

## Fiscal frameworks in the European Union: Commission services country factsheets for the Autumn 2013 Peer Review

Budgetary, or fiscal, frameworks are the set of arrangements, procedures, rules and institutions that underlie the conduct of budgetary policies of general government. A major policy lesson stemming from the current crisis is the need to strengthen Member States' ownership of the EU budgetary framework and ensure that both national and EU fiscal governance are consistent. This requires improving domestic budgetary frameworks with a view to reinforcing their instrumental character in promoting compliance with the Treaty's fiscal provisions, notably rules on government debt and deficit.

Spurred by the May 2010 conclusions of the Ecofin Council, the Economic Policy Committee (EPC) led in 2011 an initial cycle of peer review which examined in depth the fiscal frameworks of all Member States, allowing countries to share best practice and also providing an opportunity to formulate specific policy advice for each country (see [Occasional Paper no. 91](#)). This initial cycle was then followed by an interim review of priority countries and thematic peer reviews.

Two years after the initial cycle, the EPC revisited in October 2013 the conclusions of the horizontal peer review to take stock of progress achieved in the fiscal governance of the Member States, in particular against the policy advice formulated then. Commission services contributed to the peer review by preparing country factsheet updates. The present publication collates these factsheets for the 27 EU Member States which had been reviewed in 2011. For each country, the factsheet reviews the evolution of the national fiscal framework by assessing progress delivered on the EPC policy advice, and providing a broader outlook of progress achieved and still to be pursued. However, these country factsheets do not intend to provide an all-encompassing assessment of the strength and quality of the Member States' fiscal frameworks as they focus on the state of play in implementing the specific items of EPC policy advice.

By and large, while progress on fiscal frameworks has been widespread (spurred by parallel developments on the legislative front, e.g. the "Six-Pack", "Two-Pack" and Fiscal Compact), further efforts would still be beneficial to ensure the smooth functioning of fiscal governance at national level.

**Key words:** 'Fiscal Frameworks in the European Union', 'fiscal framework', 'budgetary framework', 'public finances', 'fiscal rules', 'independent fiscal institutions', 'medium-term budgetary framework', 'budgetary procedures', 'fiscal council', 'peer review', 'Economic Policy Committee', 'policy advice'.

**JEL classification:** E62, H11, H29, H39, H55, H59, H60, H61, H62, H68, H69, H72, H75, H76, H83, O52