

# 2024 AIREF External Review

## Recommendations: the Comply or Explain Principle

November 2024



Funded by  
the European Union



Independent Authority  
*for* Fiscal Responsibility

# OVERVIEW OF RECOMMENDATIONS AND AIReF's ANSWERS

CONTEXT	FISCAL SUPERVISION FUNCTION	PUBLIC EXPENDITURE EVALUATION FUNCTION	AIReF's GUIDING PRINCIPLES	IMPACT
<ul style="list-style-type: none"> <li>Require AIReF's Opinion on Medium Term Plan (MTP)</li> <li>AIReF's ex-post assessment of MTP</li> <li>Consult AIReF in the preparation phase of MTP</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen climate change analytical capabilities</li> <li>Establish growth-supporting indicators</li> <li>Foster relationships with advisory groups</li> </ul>	<ul style="list-style-type: none"> <li>Publish a prioritization framework</li> <li>Accept suggestions from key stakeholders</li> <li>Maintain ties with academic community</li> </ul>	<ul style="list-style-type: none"> <li>Secure AIReF's budget in the Organic Law</li> <li>Place AIReF's budget under independent section of the State Budget</li> <li>Annual appearance in front of Congress to discuss AIReF's internal issues</li> <li>Secure external review in the Organic Law</li> </ul>	<ul style="list-style-type: none"> <li>Create an in-house communication department</li> <li>Ensure legislative influence</li> <li>Dissemination of evaluation findings by regions</li> <li>Track AIReF's parliamentary mentions</li> </ul>
	<ul style="list-style-type: none"> <li>Advise the European Fiscal Board on fiscal stance</li> <li>Create a group for microsimulation model</li> </ul>	<ul style="list-style-type: none"> <li>Include all results. Preserve and share databases</li> <li>Evaluate budgetary implications</li> </ul>		<ul style="list-style-type: none"> <li>Define clear and actionable recommendations</li> <li>Improve readability scores of repots</li> </ul>
		<ul style="list-style-type: none"> <li>Codify evaluation in the Organic Law</li> </ul>		<ul style="list-style-type: none"> <li>Guidance for answering recommendations</li> <li>Host embargoed distribution lists</li> </ul>

**AIReF's answers:**

- Comply
- Comply and Explain
- Explain
- Not addressed to AIReF



Click on each recommendation to get further detail  
 Click [here](#) to read the full report

# 1. CONTEXT



## RECOMMENDATION 1.1

Objective 1(II) of Strategic Plan 2020-2026 is to support compliance with the national and European fiscal framework. **Spain's Organic Law 6/2013 transposing the EU fiscal rules domestically should be amended to require AIReF to issue an opinion on national medium-term fiscal structural plans in line with Regulation (EU) 2024/1263 of the EU's reformed Economic Governance Framework, including an opinion on the macroeconomic forecast and the macroeconomic assumptions underpinning the net expenditure path.** The opinion should be attached to the national medium-term fiscal structural plan when it is submitted to the Commission.

 Timeframe: 2 years

**NOT  
ADDRESSED  
to AIReF**



## EXPLANATIONS

- AIReF **agrees with this recommendation.**
- **AIReF has the technical capacity to implement this recommendation** and report on the national medium-term fiscal-structural plan, particularly its macroeconomic forecasts and assumptions. In fact, AIReF has already reported on the macroeconomic scenario used in the preparation of the first MTP.
- **It would be desirable for the regulatory amendment referred** to in this recommendation to include, in addition to the functions, the minimum set of information required for this purpose, such as the reference trajectory provided by the Commission to countries and the budgetary measures and reforms to be included in the plan.

# 1. CONTEXT

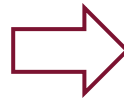


## RECOMMENDATION 1.2

Objective 1(II) of Strategic Plan 2020-2026 is to support compliance with the national and European fiscal framework. **Organic Law 6/2013 should be amended to give AIReF the responsibility of publishing an ex post assessment of budgetary outturn data with the net expenditure path as set by the Council, including an analysis of the factors underlying any deviation from the path.**

 Timeframe: 2 years

**NOT  
ADDRESSED  
to AIReF**



## EXPLANATIONS

- AIReF **agrees with this recommendation.**
- AIReF has the **technical capacity to implement this recommendation** as evidenced by the ex ante monitoring it has been carrying out on the national expenditure rule for each of the General Government (GGs) sub-sectors and the European expenditure rule for the GG sector as a whole.

# 1. CONTEXT



## RECOMMENDATION 1.3

During the preparation phase of the national medium-term fiscal structural plans, **the government should engage in a formal consultation with AIReF to exchange technical analysis and commit to explaining how AIReF's views have been considered in the final plan.** The terms of the formal consultation engagement should be established in a memorandum of understanding.

 Timeframe: 2 years

**NOT  
ADDRESSED  
to AIReF**



## EXPLANATIONS

- AIReF **agrees with this recommendation.**
- AIReF has the **technical capacity to implement this recommendation**, as evidenced by its long-term sustainability analyses. AIReF performs long-term economic and budgetary projections and has assimilated the DSA methodologies (stochastic and deterministic) followed by the Commission to assess the sustainability of public finances.
- **It would be desirable for the memorandum** establishing the terms of the formal consultation to include, among other things, sending AIReF the reference trajectory provided by the Commission to countries.

## 2. EVALUATION OF THE FISCAL SUPERVISION FUNCTION

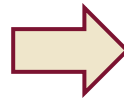


### RECOMMENDATION 2.1

The first Strategic Aim under Strategic Plan 2020-2026 is to support the in-depth supervision of all levels of government through a variety of actions to monitor the economic and fiscal impacts of measures. As a cross-cutting initiative to support these measures, **AIReF should establish a working group of external stakeholders to develop a national public microsimulation model for Spain and serve as the secretariat, coordinating data and expertise from entities like the National Statistics Office, Spanish Tax Agency, and Social Security Administration.** The project could be jointly funded by these departments and expedited using open-source tools like LIAM2 from the Belgium Federal Planning Bureau. This initiative would also support the delivery of action 4(II)(c) of the Strategic Plan which is to collaborate with universities (scholarshipprogramme), experts and agencies.

🕒 **Timeframe: 2 – 5 years**

### COMPLY and EXPLAIN



### MEASURES - EXPLANATIONS

- **COMPLY:** AIReF has developed the microsimulation models needed to carry out its supervision and evaluation functions. This is the case of the microsimulation models for analysing the impact of the pension and personal income tax reforms and the microsimulator for the Minimum Income Scheme opinion.
- **COMPLY:** AIReF will analyse new uses of the microsimulators and carry out further developments on tax and pension reform issues.
- **EXPLAIN:** set up a **working group** to develop a national public microsimulation model **is beyond AIReF's operational and regulatory capacity.** AIReF could take part in any working groups that were set up on microsimulation.

## 2. EVALUATION OF THE FISCAL SUPERVISION FUNCTION

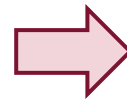


### RECOMMENDATION 2.2

Action 1 (III) of Strategic Plan 2020-2026 is to provide early warning of risks by analysing a broader array of risks such as environmental risks and their budgetary implications. **AIReF should strengthen its analytical capabilities on climate change, particularly regarding long-term fiscal sustainability.** Participation in the DG REFORM Technical Support Instrument is a key step in this process. The goal is to develop tools that account for the physical and transitional risks of climate change on public finances and the potential costs of complying with the European Green Deal. AIReF, alongside Cambridge Econometrics, is working on refining relevant model channels, including capital stock, potential output, and tax bases. AIReF should also enhance its sector specific modelling and risk assessments, addressing financial sector vulnerabilities, supply chain risks, energy security, and national defence by exploring agent-based models and stock-flow consistent models.

🕒 Timeframe: 2 - 5 years

COMPLY



### MEASURES

- **AIReF will publish its first Opinion on Fiscal Risks in 2024**, which will include macroeconomic risks, contingent liabilities and **risks associated with climate change**. In the latter area, work is being done on the budgetary impact of events related to climate change (fires, droughts, etc.). Artificial intelligence is being used to analyse the budgetary impact of such events. Work with Cambridge Econometrics is supporting the modelling of the fiscal implications of different climate change adaptation scenarios.
- **The next Opinion will extend the analysis to other risks**, such as financial risks, which will be supported by the analysis already being made in the field of evaluation.

## 2. EVALUATION OF THE FISCAL SUPERVISION FUNCTION

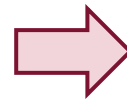


### RECOMMENDATION 2.3

Action 1(II) of Strategic Plan 2020-2026 is to support compliance with the European fiscal framework by analysis the application of its rules. **AIReF should undertake a budget tagging and mapping exercise to create a summary indicator of strategic growth-supporting measures and investments that demonstrate the level and change of spending in medium-term fiscal structural plans that aligns with EU priorities.** This indicator would support decisions of whether Spain should qualify for an extended adjustment period in the economic governance framework from 4 to 7 years.

 Timeframe: 2 years

**COMPLY**



### MEASURES

- **Subject to the medium-term structural-fiscal plans providing sufficient information** in this area, AIReF considers it interesting to make progress in **drawing up synthetic indicators** to enable monitoring of compliance with the commitments made in the areas of defence, climate change, etc.



## 2. EVALUATION OF THE FISCAL SUPERVISION FUNCTION

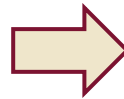


### RECOMMENDATION 2.4

Action 4(III)(d) of Strategic Plan 2020-2026 is to raise accountability by collaborating with European institutions, international bodies and other Independent Fiscal Institutions to share and exchange views, analyses and working practices. **AIReF should establish a formal consultation process with the European Fiscal Board during the European Semester to exchange views before the EFB provides an opinion on Spain's national fiscal stance** (a new responsibility provided for the EFB under the reformed economic governance framework of the EU).

 Timeframe: 2 years

**COMPLY and  
EXPLAIN**



### MEASURES - EXPLANATIONS

- **COMPLY: AIReF already holds regular contact with the European Fiscal Board**, exchanges views and even provides input on all matters that fall within AIReF's mandate. **Work will be done to formalise this relationship.**
- **EXPLAIN: AIReF's mandate does not include the fiscal stance** for the Spanish economy, as it is expressly established in some independent EU fiscal institutions.

## 2. EVALUATION OF THE FISCAL SUPERVISION FUNCTION

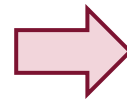


### RECOMMENDATION 2.5

Action 4(II)(d) of Strategic Plan 2020-2026 is to collaborate with experts and agencies in matters under AIReF's remit. As fiscal frameworks increasingly incorporate broader risk assessments, **AIReF should foster relationships with specialised councils and advisory groups, for example the Environmental Advisory Council of the Ministry for the Environment and the Advisory Council for the Sustainable Development of Catalonia.** This strategy would allow AIReF to maintain focus on its fiscal expertise while avoiding scope creep and integrating essential sustainability considerations through partnerships.

🕒 Timeframe: 2 years

COMPLY



### MEASURES

- **AIReF will strengthen its collaboration with experts and organisations.** The first initiatives will focus on addressing issues of a structural nature (such as productivity or the labour market) that have a particular impact on the sustainability of public accounts. Various seminars will be held in preparation for the Long-Term Sustainability of Public Administrations Opinion, which will be published in the first quarter of 2025.

# 3. ASSESSMENT OF THE PUBLIC EXPENDITURE EVALUATION FUNCTION



## RECOMMENDATION 3.1

Objective 3(l) of Strategic Plan 2020-2026 is to make public policy evaluation a core activity of AIReF by promoting the necessary policy changes to enable evaluation to be a permanent function of AIReF. **The evaluation function should be codified in the Organic Law 6/2013. The Law should clarify the division of AIReF's role from the Public Evaluation Division and the *Instituto para la Evaluación de Políticas Públicas (IEPP)*.** The Law should give AIReF the authority to decide the timeline of its responses to government and to decline an analysis if the available evidence or conditions do not lend themselves to a study of sufficient standard. The Law should also require government to consult AIReF in deciding the agenda for government reviews so together they can prioritise policies that are suited to objective analysis.

 Timeframe: 2 -5 years

**NOT  
ADDRESSED  
to AIReF**



## EXPLANATIONS

- AIReF **agrees with this recommendation.**
- AIReF has the **technical capacity to implement this recommendation** and to analyse the technical feasibility and timeline of carrying out the evaluations prior to the final commissioning of governments.

# 3. ASSESSMENT OF THE PUBLIC EXPENDITURE EVALUATION FUNCTION

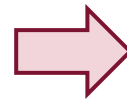


## RECOMMENDATION 3.2

Action 3(1)(a) of Strategic Plan 2020-2026 is to restructure resources to be able to undertake evaluations at AIReF's own initiative. To do so will require transparently prioritising resources in a consistent framework. **AIReF should publish a prioritization framework explaining how it will triage its expenditure evaluation requests and its self-initiated evaluations.** This framework should consider factors such as the fiscal impact (including potentially a minimum threshold of fiscal magnitude), the stage of legislative debate, and public interest.

 Timeframe: 2 years

**COMPLY**



## MEASURES

- **AIReF will publish a prioritisation framework** that specifies the criteria for selecting and ordering the commissions received for the evaluation of public policies, subject to the provisions of Article 5 of the Organic Law creating AIReF.

### 3. ASSESSMENT OF THE PUBLIC EXPENDITURE EVALUATION FUNCTION

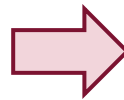


#### RECOMMENDATION 3.3

In implementing Action 3(1)(a) of Strategic Plan 2020-2026 to enable the conditions to undertake evaluations at its own initiative, **AIReF should take on the views of key stakeholders in determining topics. AIReF should accept suggestions for topics from parliament and from public votes.** AIReF could undertake these studies as self-initiated opinions provided for in Article 5 and Article 23 of Organic Law 6/2013.

 Timeframe: 2 years

**COMPLY**



#### MEASURES

- **AIReF will include suggestions** for the issues proposed by Parliament and by public votes **in the process of prior dialogue** with the governments to define the scope of the evaluations.

# 3. ASSESSMENT OF THE PUBLIC EXPENDITURE EVALUATION FUNCTION



## RECOMMENDATION 3.4

Action 3(III)(a) of Strategic Plan 2020-2026 is to provide the information used in evaluations to encourage public policy decisions based on data and academic research and Action 4(IV)(d) is to share knowledge with the academic field. When possible, **AIReF's expenditure evaluation reports should include all quantitative analysis results, both significant and insignificant and AIReF should negotiate the right to preserve and anonymize databases generated during Spending Reviews, with the option to share this data with external researchers.** Claims of causality must meet academic standards and be verifiable and replicable. If underlying data cannot be publicly shared, AIReF should attempt to negotiate to provide access through a secure on-premises data lab or by accepting code from researchers to apply to the data.

🕒 Timeframe: 2 - 5 years

**COMPLY and EXPLAIN**



## MEASURES - EXPLANATIONS

- **EXPLAIN:** AIReF complies with academic standards and its studies are verifiable and replicable as its evidence is data-driven and results are obtained through programming software.
- **COMPLY:** AIReF will negotiate the **possibility of giving access to external researchers** or the provision of public sub-samples with data providers, in line with the work already carried out in phase II of the Spending Review in collaboration with the Tax Agency.

# 3. ASSESSMENT OF THE PUBLIC EXPENDITURE EVALUATION FUNCTION

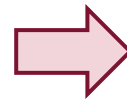


## RECOMMENDATION 3.5

Action 4(IV)(d) is to cooperate and share knowledge with the academic field. To ensure high standards in policy evaluations, **the Public Expenditure Evaluation division should maintain strong ties with the academic community and seek external expert guidance.** AIReF can strengthen these relationships by considering the academic track record of its staff members (such as publishing in academic journals) among the merits considered for promotion or performance-related pay. A peer review process should be integrated into the annual Spending Review program, with external academic peers reviewing study designs and results in exchange for a fee or formal recognition. Staff should stay updated on evaluation techniques through in-house training and external course work, and AIReF should create visiting positions for academics, offering access to Spending Review data and research opportunities leading to publications.

 **Timeframe: 2 years**

**COMPLY**



## MEASURES

- **Internal training and external courses:** AIReF **promotes and finances the training** of all its employees by organising internal and external courses and allowing its staff to take part in all training activities that are of interest to them.
- **Staff:** AIReF **already** offers employment (non-civil servant) positions that **take academic training and publications into account** in their selection criteria.
- **Academic community:** AIReF **will continue to strengthen its existing links with academia** and recruit academics with extensive experience in the issues that governments commission AIReF to evaluate, as it has been doing since the start of the evaluation activity. AIReF will continue to submit its evaluations for consideration by academics of its Advisory Board.

# 3. ASSESSMENT OF THE PUBLIC EXPENDITURE EVALUATION FUNCTION



## RECOMMENDATION 3.6

Action 3(II)(b) of Strategic Plan 2020-2026 is to make available information available for data-based decision making and Action 3(III)(b) is to promoting mechanisms to drive implementation of proposals. **Any policy recommendation should be accompanied by a discussion of its potential budgetary implications, the strength of its evidence base and its viability.** If a measure cannot be directly implemented, AIReF should clearly identify the constraints that have to be removed before the recommendation becomes effective.

 Timeframe: 2 years

## COMPLY and EXPLAIN



## MEASURES - EXPLANATIONS

- **COMPLY:** specific proposals with a clear budgetary impact are **quantified**.
- **EXPLAIN:** feasible and evidence-based proposals are formulated, although **not all involve a quantifiable budgetary impact**.



## 4. EVALUATION OF AIReF's GUIDING PRINCIPLES



### RECOMMENDATION 4.1

Action 4(l)(a) of Strategic Plan 2020-2026 intends to strengthen independence by ensuring a financing and budgeting system for AIReF's activity which is appropriate and necessary for functional autonomy. **The Organic Law 6/2013 should be amended to secure AIReF's budget over the medium term by preventing any real-term reductions, except under extraordinary circumstances such as changes following a mandate review or for specific one-off projects.**

🕒 Timeframe: 2 - 5 years

**NOT  
ADDRESSED  
to AIReF**



### EXPLANATIONS

- AIReF agrees with this recommendation.

## 4. EVALUATION OF AIReF's GUIDING PRINCIPLES



### RECOMMENDATION 4.2

Action 4(l)(a) of Strategic Plan 2020-2026 intends to strengthen independence by ensuring a financing and budgeting system for AIReF's activity which is appropriate and necessary for functional autonomy. **The Organic Law should be amended to bring AIReF's budget under an independent section of the General State Budgets to be approved by the Cortes Generales, as is the case of the Court of Auditors.** This would align with OECD Principle 4 (appropriations for IFIs should be published and treated in the same manner as other independence bodies such as audit offices). The Ministry of Finance should publish a three-year financial plan for AIReF, transitioning eventual control over these plans to parliament. This would align with the OECD principles and enhance transparency and stability in AIReF's financial planning, providing a clearer long-term fiscal outlook. The Organic Law also should be modified to provide AIReF with the flexibility to determine its own List of Posts within its budget.

🕒 **Timeframe: 2 - 5 years**

**NOT  
ADDRESSED  
to AIReF**



### EXPLANATIONS

- AIReF **agrees with this recommendation.**

## 4. EVALUATION OF AIReF's GUIDING PRINCIPLES

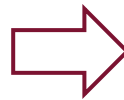


### RECOMMENDATION 4.3

Action 4(III)(a) of Strategic Plan 2020-2026 is to appear before Parliament to report on AIReF's activity. **AIReF should be called in front of the Congress of Deputies once a year for the purpose of discussing its performance and operational issues, its annual report, and to seek the legislature's assistance where its analysis is being met with obstacles such as information requests not being fulfilled.**

 Timeframe: 2 years

**NOT  
ADDRESSED  
to AIReF**



### EXPLANATIONS

- AIReF **agrees with this recommendation.**
- This **amendment to the regulations would also make it possible to regulate the appearances currently planned more precisely**, establishing at least some appearances before the relevant Congress and Senate committees on the presentation of the State Budget, the publication of the medium-term planning documents and the annual monitoring of these. Consideration should also be given to the option of **AIReF being able to request to appear on its own initiative.**

## 4. EVALUATION OF AIReF's GUIDING PRINCIPLES



### RECOMMENDATION 4.4

Action 4(III)(a) of Strategic Plan 2020-2026 is to strengthen the principle of accountability through a range of actions that include evaluation by an independent third party. **The Organic Law should be amended to require AIReF to undergo an external review every 5 years.**

 Timeframe: 2 years

**NOT  
ADDRESSED  
to AIReF**



### EXPLANATIONS

- AIReF **agrees with this recommendation, which would formalize the practice followed by the institution on its own initiative** and since its creation of submitting itself to external evaluations. This is the second time AIReF has voluntarily submitted to an external evaluation.
- AIReF **has been the subject of other external evaluation** such as the Court of Auditors, the “Hay Derecho” Foundation, as well as evaluations of certain partial aspects of its operations (i.e. transparency), such as the one carried out by the Transparency and Good Governance Council.
- The **amendment of the Organic Law offers the opportunity to design** ways of identifying and contracting human teams with the unique expertise required for this type of evaluation.

# 5. IMPACT

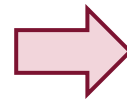


## RECOMMENDATION 5.1

To support Strategic Aims 1-4 of Strategic Plan 2020-2026, **AIReF should create an in-house communications department and allocate resources to maintain it.** The department should include a civil affairs specialist (a professional responsible for managing and improving an organisation's relationship with the general public and community stakeholders).

🕒 Timeframe: 2 - 5 years

**COMPLY**



## MEASURES

- **AIReF considers it necessary to have a communications expert on its staff** with in-depth knowledge of economic and budgetary matters who can generate quality content in the timeframe required by the institution's activity.
- AIReF **will start the procedures to request the creation of a post**, with the appropriate budgetary allocation, dedicated to communication within the President's Office. Without prejudice to this, **the outsourcing of part of the communication services will be maintained** to support staff. This strategy would allow the new President of the institution to extend the change of model, if necessary.

# 5. IMPACT

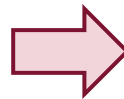


## RECOMMENDATION 5.2

To support Objective 4(III) of Strategic Plan 2020- 2026 on strengthening the principle of accountability, **AIReF should ensure its analysis and recommendations influence—and are influenced by—the legislative process by fostering closer one-on-one relationships with individual legislators' offices, for example with an “our door is always open” policy that encourages legislatures to approach the institution with questions and concerns.** This will complement the occasional fixed open sessions AIReF currently offers. This proactive approach, used by institutions like the CBO in the U.S. and the Canadian PBO, has proven effective in creating “champions” of their analysis in the legislature. This would also give legislators an opportunity to suggest analytical topics for AIReF to study, including areas to undertake Expenditure Reviews (per Recommendation 3.3).

 Timeframe: 2 years

**COMPLY**



## MEASURES

- **AIReF will continue to prioritise simultaneous meetings** with all the parliamentary groups in Parliament, with at least one meeting held at AIReF's headquarters every year.
- Despite not being a parliamentary budgetary office like those in the USA or Canada, **AIReF is an institution open to all parliamentary groups.**

# 5. IMPACT

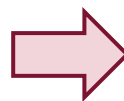


## RECOMMENDATION 5.3

Action 3(II)(b) of Strategic Plan 2020-2026 is to make available the information used in evaluations with the aim of encouraging public policy decision-making based on data and academic research. When accepting a regional or local commission, **AIReF should require the subnational body to have a communications plan to disseminate the evaluation findings. AIReF and the involved institutions should launch and share the report in public spaces relevant to the findings, helping citizens understand the impact of fiscal policy.** In line with Action 4(III)(a) on appearing before Parliament, AIReF should attend more hearings before subnational legislatures to demonstrate accountability. Additionally, AIReF should explore providing technical assistance and capacity-building support to subnational governments that want to implement recommendations but lack the necessary resources and expertise.

 Timeframe: 2 years

COMPLY



## MEASURES

- **The action plans for the studies commissioned by Autonomous Regions and Local Governments, in addition to the commitment to publish, will include a communication plan** to disseminate the results.
- The holding of **press conferences or briefings by AIReF** in the Autonomous Region or Local Government from which the commission was made will be considered.
- **Attendance at regional parliaments** will continue to be subject to relevance and technical feasibility.

# 5. IMPACT

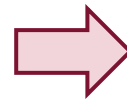


## RECOMMENDATION 5.4

To determine whether Action 4(III)(a) of Strategic Plan 2020-2026 on appearing before Parliament is achieving results, **AIReF should begin tracking its mentions in parliamentary debate transcripts.** This will allow AIReF to assess trends in its impact on the political debate and adjust its strategy accordingly.

 Timeframe: 2 years

## COMPLY



## MEASURES

- Given the limited resources, **the use of artificial intelligence tools will be explored** to enable the monitoring of mentions of AIReF in parliamentary debates.
- **Collaboration will be explored with the Congress study service.**



# 5. IMPACT

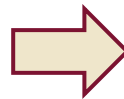


## RECOMMENDATION 5.5

To support Action 1(l)(f) on formulating recommendations subject to the comply or explain principle, **AIReF's recommendations should be clear, precise, and actionable. Reports should be brief and avoid generic statements and provide detailed guidance on implementation.** The lack of specificity in recommendations can lead to nominal compliance rather than effective policy changes. **AIReF could introduce a ranking system to indicate the level of priority in recommendations, such as “necessary”, “suggested”, and “good practice”.**

 Timeframe: 2 years

## COMPLY and EXPLAIN



## MEASURES - EXPLANATIONS

- **COMPLY:** work will continue to try to make the **recommendations** issued by AIReF **clearer and more precise** and to monitor their effective compliance by expanding the current database with this additional information.
- **EXPLAIN:** in terms of classification, **all the recommendations issued are considered necessary.** Failing this, they acquire the express status of 'best practice' and are not subject to the 'comply or explain' principle.
- **EXPLAIN:** regarding the **length of the reports**, see response to Recommendation 5.7.

# 5. IMPACT

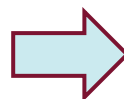


## RECOMMENDATION 5.6

To support Action 1(l)(f) on formulating recommendations subject to the comply or explain principle, **AIReF should strengthen the "comply or explain" framework by setting clearer guidelines on what constitutes an adequate explanation for non-compliance.** AIReF can provide examples of acceptable explanations and outline the consequences of inadequate responses. Additionally, a scoring or rating system for compliance and the quality of explanations of refusal could be introduced, making it easier to track and compare the performance of different government bodies over time.

 Timeframe: 2 years

## EXPLAIN



## EXPLANATIONS

- **AIReF considers it more effective to formulate recommendations in such a way that it is possible for AIReF itself to verify compliance with them ex post.** This verification will be included in the current Recommendations Observatory.

# 5. IMPACT

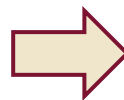


## RECOMMENDATION 5.7

Action 4(II)(d) is to present AIREF's work to the nonspecialized public. **AIREF should strive to improve the readability scores of its reports with plain, simple language and to reduce their page length.**

 Timeframe: 2 years

**COMPLY and  
EXPLAIN**



## MEASURES - EXPLANATIONS

- **EXPLAIN:** the **broad subjective scope** of AIREF's reports (each of the general government authorities) and the necessary rigour required from the fiscal supervisor condition the possibility for reducing the length of the reports as well as the language used.
- **COMPLY:** without prejudice to this, **work will continue** towards a simpler structure for accessing reports, on the production of summarized material (such as presentations, infographics or executive summaries) and on moving towards simpler language. These actions will be complemented by the communication commitments made in AIREF's Strategic Plan 2020-2026 to reach out to the non-specialist public (by, for example, creating a space on the website dedicated to economic dissemination).

# 5. IMPACT

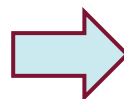


## RECOMMENDATION 5.8

To support Objective 4(III) on strengthening the principle of accountability, **AIReF should host embargoed distribution lists or lockups of its upcoming reports for legislatures and the media to ensure they can react on an equal footing with governments, which receive reports in advance of publication.**

 **Timeframe: 2 years**

## EXPLAIN



## EXPLANATIONS

- **Article 9 (deadline for reports) and Article 22 (deadline for opinions) of Royal Decree 215/2014** approving the Organic Statute of AIReF establishes the formal obligation to send draft reports and opinions, as well as the deadline to send them to the relevant GG authorities and legal recipients of these publications. The aim is for the supervised or evaluated entities to review AIReF's products, to correct factual errors, inaccuracies and/or make comments.
- Documents produced by AIReF and submitted to the final recipients in the performance of its activity are **drafts**.
- **AIReF, on its own initiative and without any legal obligation:** 1) submits the documents published on its website to **legislative bodies** at the same time as they are disseminated and 2) in application of its policy of maximum transparency and given the importance of rigorous information, AIReF **holds press conferences before publication** at which the media are given ad hoc material generated for press briefings, a technical explanation of the contents by the Steering Committee and the option to ask questions without any time limit.



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