

BRIEFING

Involvement of independent fiscal bodies in 2016 DBP and 2014 and 2015 SCP

The purpose of this document is to show to what extent Member States provide in their 2014 and 2015 Stability or Convergence Programmes (SCP) and in their 2016 Draft Budgetary Plans (DBP) information on the role of these independent fiscal bodies. This screening does not prejudice a more careful analysis on whether or not Member States comply with the above provisions on independent bodies, nor on the effectiveness of these bodies. This document is regularly updated.

In accordance with EU [Regulation 473/2013](#), euro area Member States (1) should have in place independent bodies which produce or endorse national medium-term fiscal plans and draft budgets as well as their underpinning macroeconomic forecasts and (2) they should indicate whether those fiscal plans were produced or endorsed by independent fiscal bodies or not. According to the same Regulation, the independent bodies shall be endowed with functional autonomy vis-à-vis the budgetary authorities of a Member State.

Furthermore, the provisions to have such independent bodies are applicable to all EU Member States (except the UK) in accordance with [Council Directive 2011/85/EU](#), which stipulates that monitoring of compliance with country-specific numerical fiscal rules should be supported at national level by independent bodies or bodies endowed with functional autonomy.

Member State	2016 DBP (euro area Member States)	2015 SCP (all Member States)	2014 SCP
EURO AREA MEMBER STATES			
Belgium	"Les paramètres macroéconomiques ont été élaborés par le Bureau fédéral du Plan (BFP) à la demande de l'Institut des Comptes nationaux (ICN) et publiés dans le budget économique du 9 septembre 2015. Tant le pouvoir fédéral que les communautés et les régions se sont basés sur ce budget économique lors de la confection de leur budget 2016". (p.4)	"The budgetary path in this stability programme is based on an advance indication of the medium-term economic outlook for 2015-2020 produced by the Federal Planning Bureau in March 2015." (p.4)	"The budgetary path in this stability programme is based on an advance indication of the medium-term economic outlook for 2014-2019 produced by the Federal Planning Bureau in March 2014". (p. 4).

	"Pour le calcul du solde structurel, le travail a été effectué avec l'output gap du Bureau fédéral du Plan calculé sur base du budget économique de septembre 2015". (p.11)		
Germany	The SP does not include a reference that the underlying macroeconomic forecasts have been approved or produced by an independent fiscal body.	<p>"The federal government has submitted this update to the German Stability Programme to [...] the Stability Council." (p. 5)</p> <p>"Germany has established an independent advisory board to the Stability Council in order to increase the independence of the Stability Council. The independent advisory board supports the Stability Council in monitoring compliance with the upper limit on the general government structural deficit.</p> <p>The European Commission notes in its 2015 Country Report on Germany that Germany has not established an independent institution that prepares or assists in preparing macroeconomic forecasts (p. 59). [...] The federal government is currently reviewing options to address this shortcoming as well as suitable changes." (p. 13)</p>	"The fact that external forecasts are taken into account, as well as the high level of transparency, guarantees that the government's macroeconomic projections are of high quality." (p. 9-10)
Estonia	No English version of the DBP is available at the time of publication of this overview.	No English version of the SP is available at the time of publication of this overview.	"The principle of independence of the Ministry of Finance's macroeconomic and financial forecast was also established. Additionally, a Fiscal Council will be assembled at Eesti Pank, with the task to express opinions on forecasts, budgetary position objectives and their fulfilment and possible adjustment needs." (p. 51)
Ireland	"Pre-budget macroeconomic forecasts for this year and next [...] were endorsed by the Irish Fiscal Advisory Council (IFAC), as required under article 4(4) of the regulation". (p. 1)	"The macroeconomic forecasts contained herein were endorsed by the Irish Fiscal Advisory Council on 31 March 2015". (p. i)	"[...] legislation was passed to give the endorsement function to the Irish Fiscal Advisory Council (IFAC)." (p. 31)

Greece	Greece is subject to a macroeconomic adjustment and therefore exempted from submitting a DBP.	Greece is subject to a macroeconomic adjustment and therefore exempted from submitting a SCP.	Greece is subject to a macroeconomic adjustment and therefore exempted from submitting a SCP.
Spain	No English version of the DBP is available at the time of publication of this overview.	"The Independent Authority for Fiscal Responsibility (AIReF, for its Spanish initials) supports macroeconomic projections in this Stability Programme, based on its exogenous assumptions and policies defined." (p. 6)	"[The Independent Authority of Fiscal Responsibility's] Organic Law mandates reports on the following issues: Macroeconomic forecasts to be incorporated in the draft budgets of the Public Administrations or the Stability Programme [...] [and the] Stability Programme draft, with special assessment of the commitments that ensure the compliance of the budget stability objective, the limit of public debt and the spending rule". (p. 85-86)
France	<p>The French Treasury forecasts "were submitted to the High Council on Public Finances ("<i>Haut Conseil des finances publiques</i>", HCFP) for its opinion. The HCFP is an independent body, set up by Constitutional Bylaw no. 2012-1403 of 17 December 2012. Its task is to give its opinion on the macroeconomic forecasts used as a basis for draft budgetary plans and on the consistency of the introductory article of the draft budgetary plan with the multiyear structural balance path set out in the Public Finance Planning Act.</p> <p>The HCFP issues an opinion on all of these matters. This opinion is then attached to the draft budgetary plan submitted to the National Assembly and made public by the HCFP at the same time." (p.27).</p> <p>The opinion can be found on the HCFP's</p>	<p>"The High Council on Public Finances (HCPF) adopted its opinion on the macroeconomic forecasts relating to the Stability Programme for 2015 to 2018 on 15 April 2015. This opinion will be attached to the Stability Programme when it is submitted to the Council of the European Union and to the European Commission at the end of April 2015." (p.73)</p> <p>The opinion can be found on the HCPF's website.</p>	<p>"Article 17 of the Constitutional Bylaw stipulates that the [High Council on Public Finances] shall issue an opinion on the macroeconomic forecasts underpinning this Stability Programme [...] This opinion shall be attached to the Stability Programme when it is submitted." (p. 76)</p> <p>The opinion can be found on the HCPF's webpage.</p>

	website.		
Italy	"In order to satisfy the specific requirements of the Two Pack regarding the use of independent macroeconomic forecasts, macroeconomic forecasts for 2015 and 2016 contained in this document were validated by Italy's Parliamentary Budget Office" (p. 22)	No English version of the SP is available at the time of publication of this overview.	"In Italy, the independent authority was established in the parliament and is known as Parliamentary Budget Office (PBO); it will certify the government's economic forecasts." (p. 7)
Cyprus	Cyprus is subject to a macroeconomic adjustment and therefore exempted from submitting a DBP.	Cyprus is subject to a macroeconomic adjustment and therefore exempted from submitting a SCP.	Cyprus is subject to a macroeconomic adjustment programme and therefore exempted from submitting a SCP.
Latvia	Latvia's Ministry of Finance "[...] presented forecasts of macroeconomic indicators to the Potential and Nominal Gross Domestic Product Assessment Working Group of the Council of Fiscal Discipline on July 9, 2015. The Working group supported that the State Budget for 2016 and the Medium-Term Budget Framework for 2016-2018 are developed based on these forecasts". (p. 4)	"The updated macroeconomic forecasts have been presented to the Fiscal Discipline Council." (p. 12) The SP does not include any reference to any opinions provided by the mentioned Council following the submission of macroeconomic forecasts.	The SP does not include a reference that the underlying macroeconomic forecasts have been approved or produced by an independent fiscal body.
Lithuania	No English version of the DBP is available at the time of publication of this overview.	"Upon the coming into effect of the Constitutional Law as of 1 January 2015, an independent budgetary policy control institution shall draw a conclusion on the economic development scenario; in accordance with Resolution No XII-592 of the Seimas of the Republic of Lithuania of 14 November 2013 and the Law No I-907 of the Republic of Lithuania on National Audit Office of 30 May 1995, National Audit Office of the Republic of Lithuania (hereinafter referred to as "the National Audit Office") shall perform functions of the aforementioned institution. Conclusion No Y-4 of the National Audit Office of 31 March 2015 on the approval of the economic	The CP does not include a reference that the underlying macroeconomic forecasts have been approved or produced by an independent fiscal body.

		development scenario reads: “the scenario drafted by the Ministry of Finance of the Republic of Lithuania has been determined by the selected and stated assumptions, is based on existing statistical data, and does not contradict economic patterns. National Audit Office of the Republic of Lithuania approves the economic development scenario for 2015–2018, which has been made public on the website of the Ministry of Finance of the Republic of Lithuania on 20 March 2015.” (p. 4)	
Luxembourg	<p>" (...) le présent projet de plan budgétaire se base sur des prévisions macroéconomiques indépendantes telles que définies par le règlement 473/2013 dans la mesure où elles sont produites par l’Institut national de la statistique et des études économiques (STATEC)". (p. 2)</p> <p>There is no reference to the role of the National Fiscal Council (<i>Conseil National des Finances Publiques</i>).</p>	<p>"With the law dated 12 July 2014 on the coordinating and governance of public finances, the government transposed into national law a certain number of obligations arising from the revision of economic governance on the European level. This involved [...] the setting up of a national fiscal council." (p. 5)</p> <p>There is no further reference to the role of the national fiscal council in the preparation of the SP.</p>	Enumerating the forthcoming changes in the legal framework of public finances, the SP mentions "the establishment of a "National Fiscal Council" charged with independently verifying compliance with budgetary rules and the application of the automatic correction mechanism." (p. 40)
Malta	<p>The DBP reminds that the Fiscal Responsibility Act of August 2014 established a Fiscal Council (the Malta Fiscal Advisory council, MFAC) tasked with assessing and endorsing macroeconomic and fiscal forecasts, and monitoring compliance with fiscal rules. MFAC is operational since the beginning of 2015.</p> <p>However, the DBP says only that "[...] the macroeconomic forecasts underlying this Plan and the 2016 Budget have been submitted to the Fiscal Advisory Council for</p>	<p>"The macroeconomic forecasts underlying this Programme have been submitted to the Fiscal Advisory Council for its endorsement. The Council concluded that “the headline GDP figures (both in nominal and real terms) as forecasted by the MFIN may indeed be achievable for the forecast years under consideration”. The fiscal projections underlying this Programme have also been submitted to the Council for its evaluation and endorsement in line with the requirements of the Fiscal Responsibility Act.</p>	<p>"This is the first Stability Programme that has been submitted to an independent body for evaluation and endorsement." (p. 5) The SP does not report further details on the independent body. However, the forthcoming creation of a fiscal council is mentioned, making reference to the Fiscal Responsibility Act (p. 5 and p. 64).</p>

	its endorsement." (p. 4)	This exercise is expected to be concluded in the coming days." (p. 1)	
Netherlands	The DBP does not include an explicit reference that the draft budget has been approved or produced by an independent fiscal body. However, the macroeconomic forecasts quote the figures of the Netherlands Bureau for Economic Policy Analysis (CPB) (p.4)	"Unless indicated otherwise, the figures used in this report for 2014, 2015 and 2016 are based on the most recent economic forecasts by the Netherlands Bureau of Policy Analysis (CPB) published in its Central Economic Plan (CEP) of 16 March 2015." (p. 2)	"Unless indicated otherwise, the figures for 2014 and 2015 are based on the latest economic projection by the Netherlands Bureau of Policy analysis (CPB) published in the Central Economic Plan (CEP) on 18 March 2014. For the years after 2015 (in this case 2016 and 2017) the macroeconomic projections and the changes in deficit and debt are based on the medium-term projection by the CPB dating from November 2012 (Coalition Agreement) because the CEP does not have a projection for this period." (p. 1)
Austria	<p>"This programme is based on [...] the economic forecasts by the Austrian Institute of Economic Research (WIFO) of September 29th, 2015 [...]" (p. 1)</p> <p>Reference is made to the role of the Austrian Fiscal Advisory Council - <i>Fiskalrat</i> ("In line with Regulation (EU) No 473/2013 of the European Parliament and the Council of May 21st, 2013 the task of monitoring compliance with EU regulations was attributed to the former Austrian Government Debt Committee. This committee has been newly named "Austrian Fiscal Advisory Council", monitors budget targets and will provide recommendations and - if necessary - adjustment paths"). (p. 15)</p>	<p>"This programme is based on [...] the medium-term economic forecasts by the Austrian Institute of Economic Research (WIFO) as of March 2015 [...]" (p. 3)</p> <p>However, reference is made to the role of the Austrian Fiscal Advisory Council - <i>Fiskalrat</i> ("In line with Regulation (EU) No 473/2013 of the European Parliament and the Council of 21 May 2013 the task of monitoring compliance with EU regulations was attributed to the former Austrian Government Debt Committee. This committee has been newly named "Austrian Fiscal Advisory Council", monitors budget targets and will provide recommendations and - if necessary - adjustment paths"). (p. 24)</p>	<p>"This stability programme and this DBP are based on [...] the economic forecast of the independent Austrian Institute of Economic Research (WIFO) as of 27/3/2014 [...]" (p. 1)</p> <p>However, reference is made to the role of the Austrian Fiscal Advisory Council - <i>Fiskalraad</i> ("In line with Regulation (EU) No 473/2013 of the European Parliament and the Council of 21 May 2013 the task of monitoring compliance with EU regulations was attributed to the former Austrian Government Debt Committee. This committee has been newly named "Austrian Fiscal Advisory Council", monitors budget targets and will provide recommendations and - if necessary - adjustment paths"). (p. 16)</p>
Portugal	The 2016 DBP includes the opinion of the <i>Conselho das Finanças Públicas</i> , the Portuguese Public Finance Council, as an	No English version of the SP is available at the time of publication of this overview.	Portugal was subject to a macroeconomic adjustment programme and therefore

	attachment (p. 19), but only in the Portuguese version. No English version of the opinion is available at the time of publication.		exempted from submitting a SCP.
Slovenia	<p>The DBP does not include a reference that the draft budget has been approved or produced by an independent fiscal body.</p> <p>However, the SP reports that "Macroeconomic forecasts are produced by the Institute of Macroeconomic Analysis and Development (IMAD), an independent government office." (p. 2)</p>	<p>The SP does not include a reference that the underlying macroeconomic forecasts have been approved or produced by an independent fiscal body.</p> <p>However, it mentions the forthcoming establishment of a national fiscal council ("The draft Fiscal Rule Act, which is being debated in the National Assembly [...] also regulates the functioning of the Fiscal Council as an independent and autonomous body which prepares assessments of the compliance of public finance policy with fiscal rules", p. 38).</p>	<p>The SP does not include a reference that the underlying macroeconomic forecasts have been approved or produced by an independent fiscal body.</p> <p>However, it mentions the forthcoming establishment of a national fiscal council ("The Fiscal Rule Act will [...] establish a fiscal council as an independent government authority and determine its competences as well as the method of abrogating its derogations from the fiscal rule", p. 38)</p>
Slovakia	No English version of the DBP is available at the time of publication of this overview.	No English version of the SP is available at the time of publication of this overview.	The SP does not include a reference that the underlying macroeconomic forecasts have been approved or produced by an independent fiscal body.
Finland	No English version of the DBP is available at the time of publication of this overview.	No English version of the SP is available at the time of publication of this overview.	The SP only reports that the General Government Fiscal Plan, which is part of the SP, is based on the Ministry of Finance's macroeconomic forecasts; and that "the Ministry of Finance's macroeconomic forecast is prepared independently in the Ministry's Economics Department." (p. 21)

NON-EURO AREA MEMBER STATES

<p>Bulgaria</p>	<p>not applicable (n. a.)</p>	<p>The CP does not include a reference that the underlying macroeconomic forecasts have been approved or produced by an independent fiscal body.</p> <p>However, the CP reports on the forthcoming establishment of a national fiscal council ("On 8 April 2015 the National Assembly adopted the Law on the Fiscal Council and Automatic Correction Mechanisms [...] The Law on the Fiscal Council and Automatic Correction Mechanisms sets up an independent advisory body on fiscal governance issues called Fiscal Council [...] The Council will prepare reasoned opinions regarding the spring and autumn macroeconomic forecasts of the Minister of Finance and the based on them draft medium-term budgetary framework, the Draft State Budget Law and the draft laws amending the latter [...]." (p. 81-82))</p>	<p>"On 3 April 2014, the Budget Committee of the National Assembly adopted on second reading the draft Law on Fiscal Council and Correction Mechanisms [...] The draft Law on Fiscal Council and Correction Mechanisms sets up an independent advisory body on fiscal management issues called Fiscal Council [...] The Council will prepare reasoned opinions regarding the spring and autumn macroeconomic forecasts of the Minister of Finance and the based on them draft medium-term budgetary framework, the Draft State Budget Law and the draft laws amending the latter [...]" (p. 75-76)</p>
<p>Czech Republic</p>	<p>n. a.</p>	<p>The CP does not include a reference that the underlying macroeconomic forecasts have been approved or produced by an independent fiscal body.</p> <p>However, the CP reports on the forthcoming establishment of a national fiscal council ("The function of independent fiscal institution in the Czech Republic will be performed by the National Budgetary Council, the establishment of which is proposed by the Constitutional Act on Fiscal Responsibility. The main tasks of the Council will include evaluating whether or not the</p>	<p>"The macroeconomic and fiscal scenario is verified in Chapter 4 by comparing predictions with other public and private independent institutions." (p. 1)</p>

		numerical fiscal rules have been met", p. 35).	
Denmark	n. a.	<p>The CP does not include a reference that the underlying macroeconomic forecasts have been approved or produced by an independent fiscal body.</p> <p>However, reference is made to the role of the Danish Economic Council ("The Danish Economic Council is to continually (annually) assess whether economic policy adheres to the target of the structural public balance, complies with expenditure ceilings and whether the adopted expenditure ceilings are consistent with medium term projections for public finances," p. 7 and p. 64)</p>	<p>The CP does not include a reference that the underlying macroeconomic forecasts have been approved or produced by an independent fiscal body.</p> <p>However, reference is made to the role of the Danish Economic Council ("The Danish Economic Council is to continually (annually) assess whether economic policy adheres to the target of the structural public balance, complies with expenditure ceilings and whether the adopted expenditure ceilings comply with medium term projections for public finances," p. 57)</p>
Croatia	n. a.	No English version of the CP is available at the time of publication of this overview.	"The Fiscal Policy Committee was established pursuant to a Decision of the Government of the Republic of Croatia on the establishment of the Fiscal Policy Committee in 2011, and the Committee members were appointed by virtue of a decision of the Government of the Republic of Croatia." (p. 50)
Hungary	n. a.	<p>The CP does not include a reference that the underlying macroeconomic forecasts have been approved or produced by an independent fiscal body.</p> <p>However, reference is made to the role of the Hungarian Fiscal Council in contributing to the assessment of the macroeconomic scenario and to lay the methodological foundations for future forecasts (p. 66)</p>	The CP does not include a reference that the underlying macroeconomic forecasts have been approved or produced by an independent fiscal body.
Poland	n. a.	No English version of the CP is available at the time of publication of this overview.	The CP does not include a reference that the underlying macroeconomic forecasts have

			been approved or produced by an independent fiscal body.
Romania	n. a.	<p>The CP does not include a reference that the underlying macroeconomic forecasts have been approved or produced by an independent fiscal body.</p> <p>However, reference is made to the role of the Fiscal Council established by the Fiscal-Budgetary Responsibility Law (Law 69/2010), among whose tasks there is the evaluation of "macroeconomic projections used in supporting the forecasts of general government revenues" and the issuance of "recommendations on the current and future fiscal policy" (p. 54)</p>	<p>No explicit reference to the involvement of an independent fiscal body; however, the Fiscal Council is mentioned and its main tasks described, including "[evaluating] macroeconomic projections used in supporting the forecast of general government revenues [...] [and issuing] recommendations on the current and future fiscal policy." (p. 54)</p>
Sweden	n. a.	<p>As reported in the CP, the Swedish Fiscal Policy Council shall, among other things, assess whether the Spring Fiscal Policy Bill is compatible with sustainable general government finances over the long term; it may also review and assess the quality of forecasts (p. 13). The CP is, in turn, based on the Spring Fiscal Policy Bill (p. 5)</p>	<p>As reported in the CP, the Swedish Fiscal Policy Council shall, among other things, assess whether the Spring Fiscal Policy Bill is compatible with sustainable general government finances over the long term; it may also review and assess the quality of forecasts (p. 14). The CP is in turn based on the Spring Fiscal Policy Bill (p. 5).</p>
UK	n. a.	<p>"The forecasts for the economy and public finances included in the UK's Convergence Programme are prepared by the independent Office for Budget Responsibility (OBR)" (p. 5)</p>	<p>"The forecasts for the economy and public finances included in the UK's Convergence Programme are prepared by the independent Office for Budget Responsibility (OBR)." (p. 5)</p>

Sources: Own screening of 2014 and 2015 SCP and 2016 DBP.

Note: Complementary information, including on the state of implementation, on independent fiscal bodies in EU Member States can be found [here](#) on the Commission website, in the ECB Bulletin of June 2014 [here](#) (see pages p. 96-100) and in the Commission document on Public Finances in EMU 2014 [here](#) (see pages 54-66).

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