



REPUBLIKA SLOVENIJA
FISKALNI SVET

New institutions and updates: Fiscal Council in Slovenia

**10th Annual Meeting of the OECD Network of Parliamentary
Budget Officials and Independent Fiscal Institutions (PBO)**

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A bumpy road to setting up a fiscal council in Slovenia

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fiscal Council (advisory body to the Government)	█	█	█	█						
Fiscal Rule Act							June			
Unsuccessful voting round on electing members								March		
Fiscal Council									March	█

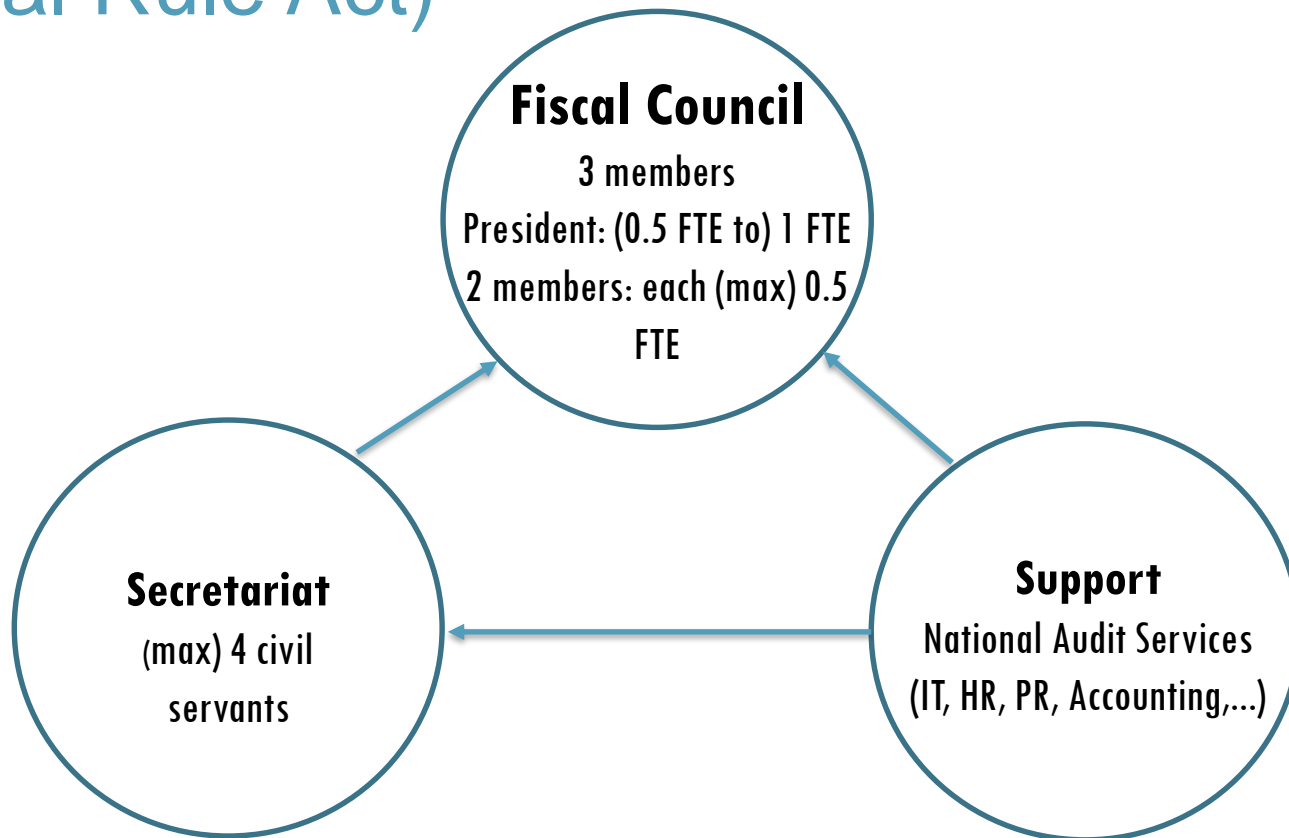


Two fiscal institutions

- Institute of Macroeconomic Analysis and Development (est. 1947)
 - an independent government office,
 - Director appointed by and responsible directly to the Prime Minister,
 - is required by law to prepare macroeconomic forecasts, which are built into budgetary projections.
- **Fiscal Council (legislated by Fiscal Rule Act)**
 - **an independent and autonomous state authority,**
 - **members proposed by Government and should receive a constitutional 2/3 support by the Parliament to be elected.**
 - **5 year mandate, renewable once.**



Structure of Fiscal Council (defined in Fiscal Rule Act)





Mandate of Fiscal Council

Prepares and makes publicly available assessments, also containing recommendations, regarding compliance of fiscal policies with fiscal rules as defined in the Fiscal Rule Act, by:

- assessing the sustainability and compliance of the orientation of medium-term public finance policy,
- preparing ex-ante and ex-post estimates of compliance with fiscal rules,
- following the execution of state budget, local budgets, and social security funds,
- determining whether specific circumstances have occurred which allow for a temporary non-compliance with fiscal rules.



Annual work-cycle – linked to budget process

	Week 1	Week 2	Week 3	Week 4
January		FC: Current Developments		
February				<i>SORS: National Accounts</i>
March		<i>IMAD: macro projection</i>		<i>SORS: General Govt Accounts</i>
April	<i>MoF: SP&NRP;</i> FC: assess SP	<i>MoF: Framework;</i> FC: assess Framework		
May				<i>SORS: National Accounts;</i> FC: Annual Report
June				<i>SORS: Gen Govt Accounts</i> FC: assess t-1 Budget
July	FC: Current Developments			
August				<i>SORS: National Accounts</i>
September		<i>IMAD: macro projection</i>		<i>SORS: General Govt Accounts</i>
October		<i>MoF: State Budget, Framework, DBP</i>	<i>SORS: EDP;</i> FC: assess SB/FR/DBP	
November				<i>SORS: National Accounts</i>
December				<i>SORS: General Govt Accounts</i>



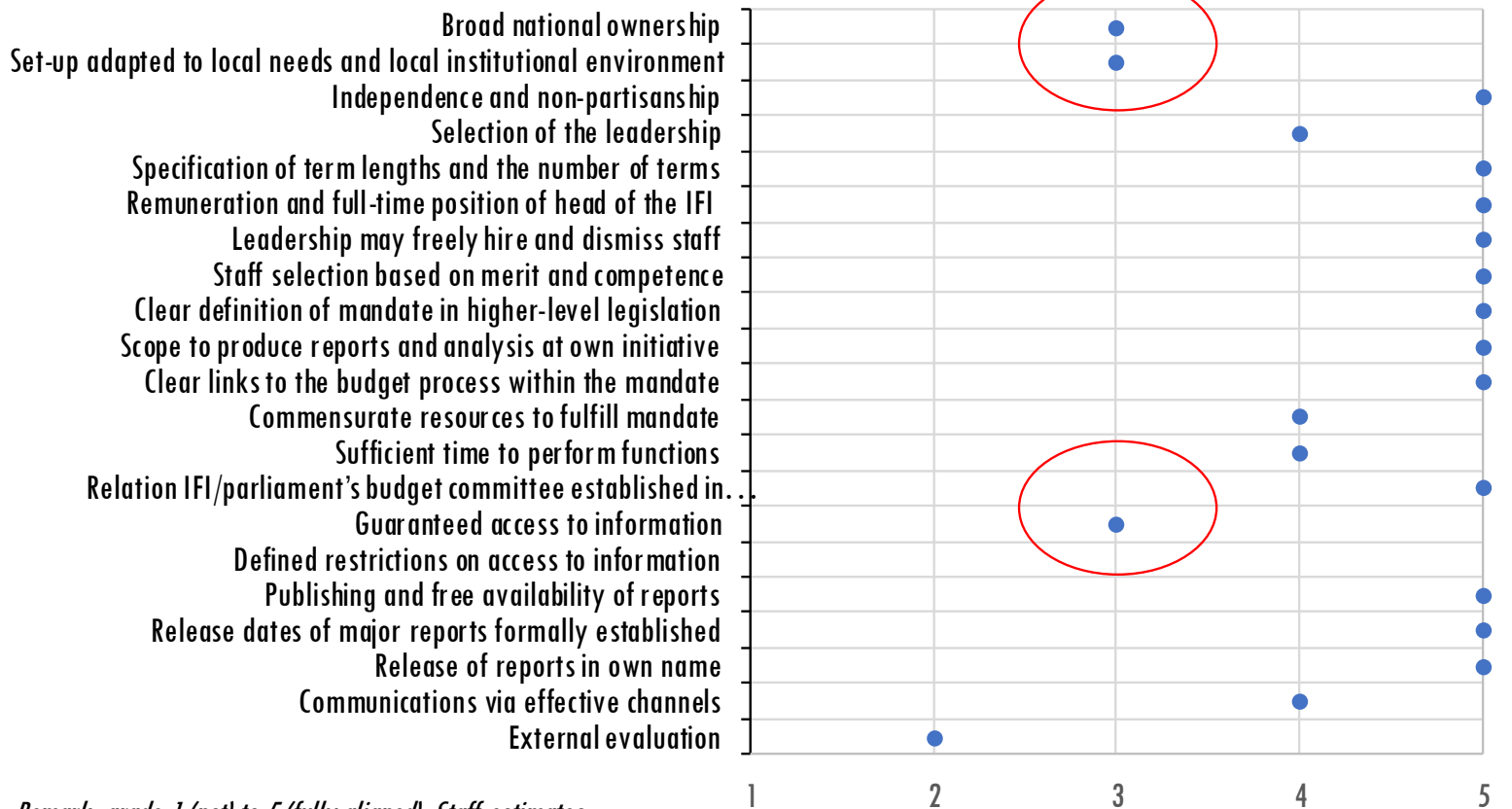
Relations with Parliament and MoF

- Parliament
 - appearance in the Parliamentary Committee when submitting regular reports,
 - consultation on other fiscal issues.
- Ministry of Finance
 - required to submit response in line with the „comply-or-explain“ principle,
 - MoU working rather well,
 - formal and informal contacts at both management and staff level.



Summary: Slovenian Fiscal Council in light of the OECD principles

OECD Principles for Independent Fiscal Institutions:



Remark: grade 1 (not) to 5 (fully aligned). Staff estimates.



Challenges

- **Mixed public support** for the mandate of Fiscal Council ► credible analysis
- **Low general awareness** of public finance sustainability challenges ► educating and targeting wider audience
- **Weak provision** of legally ensured data & information by some government bodies ► further negotiations / agreements
- **New tasks added** (e.g. ex-post evaluation of macro & budgetary forecasts) vs limited resources ► increased automation of work-processes / outsourcing, where applicable



Future undertakings (in addition to tackling challenges and tasks, required by legislation)

- Long-term sustainability analysis
- (move to) Quantitative-based risks assessment
- Improve tools for ex-ante evaluation of public finance forecasts
- Evaluation of coalition agreement



Thank you for your attention

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