



Autoridad Independiente
de Responsabilidad Fiscal

Practical Challenges in Establishing & Maintaining Fiscal Councils

World Bank Conference

Fiscal Rules and Fiscal Councils in the Western Balkans

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The Independent Authority for Fiscal Responsibility (AIReF) was created in 2013



Young institution

Fully operational
since September
2014



Main aim

Sustainability of
Public Finances



Wide scope

All levels of
government



Ample mandate

Supervisory
work.....
and new spending
review tasks

Once fiscal supervision was established new tasks came by: *spending reviews*

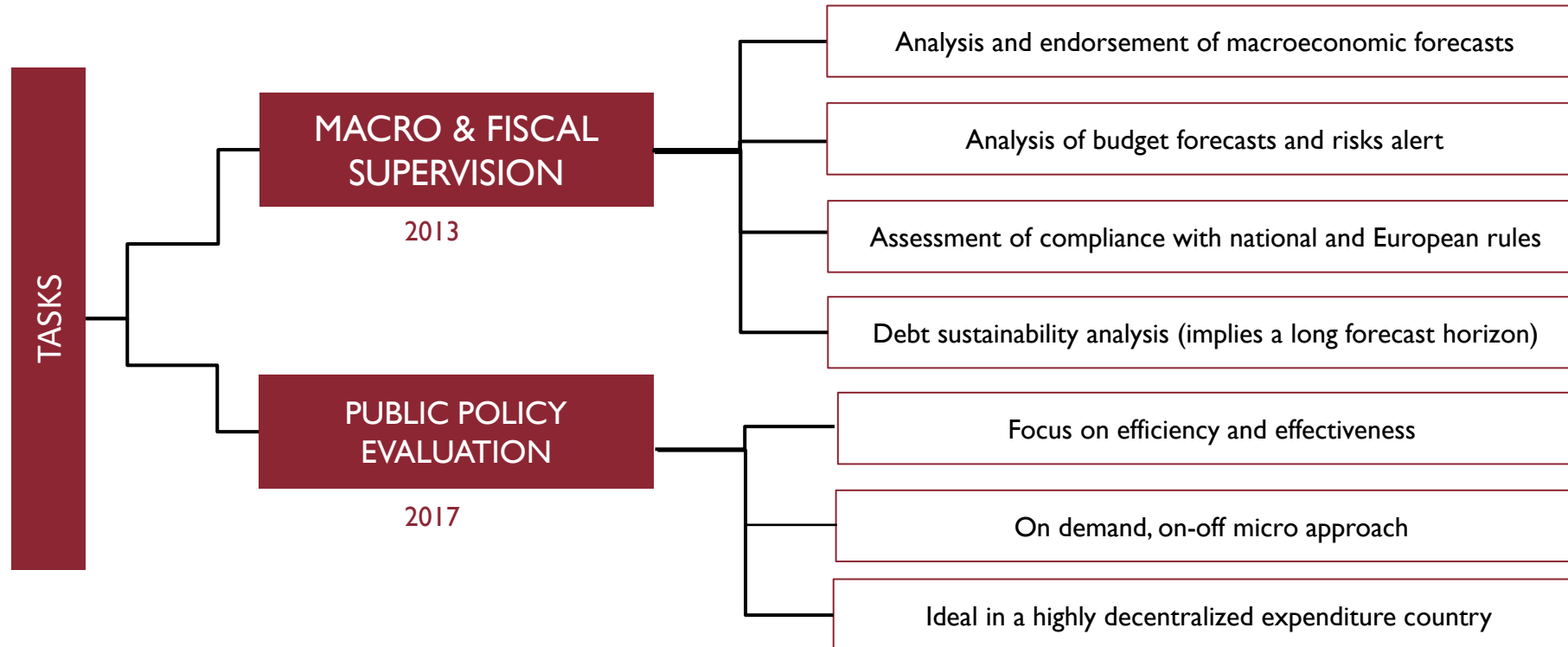


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What proved to be the strong points in the Spanish set-up? A powerful, broad and country specific legal framework

1 The EU kickoff

Legal tasks for IFIs

Analysing or endorsing macro projections

Monitoring with national fiscal rules

Minimum standards:

- (1) Binding legal system
- (2) Not taking instructions
- (3) Adequate resources
- (4) Appointments on the basis of experience and competence
- (5) Access to information

Comply or explain principle

2 The in-country development

Key elements	AIReF
Legal force	Created by Organic Law
Mandate	One of the widest and most granular mandates, extending to national and subnational administrations
Single-person management	Maximum appointment requirements (experience and absolute majority)
Independence safeguards	Non-acceptance of instructions, termination regulation, incompatibility
Individual Financing	Own: public rates and prices
Access to information	Established by law
Reports	Established by law and subject to the comply or explain principle
Opinions	Possibility to undertake analysis at own-initiative provided it is related to debt sustainability. No need to explain

Early challenges: a good legal basis is a necessary but not sufficient condition

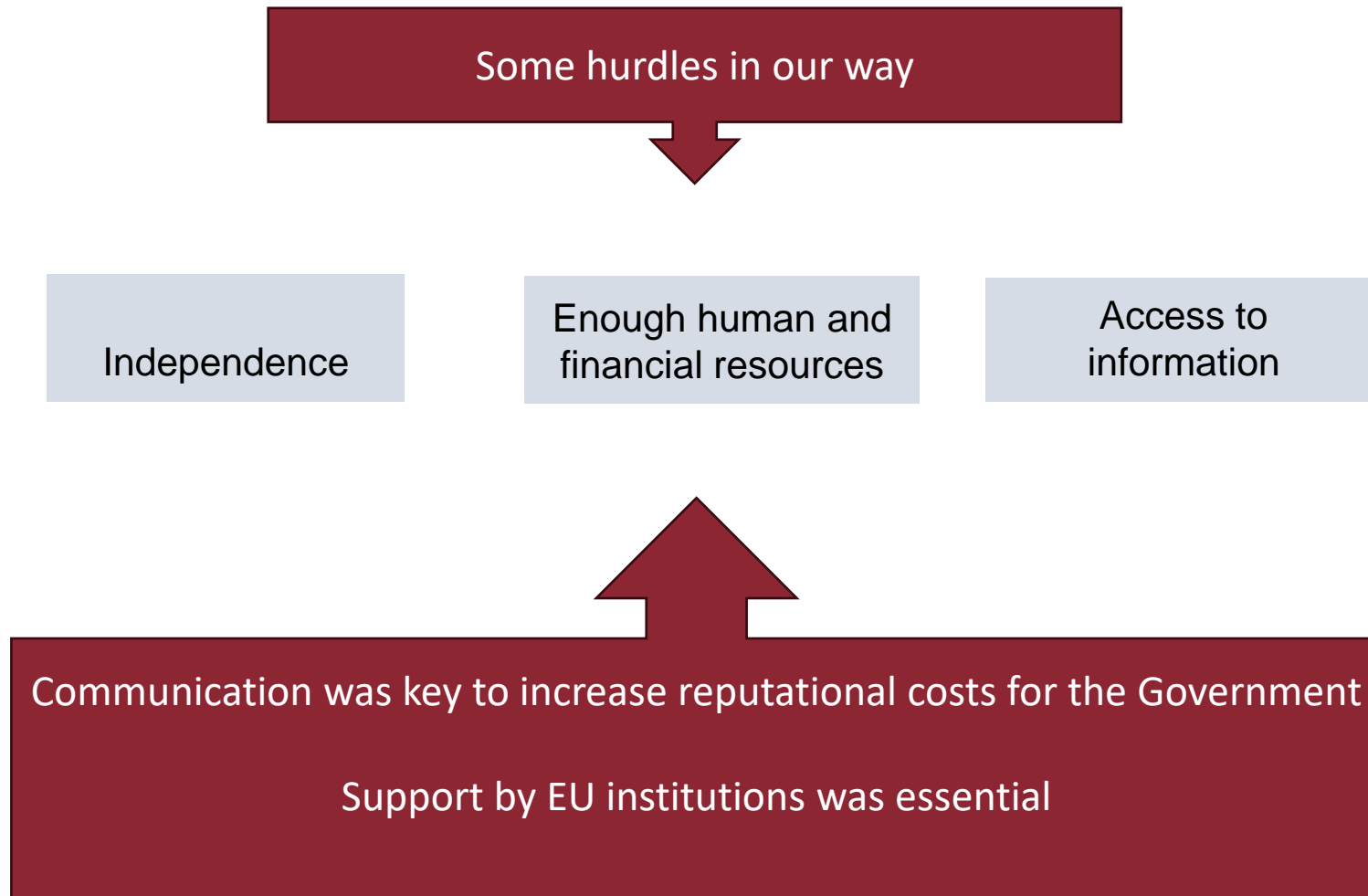


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Reputation is everything: tough to build and easy to lost

1

TRANSPARENCY

A rigorous, evidence-based analysis.
Publication on the web of all documents,
tools, methodologies, hearings and public
interventions

Methodological nudism

2

ACCOUNTABILITY

Strategic Plan and Report, Advisory Board,
Parliamentary hearings, IGAE and Court of
Auditors plus External Evaluation

Setting high standards

3

INDEPENDENCE

AIReF acts with full organic and
functional autonomy. Its presidential
design offers agility and limits risks

Never taken for granted

Building bridges to enhance best practices



EU Relationships

Commission: regular contact - monitoring and semester missions- *ad hoc* contacts - governance debate
European Fiscal Council: provision of inputs, participation in seminars, invitation to meetings of the Council
European Central Bank: seminars and meetings
Court of Auditors: learn about its evaluation experience, audits of the EU semester



IFIs and other

EU IFI network: presidency by AIReF for 4 years and active presence
OECD Working Party of Parliamentary Budget Officials and Independent Fiscal Institutions
IMF Article IV missions and workshops
Rating agencies, research bodies and academia



Media & stakeholders

A specific communications team.
Off the record meetings and seminars with specialized media. Open question press conference
Increasing presence in social networks such as X (Twitter), LinkedIn & YouTube

Self and external evaluations provide insightful conclusions for improvement

- Internal evaluation**
- Airef assesses regularly the quality of its macroeconomic and budgetary projections and the outreach of its analysis

- External evaluation**
- In the case of AIReF, two external reviews so far (one per President's mandate, by decision of each of the two President) – one review was concluded in 2017 with the OECD, the other one on-going
 - Our experience is positive: accurate identification of challenges and useful recommendations
 - Stronger focus on the medium-term, which we have complied
 - Other recommendations were not (only) addressed to us, e.g. access to information and MoUs (that have not been complied with)
 - AIReF published a yearly follow-up of recommendations (for 3 years after the external evaluation)

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Challenges to further strengthen AIReF's role

➤ **Adapting to a new governance framework.**

- We are estimating medium-term scenarios; analyzing fiscal risks; improving our debt sustainability analysis
- How will the interaction between national and reformed EU framework work in the future remains a big question. Particularly complex for countries with a subnational dimension.

➤ **A stronger legal framework for the evaluation task**

➤ **Adequate level of resources and management flexibility**

- Budget: even if financing and budgetary appropriations are available, authorizations from the MoF are required in certain circumstances. Instead, day-to-day management requires flexibility in the distribution of appropriations.
- Staff: characteristics of both civil servants and temporary staff is not an autonomous decision of AIReF

➤ **Access to information can be improved.** Lack of MoU with the MoF

➤ **Comply or explain.** The CoE should be extended to most assessments/opinions issued by the IFIs, including the obligation for governments to respond and to make their replies public. Besides, how to address recommendations that the government opts for explaining but we think the explanation is unsatisfactory?



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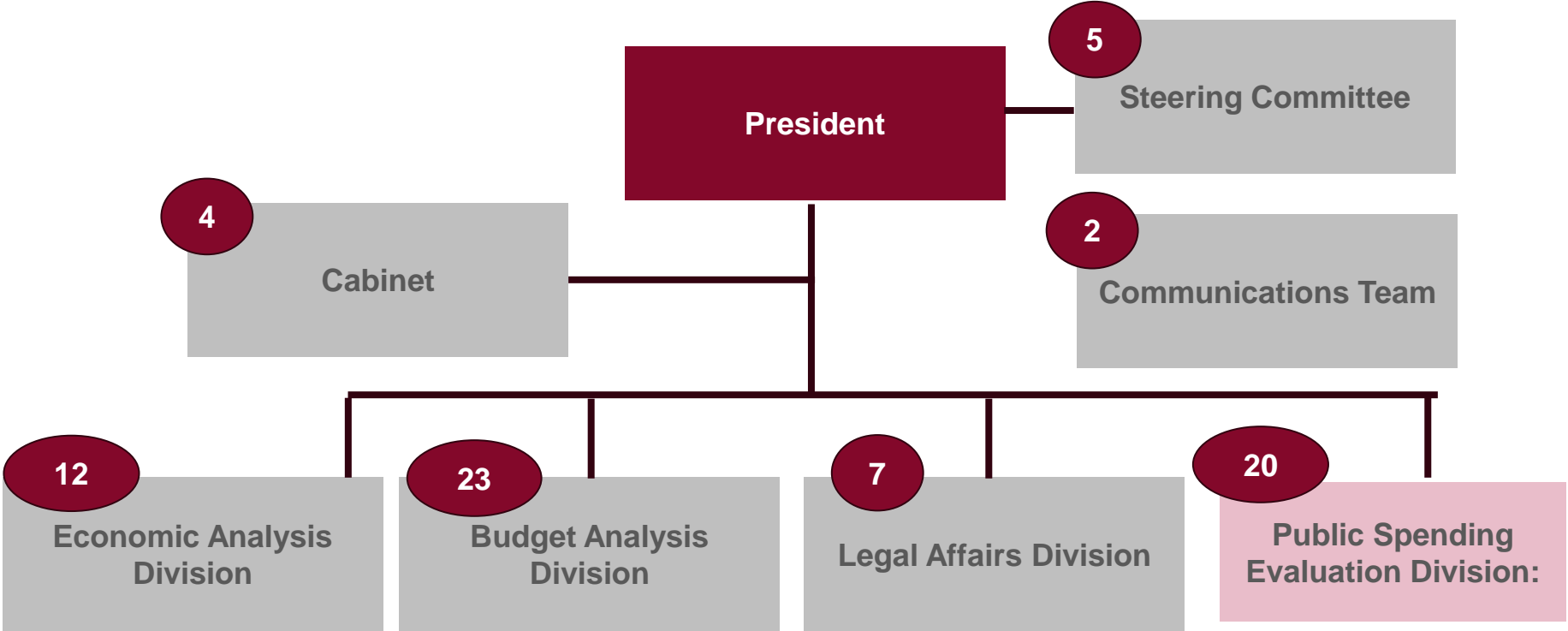


[Autoridad Independiente de Responsabilidad Fiscal \(AIReF\)](#)

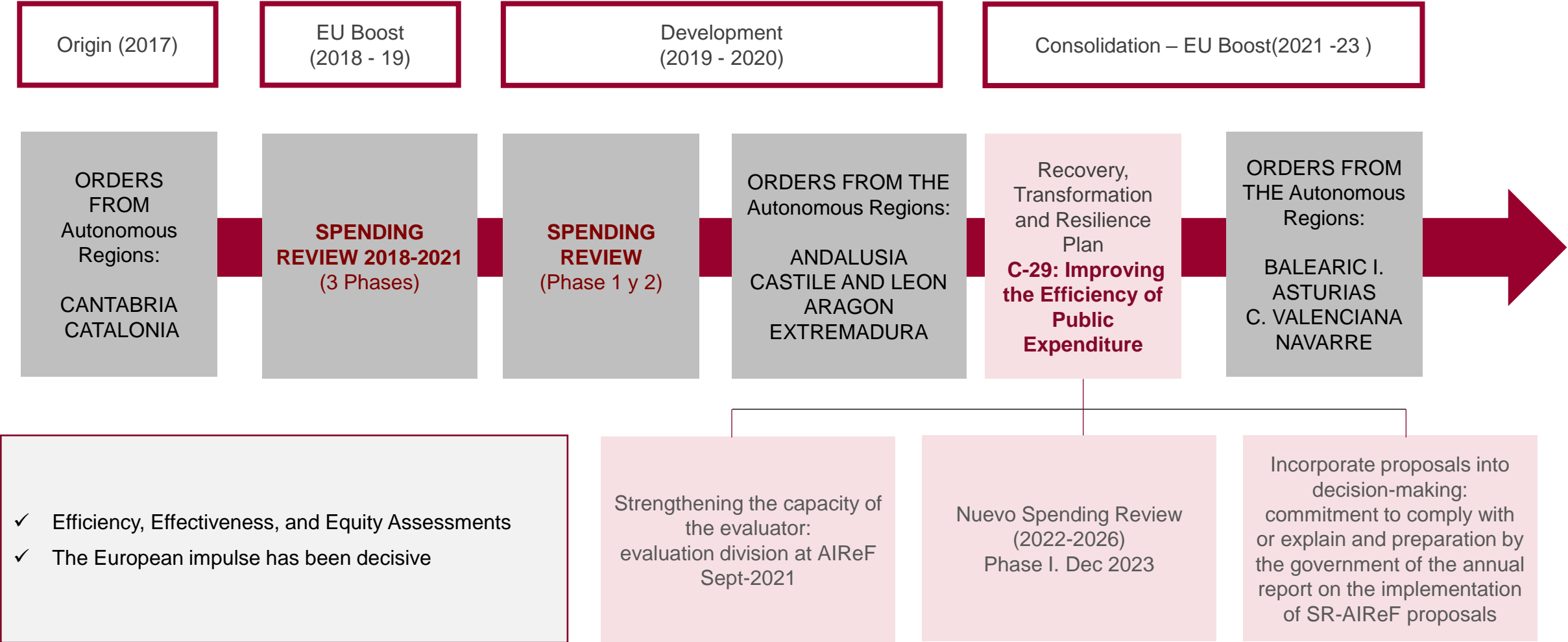


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Annex: Human resources for the performance of its duties



Annex: The Spending Review Division



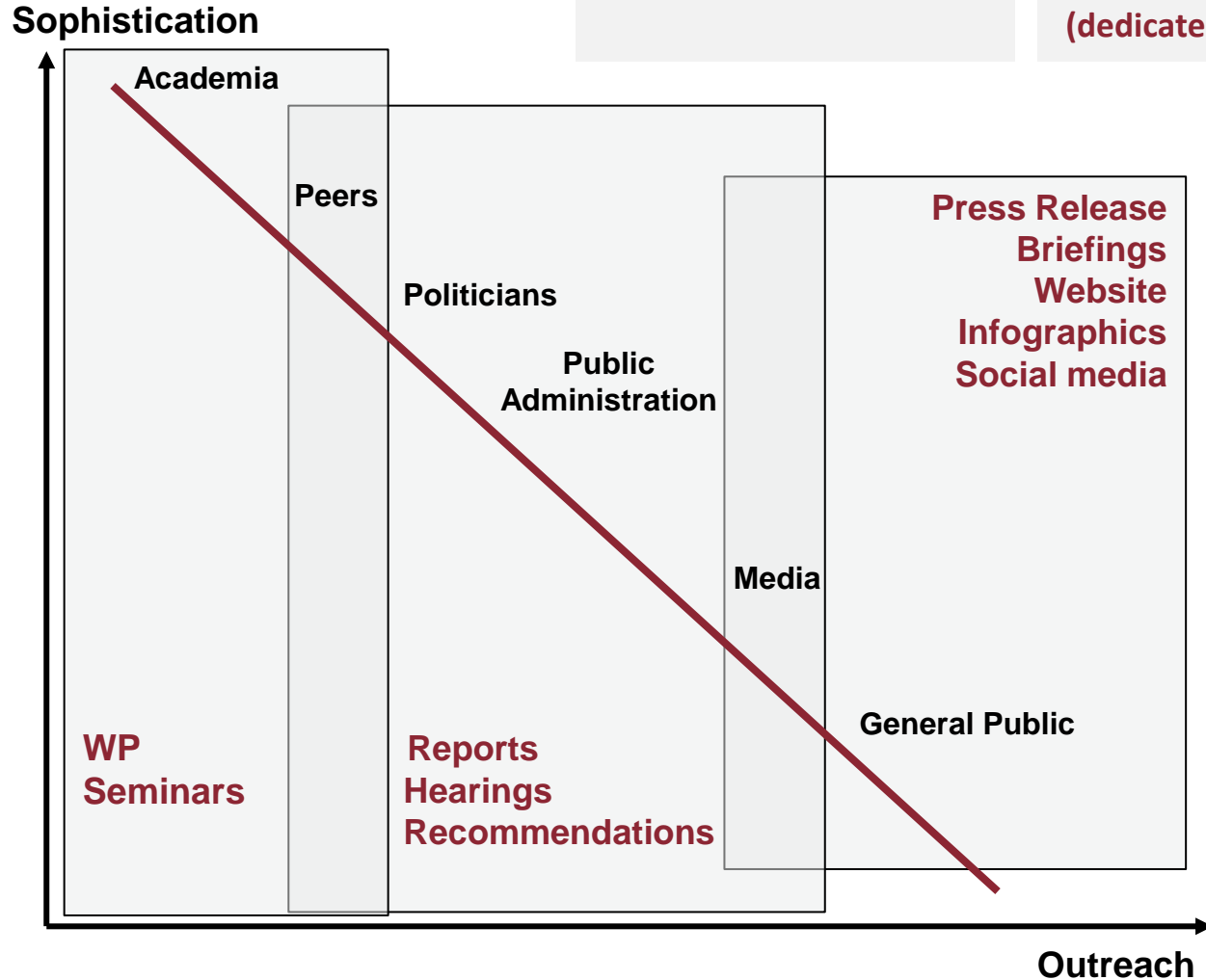
Communication strategy

1. Identification of Stakeholders

2. Selection of communication Channels (dedicated team)

3. Follow-up and assessment of Effectiveness

Key steps



No. of followers in X (Twitter) of main IFIs

