

**PRESS RELEASE**  
**13/11/2024**

## **AIReF PUBLISHES THE RESULTS OF THE EXTERNAL EVALUATION COMMITTED BY ITS PRESIDENT**

- **By undertaking this evaluation, the Independent Authority for Fiscal Responsibility (AIReF) fulfils the commitment made by Cristina Herrero in the 2020-2026 Strategic Plan to conduct an external evaluation to guide the institution's activity and strengthen accountability**
- **The evaluation examined the strategic pillars of the 2020-2026 Plan, including an analysis of AIReF's functions, its guiding principles and its impact**
- **This was carried out by an independent evaluation team selected by the European Commission with the full cooperation of AIReF**
- **The report includes a total of 26 recommendations, 18 aimed at improving the performance of AIReF's supervision and evaluation functions, its guiding principles and the impact of its work and eight not addressed to AIReF to promote the regulatory adaptations needed in the current context**
- **The recommendations have been subject to the “comply or explain” principle and AIReF is committed to transparent monitoring of these recommendations on its website**

**The Independent Authority for Fiscal Responsibility (AIReF) published the results of the external evaluation conducted by the European Commission over the course of 2024 and the monitoring of the recommendations made to the institution on its website today. By undertaking this evaluation, AIReF fulfils one of the commitments made by its President, Cristina Herrero, in the 2020-2026 Strategic Plan to guide the institution's activity and strengthen accountability.**

The main aim of the 2020-2026 Strategic Plan, developed under the presidency of Cristina Herrero after her unanimous appointment by the Congress of Deputies, is to consolidate the institution and reinforce its purpose as a useful instrument for society as a whole. To achieve this, the Plan establishes four strategic pillars: the supervision of all General Government sub-sectors, sustainability, evaluation as a permanent function of AIReF and the strengthening of its guiding principles: independence, transparency and accountability.

Within the framework of the fourth pillar, AIReF's President, Cristina Herrero, undertook to submit to an external evaluation with the aim of analysing the

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alignment of the institution's activity with the Strategic Plan. This commitment was made on her own initiative. However, the reform of the European Union's fiscal governance framework will become a mandatory exercise for all Independent Fiscal Institutions (IFIs) every five years, as of 2026.

The context of the evaluation is marked by the re-establishment and reform of the EU's fiscal rules, which require Independent Fiscal Institutions to enact a framework for supervision and management that takes into account uncertainty as countries face the upcoming fiscal challenges.

The evaluation was performed by an independent evaluation team selected by the European Commission within the framework of technical assistance funded through the DGREFORM Technical Support Instrument and has enjoyed the full cooperation of AIReF, which has provided all the information requested by the evaluators and facilitated their work at all times.

The evaluation included an analysis of AIReF's functions, its guiding principles and their impact. To this end, the technical team carried out a comparative review of AIReF with other IFIs, revised the legal and institutional framework and conducted several interviews with parties that interact with AIReF. Based on this analysis, the report assesses a set of recommendations to improve the aspects analysed, in view of the current and future legal and fiscal challenges.

Specifically, the analysis includes a total of 26 recommendations grouped into five main blocks that refer to the performance of AIReF's supervision and evaluation functions, its guiding principles, the impact of the institution and the economic context. Most of the recommendations - a total of 18 - are addressed directly to AIReF, although eight recommendations not addressed to the institution are also included to promote the necessary regulatory adaptations to the EU's new fiscal governance framework, the new evaluation function and to strengthen the institution's functional autonomy.

In line with the commitment also made by the President of AIReF, the recommendations taken into account in the institution's upcoming Action Plan through which the Strategic Plan is developed on an annual basis have been subject to the "comply or explain" principle. The attached document sets out AIReF's response to each recommendation: comply, explain, comply and explain and recommendations not addressed to AIReF, as well as the measures to comply or the reasons behind the deviation. To make it easier to read and monitor these recommendations, the document uses a colour code depending on the type of response from AIReF.

| 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 reports</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

The recommendations will also be monitored transparently on the website.

## Context

Considering the economic context, the evaluation team proposes three recommendations aimed at strengthening AIReF's role in the preparation and monitoring of Medium-Term Fiscal-Structural Plans. Specifically, it recommends regulatory amendments expressly requesting AIReF's opinion on the Fiscal Plan and an *ex post* evaluation of the budgetary execution data with the net public expenditure path established. The team also recommends that the Government should formally consult AIReF at the Plan drafting stage with the aim of exchanging technical analyses and that it should undertake to explain how AIReF's opinions have been considered.

AIReF agrees with these three recommendations and stresses that it has the technical capacity to implement them. However, it points out that they are not recommendations directly addressed to the institution as they require Government initiative and regulatory changes.

## Supervision and evaluation

AIReF has received a total of five recommendations aimed at improving its fiscal supervision function. Three of them suggest strengthening the institution's analytical capabilities in the field of climate change, developing synthetic indicators related to the growth commitments taken on and promoting partnerships with specialised groups. AIReF undertakes to implement these three recommendations. The other two recommendations consider advice to the European Fiscal Board (EFB) on fiscal orientation and the creation of a working group to develop a national public micro-simulation model. AIReF will work to

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formalise the relationship it already maintains with the EFB, but explains that its mandate, unlike that of other IFIs, does not include the orientation of Spanish fiscal policy. It will also analyse new micro-simulator exploitations and carry out further developments on tax and pension issues, but explains that setting up such a working group is beyond its operational and regulatory capacity.

AIReF has received a total of six recommendations on the performance of the evaluation function. AIReF undertakes to fully comply with the three recommendations that suggest publishing a prioritisation framework for evaluations, considering evaluation suggestions from stakeholders such as Parliament or citizens' initiatives and maintaining strong links with the academic community. In this regard, it will continue to promote and fund training for its staff, continue to offer positions under non-civil servant employment contracts that take into account academic training and publications, and will continue to strengthen ties with academia and submit its evaluations to the Advisory Board for consideration by academics.

In addition, it will negotiate the possibility with data providers to give access to external research, as is also recommended within this block, but explains that it already meets academic standards in the presentation of its results. It will also comply with the recommendation to quantify its evaluation proposals with a clear budgetary impact, but explains that these are not always quantifiable proposals. Finally, it receives a recommendation to include the evaluation function in the Organic Law, a recommendation that it shares, but which is not directly addressed to the institution as it is not within its power to implement this proposal.

### **Guiding principles and impact**

With the aim of reinforcing its guiding principles: independence, transparency and accountability, AIReF has received four recommendations to guarantee the institution's budget in the medium term, to assign the budget to a separate section of the General State Budget as is the case with the Court of Auditors, to appear before the Congress of Deputies once a year in order to discuss its activity and operational issues and to guarantee the performance of external evaluations in the law. AIReF states that it agrees with all the recommendations made by the evaluation team but points out that they are recommendations that are not directly addressed to the institution as they involve regulatory changes or actions that do not depend on AIReF.

Finally, to improve the impact of the institution's publications, AIReF received eight recommendations that suggest setting up an internal communication department, guaranteeing its influence in Parliament, strengthening the dissemination of the evaluations made by the Autonomous Regions and Local Governments, monitoring parliamentary mentions of AIReF, defining clear and tangible recommendations, making its reports easier to read, providing a guide

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on its response to the recommendations and creating distribution lists or embargoes of its upcoming reports to legislative bodies and the media so that they can react on an equal footing with the General Government.

AIReF will comply with the first four impact recommendations, as it considers it necessary to have a communication expert on its staff. It will continue to prioritise meetings with all the parliamentary groups, it will include communication plans in the action plans of the evaluations to enhance their dissemination to the Autonomous Regions and Local Governments and it will explore the use of Artificial Intelligence tools to monitor mentions in Parliament. It will also continue to work to try to make its recommendations clearer and more precise, although it considers that the current classification is necessary. It will also work on a simpler structure to access reports, although it explains that the rigour required by the reports limits the scope for reducing their length. Finally, AIReF considers it more effective to issue recommendations in such a way that *ex post* verification is possible and thus departs from this recommendation and does not consider it necessary to forward reports to Parliament or the media.