

RECOMMENDATIONS FROM THE OECD EXTERNAL EVALUATION	RESPONSE: COMPLY OR EXPLAIN	MEASURES - EXPLANATION	TIME FRAME
<b>INPUTS</b>			
<p>1. AIReF and MINHAFP and/or relevant administrations should work collaboratively to develop a MoU on access to information, establishing what information AIReF needs to fulfil its mandate and mutually agreeable and collaborative processes for information requests, including indicative and realistic timeframes for responses, steps to take when requests are not or cannot be complied with, and provisions regarding the treatment of confidential data. This is in line with OECD Principle 6.1.</p>	<p>COMPLY</p> <p>(Also requires compliance from the counterparts of the MoU)</p>	<p><b>Integrated into the revision of the 2015-2020 strategic plan.</b> The preparation of Memoranda of Understanding (MoU), agreements or procedures for the exchange of information and the development of institutional relations between AIReF and the main Public Administrations is planned (5.b. iii). AIReF has already taken the initiative with some administrations:</p> <ol style="list-style-type: none"> <li>1. <b>Proposal to sign MoU with the State Secretariat for Economy and Business Support.</b> AIReF has initiated contacts with said Secretariat with the objective of establishing MoU in time for AIReF's Report on the 2019 General State Budgets .</li> <li>2. <b>Proposal to sign MoU with the MINHAFP</b> at the initiative of AIReF. Proposal made on several occasions, most recently with AIReF's observations on the proposal to amend AIReF's Organic Statute.</li> <li>3. <b>AIReF's proposal for direct access to databases</b> (or periodic transfers) of relevant and important information for AIReF's work, especially at the local level. This would minimise sporadic requests.</li> <li>4. <b>Signed a collaboration agreement with the Bank of Spain</b> (July 2017) that includes the regular exchange of information on the public administrations' debt and financial accounts for each sub-sector.</li> </ol>	<p>September 2018</p> <p>2018</p> <p>2018</p> <p>Executed</p>

<p><b>2. Where there are issues around timing of access to information, consideration should be given to allowing AIReF advance sight of data or documents on a confidential basis.</b> The strategy of giving the IFI advance sight of data on a confidential basis has been used successfully by peer IFIs and their government counterparts and would have the potential benefit of strengthening AIReF's analysis and the timeliness of its work.</p>	<p>NOT DIRECTED AT AIReF</p>	<p><b>To be considered by other administrations</b>, mainly the MINHAFP. AIReF will take this into <b>account when drafting proposals for MoU on information</b> with the various administrations, who, in turn, should consider this recommendation from the OECD.</p>	
<p><b>3. A multiannual funding commitment should be considered for AIReF, covering the period of the medium term expenditure framework</b>, to further enhance its independence and provide additional protection from political pressures, or perceptions by stakeholders that AIReF could be subject to political pressures. This would have the added benefit of improving the predictability of funding for AIReF. In the longer term, it may be useful to review the budget process for AIReF in light of OECD Principle 4.1 which also states that the appropriations for IFIs should be published and treated in the same manner as the budgets of other independent bodies.</p>	<p>NOT DIRECTED AT AIReF</p>	<p><b>To be considered by other administrations</b>, mainly the MINHAFP. <b>AIReF is willing to provide the necessary documentation and analysis</b> for consideration by the competent administration.</p>	
<p><b>4. In light of AIReF's already extremely broad mandate, and the new demands being placed on AIReF, there should be a reassessment of whether the resources allocated to AIReF are commensurate with its mandate</b>, as outlined in OECD Principle 4.1. Such an assessment should include a review of the sufficiency of the supervision fee system in meeting AIReF's budgetary needs.</p>	<p>NOT DIRECTED AT AIReF</p>	<p><b>To be considered by other administrations</b>, mainly the MINHAFP. AIReF will request a new expansion of its staff in response to the new spending review functions now entrusted to AIReF and <b>will continue to prompt the MINHAFP to reconsider</b> whether the resources are commensurate to the mandate. An increase in the <b>supervision fee</b> was requested in time for the preparation of the 2018 General State Budgets.</p>	
<p><b>5. AIReF should avoid taking on additional tasks unless they are given commensurate resources to undertake these new tasks with in-house staff.</b> More generally, AIReF should use outside contractors sparingly. For a limited number of projects AIReF has had to rely on consultants. Doing so creates potential risks around consistency, transparency, independence, and communication of the results, especially for a young organisation. In the longer term, it may also impact AIReF's ability to generate and sustain internal professional capacity.</p>	<p>EXPLAIN</p>	<p><b>This has been the practice applied by AIReF hitherto.</b> Only occasional recourse has been made, and it has been duly justified by the need to complete AIReF's analysis capacity with very specific needs linked to partial and technical work, mainly data collection. In addition, AIReF maintains total control of the work, without compromising its analytical capacity or the direction of the work. AIReF has followed this same philosophy for conducting the spending review and, therefore, has combined the expansion of its permanent staff with outsourcing of specific tasks, through advertising and competition, without affecting the control and direction of the AIReF project.</p>	

<p><b>6. In the longer term, the calendar for AIReF reports should be revisited in light of information constraints.</b> One practical solution would be to indicate a time period for analysis upon the receipt of the necessary information rather than specific calendar dates. Changes to the calendar would reopen AIReF's Organic Law to amendment and so may not be practicable in the near term but should be considered when an appropriate political and legislative juncture arises.</p>	<p>NOT DIRECTED AT AIReF</p>	<p><b>To be considered by other administrations</b>, mainly the MINHAFP. AIReF will take this into account in the drafting of proposals for MoU with the different administrations.</p>	
<p><b>METHODOLOGY AND OUTPUTS</b></p>			
<p><b>7. AIReF should regularly include projections for a medium-term period of three to five years beyond the current year.</b> Shifting some of the existing focus and resources to more emphasis on the mid-term would improve the balance in AIReF's work. With some exceptions, the majority of AIReF's products over the past few years have been heavily focused on near-term estimates for the current year and the upcoming budget year and would benefit from a medium-term perspective.</p>	<p>COMPLY</p>	<p><b>Integrated into the revision of the 2015-2020 strategic plan</b> . Establishing medium-term fiscal projections and their connection to economic activity (2.a. ii).</p>	<p>2018</p>
<p><b>8. When documenting its analysis, AIReF should include more tables with summaries of numbers and more graphics to show recent history and the near- or medium-term projections of economic and budgetary results.</b> Some AIReF reports tend to be "text-heavy" with minimal use of numeric tables or data visualizations. As reports are expanded to include more years of budget projections (as recommended above), it would also be helpful to include line- or bar- charts to present the multiple years of analytic results. Including recent history of budget aggregates in such graphs would further assist in presenting the context for AIReF's forward-looking projections.</p>	<p>COMPLY</p>	<p><b>Integrated into the revision of the 2015-2020 strategic plan</b> . Expanding the provision of information through greater use of graphic tools and connection to the AIReF web platform (5.a.i). <b>As of 2018, the reports will seek a better balance</b> between the provision of more synthetic information using charts and tables, without compromising the explanatory content of the reports. An effort will be made to reduce the text in the main body of the reports, resorting, when necessary, to the provision of additional information in annexes. Greater connection with the AIReF website's graphic platform.</p>	<p>2018</p>
<p><b>9. AIReF reports should include more details on both its economic and budgetary estimates.</b> Most reports have presented high-level summaries of AIReF projections. It would be useful to include the key components of those summary totals that AIReF has prepared during its analysis. Such underlying details can provide helpful context for the top-line totals.</p>	<p>COMPLY</p>	<p><b>Integrated into the revision of the 2015-2020 strategic plan</b> . Providing further depth in the provision of information through greater use of graphic tools and connection to the AIReF web platform (5.a.i). Whenever possible, the <b>reports to be published after 2018 will provide more information on the components</b> that make up the different fiscal and macroeconomic aggregates.</p>	<p>2018</p>

<p><b>10. AIReF should continue to conduct and publish regular self-evaluations of its economic forecasts and budget projection records.</b> This may include an examination of the accuracy of their projections and of whether there have been any significant biases underlying past forecasts by the government or by AIReF, with attempts made to understand the underlying causes of inaccuracies. AIReF will benefit from continuing to compare past forecasts against both observed data and the projections of other forecasters.</p>	COMPLY	<p><b>Integrated into the revision of the 2015-2020 strategic plan</b> . Self-assessment of the quality of short and medium term macro-fiscal forecasts(1.a.iv). Although AIReF's forecast history is still relatively short, work can begin on assessing the forecasts of the main macroeconomic indicators, tax forecasts and some of the main expenditure variables. The bias analysis of the government's macroeconomic forecasts will be maintained.</p>	2019
<p><b>11. AIReF should periodically review the decision to refrain from publishing its own independent macroeconomic forecast.</b> While AIReF has chosen to focus on its endorsement role and the uncertainty of such forecasts (as opposed to providing point estimates of its own), there may come a time over the longer term when it may be both informative and useful to the public debate for AIReF to eventually publish its own staff projections for the Spanish economy.</p>	EXPLAIN	<p><b>AIReF has taken the strategic decision not to compete with other economic forecasts</b> (especially the official ones) and to focus on its role as "evaluator" and, in particular, identifying any uncertainty surrounding them. This strategy is sensible in a supervisory model in which the IFI is assigned "endorsement" functions.</p>	
<p><b>SUB-NATIONAL SCOPE</b></p>			
<p><b>12. AIReF should continue to develop its already well-received work on benchmarking regions and municipalities.</b> Given the number of municipalities, a focus on the most fiscally stressed municipalities would be particularly useful.</p>	COMPLY	<p><b>Integrated into the revision of the 2015-2020 strategic plan :</b></p> <ol style="list-style-type: none"> <li><b>1. Incorporation of benchmarking techniques</b> into the analysis of the economic and budgetary situation of the Public Administrations and, therefore, of the Regions and Local Governments (1.a.v). AIReF has begun to analyse the healthcare and education expenditure of the Regions and plans to expand to social services. AIReF has begun using Local Government fiscal databases (including effective costs for provision of services) that will allow a comparative analysis for its work with the Spanish Federation of Municipalities and Provinces.</li> <li><b>2. Spending Review (SR)</b> , for the General Government based on strategy, procedure, efficiency and effectiveness evaluations (3.a.i). The spending review of policies with sub-national level competences will require the use of benchmarking techniques to identify efficient frontiers. Non-hospital pharmaceutical expenditure and active labour market policies will be analysed in 2018.</li> </ol>	2018
<p><b>13. Where resources allow, AIReF should broaden communication and engagement efforts at the subnational level.</b> There is demand for AIReF to increase its engagement with non-governmental stakeholders at the regional level, including with regional parliaments, the press, and academics.</p>	EXPLAIN	<p><b>There is already an intense communication and a strong relationship with regional and local administrations:</b> individualized delivery of reports to regional media or the use of streaming with local media; possibility of the President attending regional parliaments, provided that the invitations are directly related to fiscal supervision. AIReF participates in regional academic forums.</p>	

<p><b>14. In the longer term, AIReF should focus on improving the quality and deepening the reach of existing regional and local analysis, developing more detailed and robust regional economic models and broadening the coverage of its work to include smaller municipalities. In addition, to further enrich the debate on sub-national fiscal sustainability, AIReF should continue to develop its self-initiated analysis on the vertical distribution of fiscal targets across different levels of government as a complement to its mandatory report on the horizontal distribution of targets. In future, should AIReF's mandate be revisited, stakeholders may wish to consider whether analysis on the vertical distribution should become a mandatory part of AIReF's work. Again, this new engagement has resource implications that must be taken into consideration.</b></p>	<p>COMPLY/ EXPLAIN</p>	<p><b>Comply:</b></p> <ol style="list-style-type: none"> <li>1. AIReF will continue to expand its regional analysis, with plans to start the development of a social services spending forecast model for the Regions. The design and use of a Regional database similar to that developed at the local level (Integrated into the revision of the 2015-2020 strategic plan -1.a.ii) is being considered.</li> <li>2. Analysis of the vertical distribution of targets</li> </ol> <p><b>Explain:</b> AIReF has gradually expanded the coverage of its fiscal supervision over the Local Corporations. There is an exhaustive monitoring of 21 Local Corporations, but this cannot be individually replicated for each of the over 8,000 city councils. Therefore, AIReF has developed a tool to identify those municipalities with problematic situations, thus being able to adequately perform the function of fiscal supervisor. This tool will continue to be improved and will complement the continued analysis of the 21 largest Local Corporations.</p>	<p>2018</p>
<p><b>IMPACT</b></p>			
<p><b>15. AIReF should pursue a strategy of increased selectivity regarding its comply-or-explain recommendations with the aim of emphasising and focusing on its most important messages in subsequent dialogue with relevant administrations and in its public follow-up. AIReF may also wish to consider testing different approaches to ascertain their effect on compliance rates, for example, varying the time given to comply according to complexity of the recommendation.</b></p>	<p>COMPLY</p>	<p><b>Comply:</b> redesigning the current database of recommendations to facilitate statistical monitoring and permit more effective application in practice. Reconsider the criteria for classifying the recommendations, in particular the recommendations that are repeatedly made. Adjust the compliance deadlines according to the nature and complexity of the recommendations made. Continue to maintain a selective strategy in the formulation of recommendations, adapting them to the unique characteristics of the administration/entity to which they are issued.</p>	<p>2018</p>
<p><b>16. AIReF should develop materials that are more accessible for non-technical stakeholders at both the national and subnational level. This may include short summaries of the key messages of AIReF's most important reports. Accessibility would also be facilitated by continuing to develop a distinct and consistent "design language" to facilitate navigation across AIReF's reports and highlight key information both in print and online.</b></p>	<p>COMPLY</p>	<p><b>Integrated into the revision of the 2015-2020 strategic plan.</b> Strengthening the informative nature of AIReF documents so that they are more accessible to the general public (4.b.i). Infographics will be prepared, whenever possible. The most important messages will be identified and will be subject to individualised dissemination through the website and social networks.</p>	<p>2018</p>
<p><b>17. Building on its already well-developed communications with print and online press, AIReF should promote its most important reports in a targeted way through a broader range of media that have the potential to reach a wider public. Television appearances by AIReF's President are one option with the potential to bring AIReF's work to a larger audience but should be highly selective to minimise the noise-to-signal ratio and to increase the chance of key messages penetrating the public debate.</b></p>	<p>COMPLY</p>	<p><b>A very selective and prudent policy</b> for mass media presence that in any case would be in interview format and occasional, considering not only television but also radio, provided that this presence is justified. More press conferences are a possibility to consider.</p>	<p>2018</p>



<p><b>18. AIReF should set clear and measurable communications targets regarding its communications via social media platforms.</b> . AIReF should consider limiting the resources it dedicates to communication via social media platforms where there has been demonstrably lower response from stakeholders and focus on tools that have shown higher potential for uptake such as Twitter.</p>	COMPLY / EXPLAIN	<p><b>Comply:</b> focusing greater attention on Twitter, analysing the experience of the more successful IFIs (United Kingdom and Ireland) and holding an internal information session to facilitate its use.</p> <p><b>Explain:</b> the presence on apparently less successful platforms is justified by the interest of the specialised public that uses them and this presence is not expensive.</p>	2018
<p><b>19. AIReF should expand its outreach to academics and universities.</b> Research faculty and students today represent an important current and future constituency for AIReF analysis.</p>	COMPLY / EXPLAIN	<p><b>Comply:</b> identification of universities/research centres of interest to AIReF.</p> <p><b>Explain:</b> AIReF upholds regular collaborations with universities and research centres. There is an internship program with universities. AIReF frequently attends academic debate forums.</p>	2018
<p><b>20. AIReF AIReF should periodically undertake stakeholder satisfaction surveys</b> for key stakeholder groups such as parliamentarians and academics.</p>	EXPLAIN	<p>The OECD external review of AIReF has involved a direct relationship between the evaluator and all AIReF stakeholder administrations, as well as with other entities with which it collaborates, and a constant dialogue must be maintained. In line with the practice of other IFIs, these satisfaction surveys could be used as a prior input to external evaluations. They should be considered for the next round of external evaluations.</p>	