

Contacts with MoF

Joint session with Alternate Members of the Economic
and Financial Committee
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The set-up of the Fiscal Policy Council

- Established in 2007;
- An agency under the Government;
- Six members:
 - Academics;
 - Policy-making experience;
- Supplementary activities to ordinary jobs (mainly academic positions);
- Small secretariat: five persons;
- Annual budget ~1 000 000 €.



The tasks of the Fiscal Policy Council

1. Focus on *ex post* evaluation, with some *ex ante* evaluation;
2. Evaluate whether the fiscal policy meets its objectives:
 - Long-run sustainability;
 - Surplus target;
 - The expenditure ceiling;
 - Stabilization issues.
3. Evaluate whether the developments are in line with healthy sustainable growth and a sustainable high employment;
4. Monitor the transparency of the government budget proposals and the motivations for various policy measures;
5. Analyse the effects of fiscal policy on the distribution of welfare;
6. Contribute to a better economic policy discussion in general.

Main activities

- Annual report in May;
- Formal dialogue with the Government. In particular, the Government, in its Budget bill, normally responds to the recommendations presented by the Council in the May report.
- Annual hearing in Parliament;
- Seminars, conferences and articles;
- Media appearances.

Procedures to safeguard independence

- A stipulation that the Council itself proposes its members to the Government (§12 in remit);
- The Council meets the Finance minister twice a year:
 - When the report is handed over to MoF;
 - During the hearing in the Parliament.
- All other contacts with MoF is handled by Head of Agency;
- Head of Agency negotiates the budget;
- No guarantee in legislation to get full access to all relevant information...However, not a problem (so far).

THE END

