strengthen the medium-term budgetary framework at national level

## ➤ **Information access:** EFC-alt was encouraged to improve it

# Overall stocktaking: somewhat disappointing

- ▶ **No progress on minimum standards** for national IFIs and without clear signs of interest
  - ▶ CSR for euro area (26 January ECOFIN): very shy language
- ▶ No engagement of national IFIs on **technical debates**
  - ▶ Information is provided at the same time as for the general public
- ▶ Room for closer attention to the **Directive on NFF**
- ▶ **Information access** still deficient

# Access to information- top areas of concern

## ▶ **At EU level:**

- ▶ Information about EU fiscal surveillance rules and procedures
- ▶ Information on fiscal surveillance techniques by the EU or national institutions.
- ▶ *At least provision information on:*
  - *The EFC-alt, EPC work programmes and relevant working groups: OGWG*
  - *Minutes on the main conclusions on methodological issues*

## ▶ **At national level**

- ▶ Information on budgetary procedures at the non-central government level (Social Security, Sub-Nationals, State-Owned Enterprises, etc.)
- ▶ Methodological information about how the government costs its measures.

# Key challenges for national IFIs to perform their functions

## ▶ **Functional autonomy:**

- ▶ disparities in financial and human resources not matched by differences in mandates
- ▶ somewhat limited capacity to manage financial and staff resources

## ▶ **“Comply or explain”**

- ▶ in most cases, no operative
- ▶ recommendations: ignored or insufficiently explained
- ▶ clear need for reinforcing its implementation (lack of culture of transparency and accountability)

A stylized map of Europe, rendered in various shades of blue. The map shows the outlines of the continents and major countries. The word "Agenda" is written in a white, serif font, positioned in the lower right quadrant of the map.

# Agenda



# Improving access to information at the EU level

- ▶ **Earlier and more automatic** access to documents
  - ▶ Methodologies being applied and used by national and EU authorities in argumentation well before final Council approval (e.g. “plausibility check” with regards output gaps or the “simplification” agenda and the role of the expenditure rule)
  - ▶ Could promote clarity and consistency in communication on national fiscal stance
- ▶ **Info on issues relevant for IFIs.** Some examples:
  - ▶ Common principles for improving expenditure allocation- spending reviews
  - ▶ Common principles for strengthening pension sustainability
- ▶ Info on **work programmes and minutes**

# Strengthening the EU Fiscal Framework and the EU IFIs

- ▶ **The Network encourages the Commission to present an assessment of the practical implementation of the Fiscal Compact:** need for an assessment beyond legal aspects
- ▶ Readiness of the Network to be involved in debate about how to **strengthen the EU fiscal framework**
- ▶ Exploring a joint work of the Network with the OECD on **peer review of IFIs**
- ▶ **A working group of the Network to study medium-term budgetary frameworks** in EU member states and the role of IFIs

# Thank you for your attention

[secretariat@euifis.eu](mailto:secretariat@euifis.eu)

[www.euifis.eu](http://www.euifis.eu)



**EU INDEPENDENT  
FISCAL INSTITUTIONS**

