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**COMMISSION STAFF WORKING DOCUMENT**

**Reporting to the European Parliament and the Council  
on the quality of fiscal data reported by Member States in 2021**

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## 1. BACKGROUND

Article 8(3) of Council Regulation (EC) No 479/2009 on applying the protocol on the excessive deficit procedure (EDP)<sup>1</sup> requires the Commission (Eurostat) to report regularly to the European Parliament and the Council on the quality of the actual<sup>2</sup> fiscal data reported by Member States. This annual report provides an overall assessment of actual data, covering the timeliness, reliability, completeness and consistency of the data. It also assesses the data's compliance with accounting rules. Eurostat published the preceding staff working document ('Reporting on the quality of the fiscal data reported by Member States in 2020'<sup>3</sup>) on 2 February 2021.

Eurostat regularly assesses the quality of both the actual EDP data reported by Member States and the underlying, general government-sector accounts under Regulation (EU) No 549/2013<sup>4</sup> (ESA 2010). Eurostat's assessment concentrates on the factors that explain the general government surplus/deficit (as a percentage of GDP) and the changes in the ratio of general government debt to GDP. Member States send this information to Eurostat twice a year in the 'EDP notification tables', the 'Questionnaire relating to the EDP notification tables', the 'Supplementary table on government interventions to support financial institutions' and via bilateral clarifications. Eurostat also maintains contact with Member States through regular EDP dialogue visits.

This staff working document is based on the main findings and results of the EDP data reported by all 27 Member States in 2021. It focuses on the latest reports, submitted in October 2021, comparing them where appropriate with the data sent in April 2021 and in 2020.

## 2. MAIN FINDINGS ON THE GOVERNMENT DEFICIT AND DEBT LEVELS REPORTED BY MEMBER STATES IN 2021

### 2.1. Timeliness, reliability and completeness

#### 2.1.1. *Timeliness*

Member States are required to report their actual and planned EDP data to Eurostat twice a year, before 1 April and before 1 October<sup>5</sup>.

In 2021, EDP reporting covered the 2017-2021 period. The figures for 2021 are those planned by the national authorities, while the 2017-2020 figures are actual data<sup>6</sup>. Under Article 8(1) of Regulation (EC) No 479/2009, Eurostat assesses the actual data, but not the planned data.

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<sup>1</sup> Council Regulation (EC) No 479/2009 of 25 May 2009 on the application of the Protocol on the excessive deficit procedure annexed to the Treaty establishing the European Community (OJ L 145, 10.6.2009, p. 1).

<sup>2</sup> Data for the last 4 years under Article 3(2) of Regulation (EC) No 479/2009.

<sup>3</sup> SWD (2021) 17 (<https://ec.europa.eu/eurostat/documents/1015035/2041369/Report-on-quality-of-fiscal-data-2020.pdf>).

<sup>4</sup> Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (ESA 2010) (OJ L 174, 26.6.2013, p. 1).

<sup>5</sup> Article 3(1) and (3) of Regulation (EC) No 479/2009.

<sup>6</sup> Actual data might be estimated, provisional, half-finalised or final figures.

All 27 Member States met the reporting deadlines for their actual data for both EDP notifications.

### **2.1.2. Reliability**

Revisions made between the April and October 2021 EDP notifications were due mainly to: (i) updates of source data (primarily working balances and tax data); and (ii) methodological changes, such as reclassifications of units or transactions.

Due to revisions to 2020 data between the April and October 2021 notifications (these revisions were not related to revisions of GDP), the government surplus/deficit (as a percentage of GDP) improved in 16 Member States and worsened in 11 Member States. The largest positive revisions were made by Denmark (+1.0 pp.); Slovakia and Slovenia (+0.6 pp each); Czechia, Luxembourg and Austria (+0.5 pp each); and Belgium, Malta and Sweden (+0.2 pp each). The largest negative revisions were made by Bulgaria and Estonia (-0.6 pp); Greece (-0.3 pp); and Germany, Cyprus and Poland (-0.2 pp each). The revisions were mostly due to updated data sources, methodological changes, and corrections of errors. The largest upward revisions to the 2020 ratios of government debt to GDP, again not related to any revisions made to GDP, were made by Estonia (+0.5 pp), and Hungary, Cyprus, Malta and Austria (+0.1 pp each), mainly due to reclassification of liabilities and updated source data. The largest downward revisions were made by Germany (-0.3 pp) and Slovakia (-0.2 pp), mainly due to rearrangements and reclassifications of some liabilities.

Revisions of GDP had a noticeable impact on the debt-to-GDP ratio for 2020 in several Member States. These led to increases in the debt-to-GDP ratio in Portugal (+1.6 pp), Greece (+0.6 pp), Finland (+0.4 pp) and Estonia (+0.2 pp). It also led to decreases in the debt-to-GDP ratio in 21 Member States, the largest being in Cyprus (-3.0 pp); Croatia (-1.6 pp); Belgium (-1.4 pp); Slovenia (-1.1 pp); Ireland and Malta (-1.0 pp each); Austria (-0.8 pp); Germany and Lithuania (-0.7 pp each); and France and Slovakia (-0.6 pp each).

### **2.1.3. Completeness of tables and supporting information**

Completing the reporting tables is a legal obligation, and is essential for Eurostat to assess the quality of the data properly. Article 8(2) of Regulation (EC) No 479/2009 requires Member States to send Eurostat the relevant statistical information, which ‘(...) [i]n particular (...) means:

- (a) data from national accounts;
- (b) inventories;
- (c) EDP notification tables;
- (d) additional questionnaires and clarification related to the notifications.’

There are four main EDP notification tables, as set out below.

- Table 1 covers the reporting of government surplus/deficit (total and by government subsector) and debt levels (total<sup>7</sup> and by category of financial

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<sup>7</sup> The Protocol (12) on the excessive deficit procedure annexed to the Treaty on the European Union and to the Treaty on the Functioning of the European Union defines government debt as the consolidated gross debt of the whole general-government sector outstanding at the end of the year (at nominal value). According to Regulation (EC) No 479/2009, government debt includes the liabilities of the general government in the following categories: currency and deposits (AF.2), debt securities (AF.3), and loans (AF.4), as defined in ESA 2010.

instrument). It also covers GDP at current market prices and government expenditure on gross, fixed capital formation and interest.

- Tables 2A to 2D provide the data that explain the transition between the national definitions of government balance (‘working balance’ in national accounts methodology) and the surplus/deficit of each government subsector (‘net lending/net borrowing’ in national accounts methodology)<sup>8</sup>.
- Tables 3A to 3D provide the data that explain the contributions of the government surplus/deficit and other relevant factors to the variation in the government debt level and the consolidation of debt.
- Table 4 mainly includes data on trade credits and advances<sup>9</sup>.

In 2021, EDP tables 1 and 2 covered the period 2017-2021<sup>10</sup> and the other tables covered the years 2017-2020.

All 27 Member States provided Eurostat with all the EDP notification tables<sup>11</sup> in April and October. In their October reports, these 27 Member States all completed EDP table 1 in full and provided details in EDP table 2 on the link between the working balance and the EDP surplus/deficit for all subsectors. One Member State (Austria) did not report all transition items as requested in the template, while some other Member States (Germany, Italy, the Netherlands, Finland and Sweden) included some residual transition items. Some Member States (Austria and Slovenia) did not provide all the breakdowns for EDP table 3, particularly for local government. The stock of general government liabilities related to trade credits and advances is reported in EDP table 4. Member States use different data sources such as accounting data, surveys and/or estimation models, in order to calculate the stock of liabilities of trade credits and advances for general government. For most Member States, data are provisional for 2020 and 2019. For a few Member States, data provided are provisional for all the years reported, due to the specific characteristics of their data sources and/or uncertainty as to whether the data cover all government subsectors.

While the EDP tables could be more complete, the outstanding issues described above are expected to have little impact on data quality.

All 27 Member States submitted replies to the ‘Questionnaire related to the EDP notification tables’<sup>12</sup>. The coverage and quality of replies to this questionnaire continued to improve compared to previous years. Nevertheless, further progress is necessary, as some Member States did not report all the requested details. This particularly concerns: (i) data on central government claims and debt cancellations; (ii) the breakdown of other accounts receivable/payable; (iii) recording of

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<sup>8</sup> Article 3(2) of Regulation (EC) No 479/2009.

<sup>9</sup> Provision of data in accordance with the statements contained in the Council minutes of 22 November 1993.

<sup>10</sup> Regulation (EC) No 479/2009 only explicitly requires Member States to provide planned data in EDP tables 1 and 2A.

<sup>11</sup> Member States’ EDP notification tables can be found on Eurostat’s website:  
<http://ec.europa.eu/eurostat/web/government-finance-statistics/excessive-deficit-procedure/edp-notification-tables>

<sup>12</sup> This questionnaire comprises 13 sections on quantitative and some qualitative information, in areas that include: transactions in taxes and social contributions, and transactions with the EU; acquisitions of military equipment; government guarantees; debt cancellations; government capital injections into public corporations; public-private partnerships; rerouting of transactions; etc.

government guarantees (mainly for local government); and (iv) data on capital injections.

#### **2.1.4. *Supplementary table for reporting government interventions to support financial institutions***

Since 2009, Eurostat has collected data on government intervention to support financial institutions. The data collected in 2021 related to 2007-2020, and all but five Member States (Estonia, Malta, Poland, Romania and Slovakia) reported government support in that period. In Finland (in 2008) and Czechia (in 2013-2015), the only support was for contingent liabilities. In 2020, all but three Member States (Spain, Portugal and Cyprus) reported a very limited negative impact – or an improvement – in the surplus/deficit due to government interventions to support financial institutions. The biggest accumulated impact on government debt of government interventions to support financial institutions at the end of 2020 was in Cyprus, Greece, Ireland and Portugal.

Together with its EDP news release, Eurostat published a background note<sup>13</sup> on government interventions to support financial institutions. This note contained additional information on the content of the supplementary table and data findings.

#### **2.1.5. *Questionnaire on intergovernmental lending***

Member States report data on bilateral intergovernmental lending, which is usually provided under financial-assistance programmes. These data are included in the EDP news release. In 2017-2020, the data related mainly to lending to Greece, Ireland and Portugal in the context of the European Financial Stability Facility.

The debt due to bilateral intergovernmental lending is deducted when calculating the EU-27 and euro-area aggregates for government debt, since both are shown on a consolidated basis.

#### **2.1.6. *Supplementary table for reporting measures taken in the context of the COVID-19 pandemic***

The supplementary table aiming to report the measures taken by Member State governments in the context of the COVID-19 pandemic was provided for the first time to Eurostat as part of the April 2021 EDP notification<sup>14</sup>. The two main objectives of this supplementary table are: (i) to facilitate the validation of quarterly Government Finance Statistics (GFS) and annual EDP data; and (ii) to enable users to interpret the GFS/EDP aggregates when faced with significant fluctuations.

All Member States reported the ‘Supplementary table for reporting measures taken in the context of the COVID-19 pandemic’ in the April and October 2021 EDP notifications. The completeness and coherence of the information provided has

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<sup>13</sup> <https://ec.europa.eu/eurostat/documents/1015035/13572774/Background-note-on-gov-interventions-Oct-2021.pdf/>

<sup>14</sup> Following the Committee on Monetary, Financial and Balance of Payments Statistics (CMFB) opinion issued on 23 March 2021, the Supplementary table for reporting measures taken in the context of the pandemic (COVID-19) became a questionnaire (as defined in the Article 8(2) of Council Regulation (EC) No 479/2009) (<https://www.cmf.europa.eu/opinions>). This questionnaire was not published, but used by Eurostat for assessing the quality of EDP data sent by Member States.

improved markedly since the first reporting in April 2021. Nevertheless, Eurostat will continue to follow-up on the remaining inconsistencies and missing information on a bilateral basis. Eurostat expects that some further efforts by the Member States will improve completeness and better harmonise the reporting.

### **2.1.7. *Reporting of expenditure and other costs of the general government (S.13) financed by the Recovery and Resilience Facility (RRF)***

A new table for EDP reporting of general government expenditure financed by the RRF was introduced in the October 2021 EDP notification<sup>15</sup>. The table consists of two separate sheets – one devoted to RRF grants, and one to RRF loans. The table provides valuable insights into the RRF associated flows and their impact on the deficit and debt figures of the Member States.

25 Member States sent to Eurostat the table for ‘Reporting of expenditure and other costs of the general government (S.13) financed by the Recovery and Resilience Facility (RRF)’ before 1 October, while 2 Member States sent the table during the EDP assessment period. Eurostat appreciated Member States meeting their reporting obligations and Member State efforts to report the requested actual and planned data on transactions related to RRF grants and loans.

## **2.2. Compliance with accounting rules and consistency of statistical data**

### **2.2.1. *Exchange of information and clarifications***

In the three-week notification period between the spring/autumn reporting deadlines and the publication of the data, Eurostat contacted all national statistical authorities to: (i) ask for further information; and (ii) clarify how the accounting rules had been applied to specific transactions. This involved several rounds of correspondence.

For the autumn 2021 reporting period, a first round of requests for clarification was sent to all 27 Member States by 7 October, and a second round of requests was sent by 12 October. A third round was sent to 17 Member States and a fourth round to 6 Member States. Eurostat asked some Member States to provide: (i) revised EDP notification tables; (ii) revised tables for underlying government accounts (i.e. annual expenditure and revenue accounts, and quarterly financial and non-financial accounts); and (iii) a revised ‘Questionnaire relating to the EDP notification tables’.

In most cases, data retransmissions were only due to: (i) corrections of technical errors; (ii) elimination of internal and cross-table (EDP-GFS) inconsistencies; (iii) implemented adjustments; and (iv) updated descriptions in the tables. Some tables were re-sent following updates of the source data for actual and planned data due to routine revisions or late availability of data caused by the COVID-19 pandemic.

### **2.2.2. *Dialogue and methodological visits***

Regulation (EC) No 479/2009 provides for ensuring permanent dialogue with Member States’ statistical authorities. It requires Eurostat to carry out regular

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<sup>15</sup> Following the CMFB opinion issued on 11 August 2021, the ‘Reporting of expenditure and other costs of the general government (S.13) financed by the Recovery and Resilience Facility (RRF)’ became a questionnaire (as defined in the Article 8(2) of Council Regulation (EC) No 479/2009) (<https://www.cmfb.europa.eu/opinions>). This questionnaire was not published, but used by Eurostat for assessing the quality of EDP data sent by Member States.

dialogue visits to all Member States, as well as possible methodological visits. Representatives of DG ECFIN and the European Central Bank regularly take part in such visits as observers.

In the course of *regular* (at least every 2 years) dialogue visits to Member States, Eurostat does the following:

- (i) it reviews reported data;
- (ii) it examines methodological issues;
- (iii) it discusses statistical processes and sources described in the inventories; and
- (iv) it assesses compliance with the relevant accounting rules (sector delimitation of general government, time of recording, and classification of government transactions and liabilities).

*Methodological* visits are undertaken only in exceptional cases where significant risks or problems with data quality have been clearly identified.

*Ad hoc* or *technical* visits can also be organised if Eurostat raises a specific issue with a Member State that can only be resolved by meeting the authorities concerned.

In 2021, Eurostat carried out 19 standard EDP dialogue visits to Italy, Bulgaria, Lithuania, Estonia, Finland, Portugal, Greece (two dialogue visits), Romania, Germany, Hungary, Malta, Luxembourg, Slovakia, Cyprus, Belgium, Czechia, Denmark and Croatia. Given the extraordinary circumstances due to the COVID-19 pandemic and the related travel restrictions, Eurostat conducted the EDP dialogue visits by video conference.

Following each visit, Eurostat discusses and validates the findings through a structured and comprehensive – and thus, necessarily lengthy – procedure. The final findings of each dialogue visit, including the action points that were agreed and the status of the issues that were raised, are sent to the Economic and Financial Committee and published on Eurostat's website<sup>16</sup>. The dialogue visits and implementation of action points have considerably improved data quality over time.

### **2.2.3. *Specific advice by Eurostat***

Member States regularly consult Eurostat to clarify national accounting issues in relation to past or future operations, and Eurostat provides advice according to the published guidelines<sup>17</sup>. In the interests of transparency, Eurostat has published all its letters of advice<sup>18</sup> since July 2016 without first seeking the consent of the Member State in question, as was the practice previously. In 2021, it published seven letters of advice under Council Regulation (EC) 479/2009 and Regulation (EU) No 549/2013.

### **2.2.4. *Recent methodological issues***

Eurostat monitors the application of the ESA 2010 rules and its methodological decisions by analysing the data reported by Member States in the EDP tables and the

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<sup>16</sup> <http://ec.europa.eu/eurostat/web/government-finance-statistics/excessive-deficit-procedure/eurostat-edp-visits-to-member-states>

<sup>17</sup> <https://ec.europa.eu/eurostat/web/government-finance-statistics/methodology>

<sup>18</sup> <http://ec.europa.eu/eurostat/web/government-finance-statistics/methodology/advice-to-member-states>



‘Questionnaire relating to the EDP notification tables’ and through discussions with national statistical authorities during EDP dialogue visits.

Eurostat publishes the *Manual on Government Deficit and Debt* (MGDD)<sup>19</sup> to provide guidelines on the appropriate treatment of statistical issues related to EDP and GFS.

Under Article 10(2) of Regulation (EC) No 479/2009, Eurostat occasionally takes methodological decisions that provide general guidance to Member States on how to record certain types of transactions, or that deal with particularly complex cases. Each such decision is taken after the matter has been examined by the relevant expert groups. All methodological decisions taken so far are published on Eurostat’s website<sup>20</sup>.

Eurostat provides additional methodological guidance and clarifications on the accounting rules for EDP and GFS within the general rules of ESA 2010. It does so according to the ‘Procedure for the development and implementation of methodology underpinning EDP data’<sup>21</sup>. In 2021, Eurostat published one guidance note<sup>22</sup>, one clarification<sup>23</sup> and two GFS interpretations<sup>24,25</sup>.

In 2021, Eurostat also conducted many bilateral discussions with Member States to ensure common recording of the various COVID-19-related measures, of which: (i) tax deferrals and the associated amounts deemed not collectable; (ii) support to public companies (airlines and other); and (iii) government guarantees.

Given the extraordinary circumstances of the COVID-19-related travel restrictions and social-distancing requirements, all meetings were held as video conferences in 2021: the twice-yearly meeting of the EDP Statistics Working Group (EDPS WG); the meeting of the Task Force on Concessions; the meeting of the Task Force on GFS; and the meeting of the Task Force on COFOG (general government total expenditure by function).

To facilitate the continuation of the methodological discussions, Eurostat launched CIRCABC discussion fora dedicated to the Task Force on Concessions and the Task Force on Development Banks.

In addition, written consultations took place via the online platform CIRCABC and EU Survey with the members and observers of the EDPS WG on:

- the supplementary table for reporting measures taken in the context of COVID-19;

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<sup>19</sup> The ninth edition of the MGDD was published in August 2019.

<sup>20</sup> <https://ec.europa.eu/eurostat/web/government-finance-statistics/methodology/decisions-for-gfs>

<sup>21</sup> <https://ec.europa.eu/eurostat/documents/1015035/2041329/Procedures-Dev-and-Implt-Methodology-EDP-data.pdf>

<sup>22</sup> <https://ec.europa.eu/eurostat/documents/1015035/12618762/GFS-guidance-note-statistical-recording-recovery-resilience-facility.pdf/>

<sup>23</sup> <https://ec.europa.eu/eurostat/documents/1015035/12618762/Recording+of+ANFA+SMP+transfers+to+Greece.pdf/>

<sup>24</sup>

[https://ec.europa.eu/eurostat/documents/1015035/2041357/GFS\\_interpretation\\_on\\_recording\\_of\\_per\\_diems\\_2021\\_09\\_28.pdf/](https://ec.europa.eu/eurostat/documents/1015035/2041357/GFS_interpretation_on_recording_of_per_diems_2021_09_28.pdf/)

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[https://ec.europa.eu/eurostat/documents/1015035/2041357/GFS\\_interpretation\\_on\\_some+aspects\\_of\\_factoring\\_operations\\_2021\\_09\\_28.pdf/](https://ec.europa.eu/eurostat/documents/1015035/2041357/GFS_interpretation_on_some+aspects_of_factoring_operations_2021_09_28.pdf/)

- the statistical treatment of – and the reporting table for – the expenditure and other costs of the general government financed by the RRF, for which an updated guidance note was published on Eurostat’s website<sup>22</sup>;
- the recording of the advance purchase agreement for the COVID-19 vaccines;
- the recording of transferable and deferrable tax credits;
- the statistical treatment of COVID-19 voucher schemes;
- the recording of standardised guarantees;
- the recording of ANFA<sup>26</sup>/SMP<sup>27</sup> transfers to Greece, for which a clarification note was published on Eurostat’s website<sup>23</sup>;
- lending to IMF;
- the time of recording of capital transfers for contributions made to international development agencies;
- the time of recording of capital transfers to multilateral development banks for qualified instruments.

### **2.2.5. Consistency with the underlying government accounts**

The 1 April and 1 October notification deadlines under Regulation (EC) No 479/2009 were introduced to ensure consistency with the underlying annual and quarterly government-sector accounts, as reported to Eurostat in various ESA transmission tables. In particular, total government expenditure and revenue should be consistent with the reported EDP surplus/deficit figure. The timeliness of data delivery of the underlying government accounts generally remained excellent, with the notable exception of Bulgaria for non-financial accounts (ESA tables 2 and 25), where data was provided only with a considerable delay.

The consistency of EDP data with the reported ESA 2010 government accounts is generally good. The data reported in the EDP tables by Member States on surplus/deficit, gross fixed capital formation, and interest expenditure were fully consistent with the annual and quarterly data on government expenditure and revenue reported in ESA tables 2 and 25. Full consistency of annual debt data with quarterly government debt data (ESA table 28) was achieved by all reporting Member States.

There are some shortcomings regarding transactions and stocks in the quarterly financial accounts of general government (ESA table 27). Eurostat noted the efforts made by some Member States to improve the consistency of EDP table 3 with ESA table 27, but further progress is needed in this area. For Greece, there are a few inconsistencies in the net financial transactions for a number of years between the EDP data and the financial accounts (annual and quarterly data). Differences between EDP table 3 (3A, 3B, 3D and 3E) and ESA table 27 for Germany and Portugal concern the convention for reporting statistical discrepancies.

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<sup>26</sup> ANFA is the abbreviation for Agreement on Net Financial Assets. The ANFA refers to Greek bonds held directly by national central banks (NCBs) in their investment portfolios (purchased in the period 2010-2012).

<sup>27</sup> The SMP refers to the holding of Greek bonds by the ECB that were purchased under the securities market programme (in place between 2010 and 2012).

## 2.3. Publication

### 2.3.1. *Publication of headline figures and detailed reporting tables*

Under Article 14(1) of Regulation (EC) No 479/2009, ‘[t]he Commission (Eurostat) shall provide the actual government deficit and debt data for the application of the Protocol on the excessive deficit procedure, within three weeks after the reporting deadlines [...]. That provision of data shall be effected through publication’.

Eurostat published the government deficit and debt data on its website on 22 April<sup>28</sup> and 21 October<sup>29</sup> 2021, together with all final reporting tables<sup>30</sup> notified by Member States, as well as notes on:

- stock-flow adjustment;
- government interventions to support financial institutions;
- the stock of liabilities of trade credits and advances;
- revisions of government surplus/deficit and debt.

Eurostat also published news releases on both quarterly government debt and quarterly, seasonally adjusted general government deficits (publishing both these news releases at approximately  $t+113$ <sup>31</sup> days). It also published shorter news items on: (i) general government expenditure by function; (ii) detailed tax revenues; (iii) the structure of government debt; (iv) contingent liabilities; and (v) non-performing general government loans.

Regulation (EC) No 479/2009 requires Member States to make public their actual data on deficit and debt. Most Member States have informed Eurostat that they publish all their EDP tables, although four Member States (Bulgaria, Italy, Luxembourg and Slovakia) publish only some EDP tables, while France and Poland publish national deficit and debt data in a different format to the EDP tables.

### 2.3.2. *Reservations on the quality of data*

#### *April 2021*

Eurostat expressed a reservation on the quality of data reported by Luxembourg for 2020. Eurostat was clarifying the recording of the tax revenue deferred to future years in the context of the COVID-19 pandemic, in close cooperation with the Luxembourgish statistical authorities. The reservation was due to the fact that Eurostat considered the deficit for 2020 at the time of reporting to be overestimated by an amount not exceeding 0.3 pp of GDP.

#### *October 2021*

Eurostat did not express a reservation on the quality of any data reported by Member States.

Eurostat withdrew the reservation on the quality of the data reported by Luxembourg for 2020. The Luxembourgish statistical authorities provided to Eurostat the missing

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<sup>28</sup> <https://ec.europa.eu/eurostat/documents/2995521/11563047/2-22042021-AP-EN.pdf/>

<sup>29</sup> <https://ec.europa.eu/eurostat/documents/2995521/11563331/2-21102021-AP-EN.pdf/>

<sup>30</sup> <http://ec.europa.eu/eurostat/web/government-finance-statistics/excessive-deficit-procedure/edp-notification-tables>

<sup>31</sup> ‘t’ refers to the end of the period to which reporting relates.

information on the tax revenue deferred in the context of the COVID-19 pandemic and revised its government deficit accordingly.

### **2.3.3. *Amendments to the reported data***

Eurostat made no amendments to the data reported by Member States in the April or October 2021 EDP notifications.

### **2.3.4. *Publication of metadata (inventories)***<sup>32</sup>

Regulation (EC) No 479/2009 specifies that the EDP inventories are part of the statistical information. It also requires the inventories to be published nationally.

In March 2020, an updated EDP inventory template, covering the 2019 MGDD changes, was made available to the CIRCABC interest group EDPS WG.

The ESA 2010-based EDP inventories<sup>33</sup> for all Member States are available on the Eurostat website. In 2021, Eurostat published updated EDP inventories for Finland, Germany, Latvia, Czechia, Croatia, Portugal, Slovakia, Lithuania and Luxembourg, and the first ESA 2010-compliant version for the Netherlands.

## **3. CONCLUSIONS**

Eurostat acknowledges the continued overall improvement in the consistency and completeness of the reported fiscal data. Nevertheless, the quality of fiscal data needs to be further improved.

In 2021, Eurostat observed improvements in the quality of fiscal data. This was achieved through bilateral clarifications with Member States when assessing the EDP notifications, and through closer contacts and consultations with Member States between notifications. The publication of all Eurostat letters of advice on methodology improved knowledge-sharing and transparency, as did Eurostat's efforts to strengthen communication on methodological developments between users and producers of statistics.

Given the extraordinary circumstances of the COVID-19-related travel restrictions and social-distancing requirements, during 2021 all EDP dialogue visits, EDPS Working Group meetings and other meetings were held by video conference. In addition, Eurostat conducted written consultations on issues triggered by the COVID-19 outbreak and issued dedicated methodological guidelines.

Consistency between EDP and GFS data has improved, but further progress is needed for some Member States. In October 2021, Eurostat withdrew its reservations on the quality of data reported in the EDP notifications by Luxembourg and expressed no new reservations.

Overall, Eurostat concludes that the quality of the reporting of fiscal data continued to improve in 2021. In general, Member States provided higher-quality data, more complete information in EDP notification tables, and other relevant statistical returns. These other relevant returns included additional data on: (i) measures taken in the context of the COVID-19 pandemic; and (ii) expenditures and other costs of

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<sup>32</sup> Inventories of the methods, procedures and sources used to compile actual deficit and debt data and the underlying government accounts.

<sup>33</sup> <https://ec.europa.eu/eurostat/web/government-finance-statistics/excessive-deficit-procedure/edp-inventories>

the general government financed by the RRF (these data on expenditures and other costs were provided to Eurostat in two new EDP questionnaires).