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MTPs – Issues and state of play: Some preliminary results from the Network survey

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EUNIFI

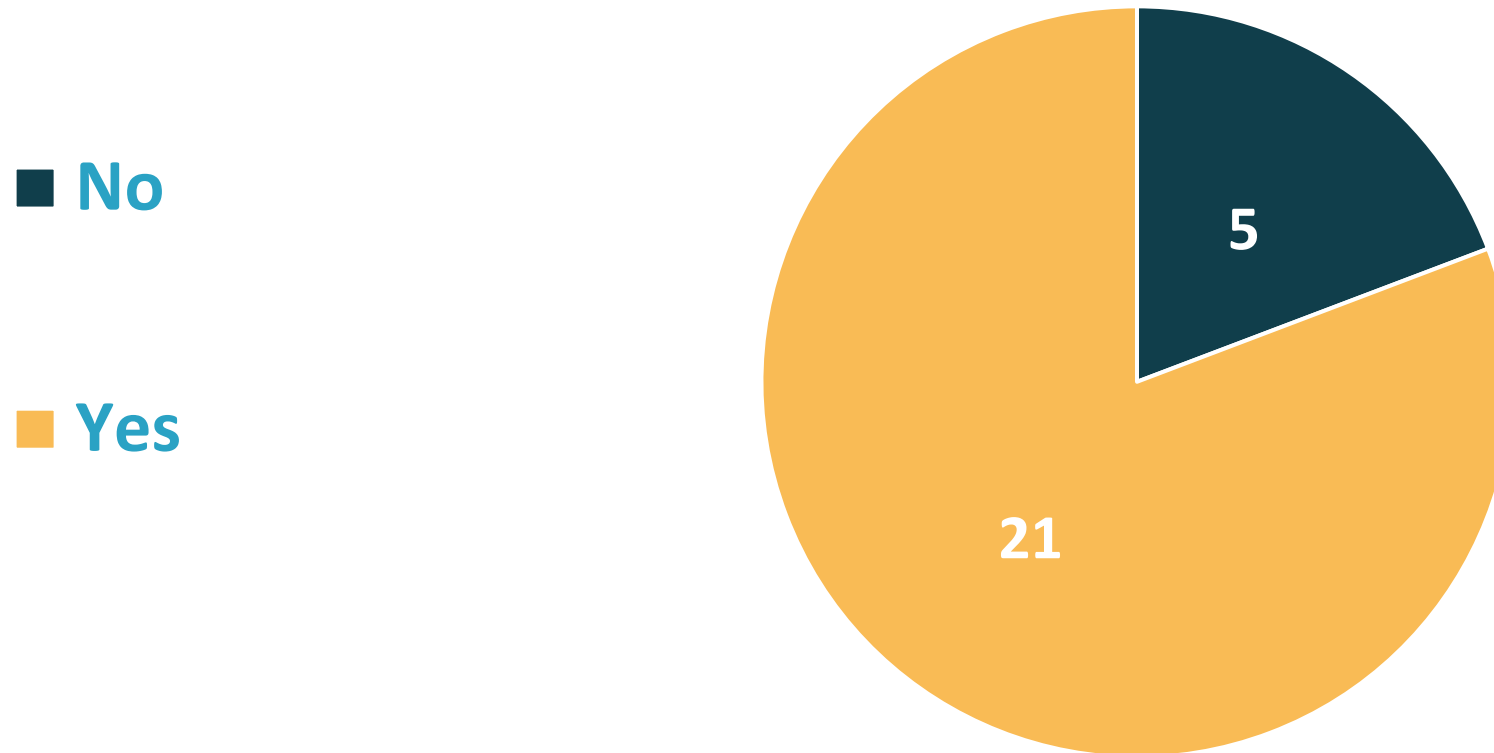
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* Director of Public Finance Division, UPB, and Co-coordinator of the EGR WG of the Network of EU IFIs, flavio.padrini@upbilancio.it. Preliminary results of the EGR WG Survey: please do not quote. Thanks to Farzaneh Shamsfakhr, Harry Crichton-Miller and Elena Giachin Ricca for assistance on the survey and on the presentation.

Survey on first batch of MTPs

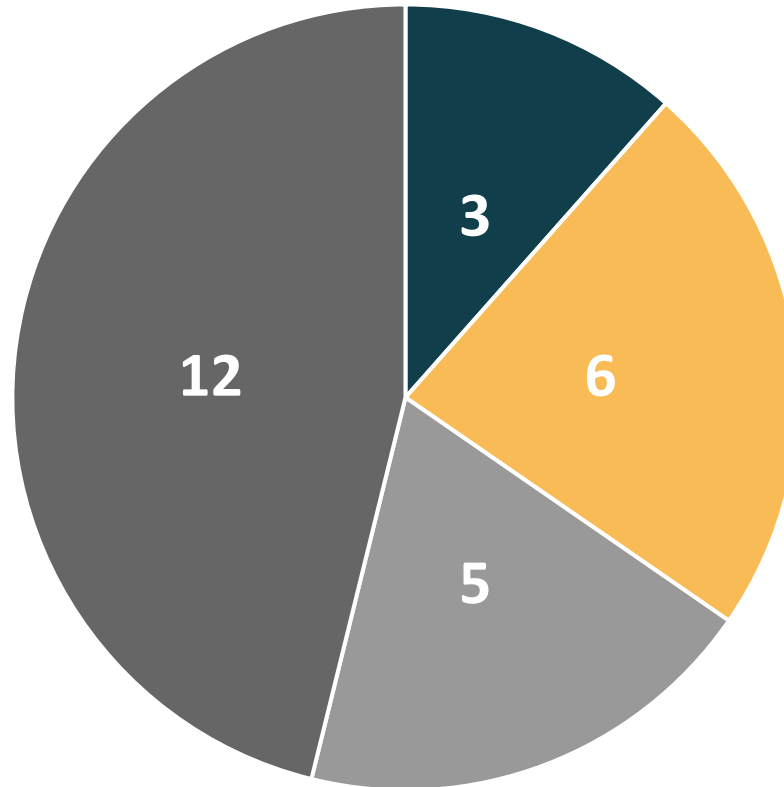
- On the 15th of November, the Economic governance reform WG of the Network launched a survey on first batch of MTPs
- Focus on: procedures, role of IFIs and content of MTPs
- By the end of November, 28 IFIs (out of 32) replied, from 26 countries

MTP procedure - Did the Government submit the MTP to the European Commission?



Sample of 26 countries

MTP procedure - Before submitting the MTP to the European Commission, the MTP was:



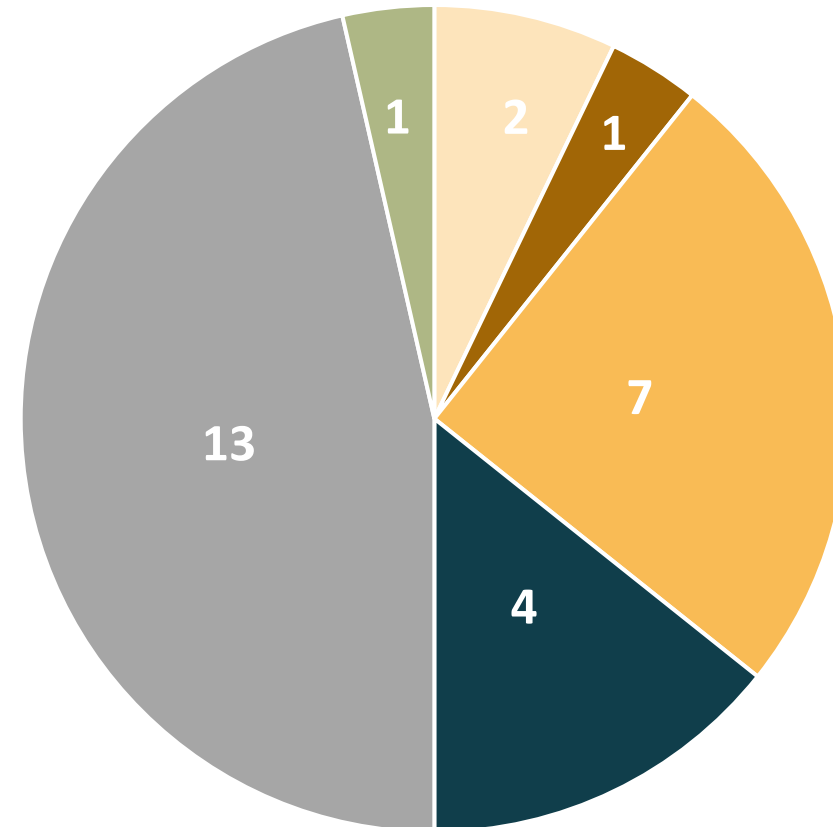
- Presented to and approved by Parliament
- Discussed by Parliament or by parliamentary committees
- None of the above, MTP not yet submitted
- None of the above, MTP already submitted

Sample of 26 countries

IFIs' role - Has your IFI been asked by the Government to produce, endorse or assess the macroeconomic forecast underpinning the net expenditure path?

- Yes, it has been asked to assess the macroeconomic forecast
- Yes, it has been asked to produce the macroeconomic forecast
- Yes, it has been asked to endorse the macroeconomic forecast
- No, MTP not yet submitted
- No, MTP already submitted
- no reply

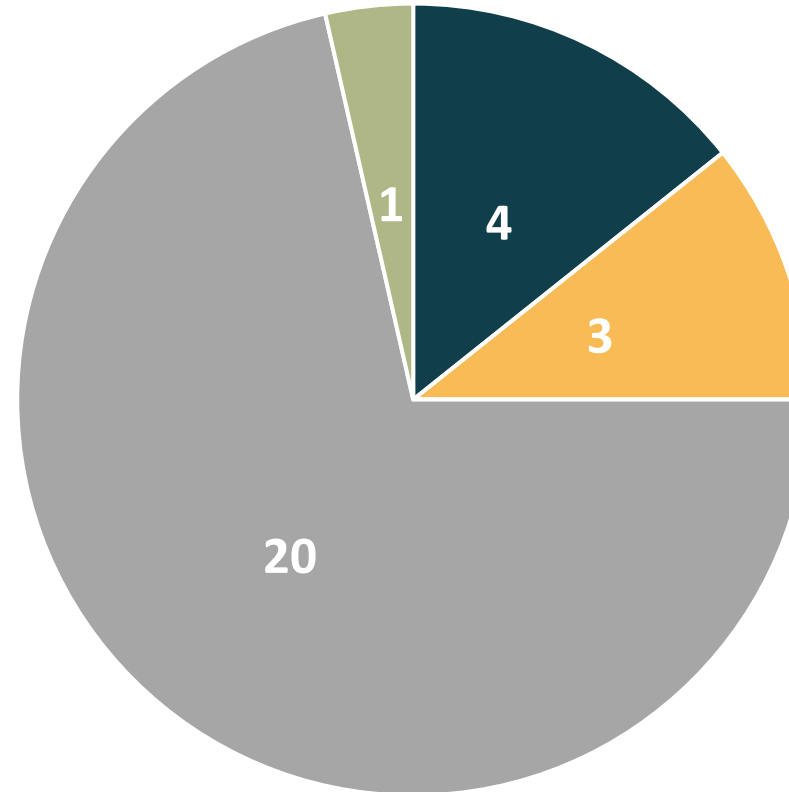
Sample of 28 IFIs



IFIs' role - Has your IFI been asked to assess the MTP by the Executive, or by the national Parliament or by other relevant national stakeholders?

- Yes, by the Executive
- Yes, by the national Parliament
- Yes, by other stakeholders
- Yes, by more than one institution
- No
- no reply

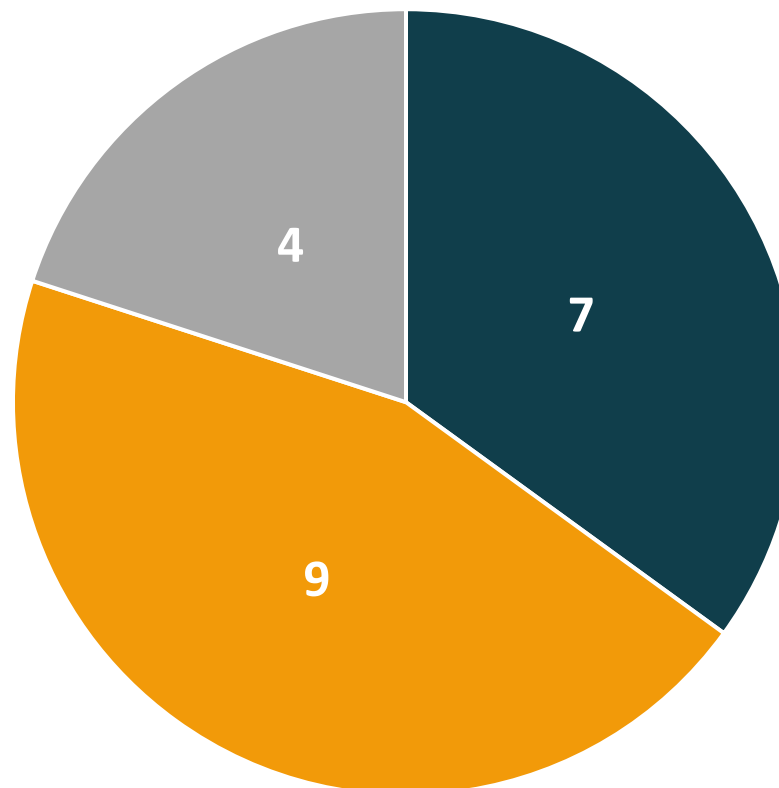
Sample of 28 IFIs



IFIs' role - In case your IFI was not asked, did your IFI assess the MTP on its own initiative or does it intend to assess it?

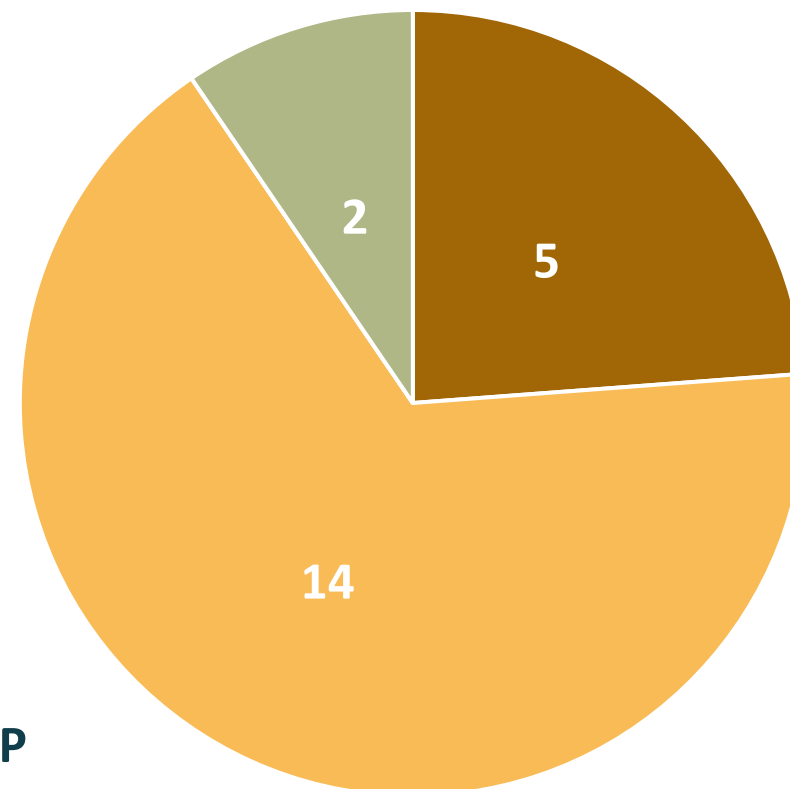
- Yes, it assessed it on its own initiative
- Yes, it intends to assess it on its own initiative
- No, it does not intend to assess it

Sample of 20 IFIs not being asked to assess



MTP content - With respect to the requirements indicated in the Commission's Guidance, the content of the MTP includes:

- All the compulsory and optional information
- All the compulsory information, but only part or none of the optional information
- Only part of the compulsory information
- no reply

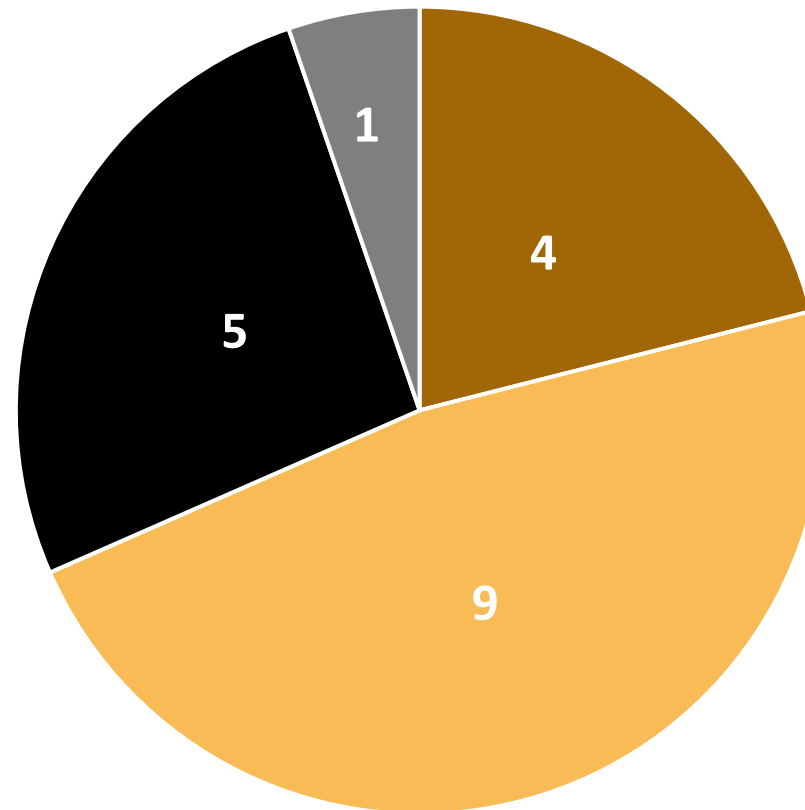


Sample of 21 countries with a submitted MTP

MTP content - What is your IFI's current assessment of the MTP?

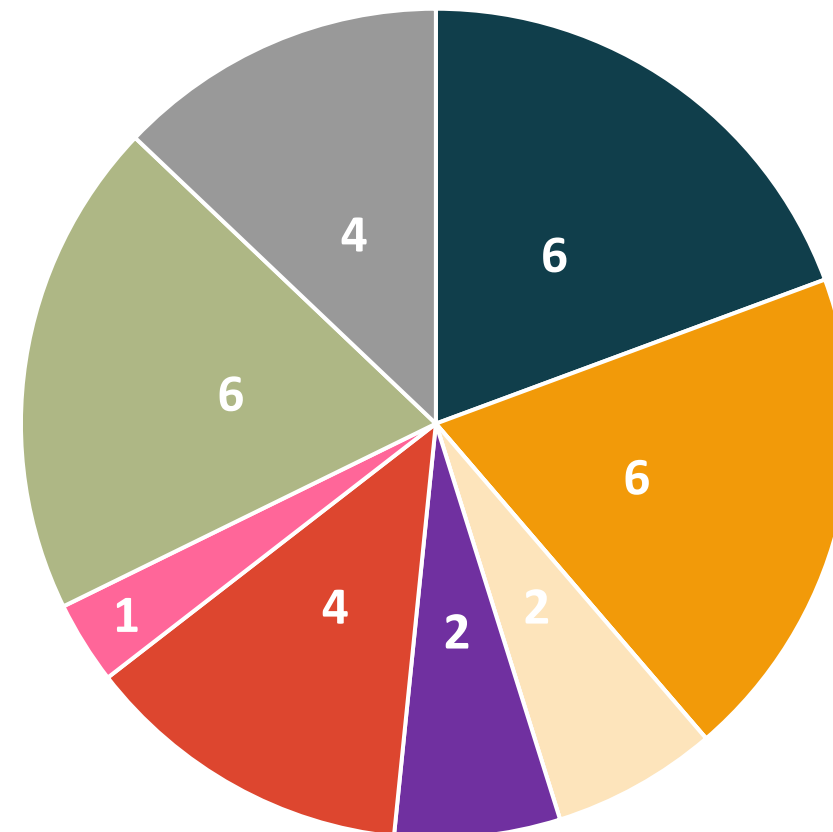
- Positive
- Positive, but with some reservations
- Negative but with some positive elements
- Negative

Sample of 19 responding IFIs



MTP content - Highlight the main concerns about the contents of the MTP:

- a. Macroeconomic forecast too optimistic
- b. Unchanged-policy fiscal forecast too optimistic because of unrealistically low spending
- d. Unchanged-policy fiscal forecast too optimistic because of other reasons
- f. Adjustment scenario too optimistic because of too optimistic assessment of corrective measures' financial impact
- g. Fiscal targets not in line with reference trajectory by the Commission
- h. Inappropriate fiscal stance
- i. Insufficient information on some parts of the MTP
- j. Other concerns



Sample of 28 IFIs (multiple answers)

Some preliminary conclusions

- High variability across countries in terms of national parliaments' involvement and IFIs' role in MTP preparation
- In particular, majority of countries did not ask IFIs to assess MTPs
- Positive that many IFIs assess MTPs even if not asked
- IFIs' assessments of MTPs overall positive but there are a number of exceptions
- IFIs' main concerns were on too optimistic macroeconomic scenarios, too optimistic public spending trends and on insufficient information on some parts of MTPs

Which one are you?



1/2 FULL?

1/2 EMPTY?

Thank you