

## AIReF's External Review: follow-up

10<sup>th</sup> Annual Meeting of the OECD Network of PBOs and IFIs Seoul, 3-4 July 2018 José Luis Escrivá

## Ex ante: at least 5 reasons for an external evaluation of AIReF

Independence & self-regulation capacity advise Independent higher standards in terms of accountability nature **Leading by** Contrary to Anglo Saxon countries, accountability is Accountability not a wide spread practice in Spain example Singular AIReF is not a Council institutional setting Narrow approach AIReF only subject to formal and legal controls. Learning by existing control Effectiveness assessment needed process mechanisms Advise by experts is key in the first stages of new **New institution** 

institutions



## Ex post:

## what has been AIReF's response to the external evaluation?

- □ CoE: transparency/accountability exercise:
  - AIReF's own CoE response was first discussed with AIReF's Advisory Council
  - Recommendations presented in Madrid by the OECD and 2 discussants (Robert Chote and the now BoS governor). 4th April
  - CoE adopted by our Executive Committee
  - Publication of <u>AIReF's CoE on our website</u>
- 2015-2020 Strategic Plan revised: to incorporate the recommendations. Concrete measures included in AIReF's annual plans
- □ Parliament: hearing before the Budget Committee of the Congress, 9<sup>th</sup> May and hearing of the President of the Court of Auditors on AIReF evaluation, 16th May



## AIReFs' CoE response: a snapshot and big numbers

- ☐ Followed/to be complied by AIReF: 16/20 (in blue or grey)
- **Explained: 4/20** (in red)
- 4 not directly issued to AIReF (in white boxes)

## Inputs

MoUs: access to information

Advance access to information

Multiannual funding.
Budget process

Resources commensurate with mandate. Supervision fee

No additional tasks unless commensurate in- house staff

Report calendar to be revisited

## **Outputs & methodology**

Medium term approach (3-5 yr)

**Documenting analysis** 

More detail in analyses

Forecasts self-evaluation

Review the decision not to publish macro forecasts

## **Subnational dimension**

Developing benchmarking analysis

**Strengthen communication** 

Improve quality and deepen regional and local analysis

## **Impact**

**Recommendations selectivity** 

More accessible documents

Media: broader coverage

Communication targets via social platforms

Outreach to academics and universities

**Regular satisfaction surveys** 

AIReF









## **Recommendations explained- reasons**

No additional tasks unless commensurate in- house staff

#### **Practice applied by AIReF**

- Only occasional & duly justified (complete analysis capacity with very specific needs)
- Work control maintained
- <u>SR case-</u> in- house staff + BoS staff + outsources activities + scientific advisors + project coordinators. Open to drawing conclusions at the end of the project

Review decision not to publish macro forecasts

### Strategic decision given current AIReF's mandate

- Not to compete with other economic forecasts (especially the official ones)
- Focusing on uncertainty as opposed to point estimates
- Sensible for AIReF's given current supervisory model "endorsement" functions
- Open to reconsideration should medium-term NPC scenario among AIReF's tasks

Strengthen communication at subnational level

## Already intense

- Individualized reports to regional media
- Streaming with local media
- Participation in regional events

Regular satisfaction surveys

#### To be considered for the next round of external evaluations

- Prior input to future external evaluations
- AIReF's review akin to a satisfaction survey



## Recommendations issued to other administrations

Multiannual funding Budget process

#### Partially complied with by other administrations

- <u>AIReF's statue amended</u> to treat its budget in the same manner as other independent bodies
- Multiannual AIReF ready to provide analysis

Resources commensurate with mandate

Supervision fee

## Partially complied by other administrations

- <u>Staff expansion</u> in response to the spending review
- Fee increase with effect from 2019

Advance access to information

Report calendar to be revisited

**Included in our drafting proposal** for MoUs on information



## Recommendations followed: some examples and progress to date

MoUs: access to information

#### Integrated into the revision of the 2015-2020 strategic plan. Renewed efforts by AIReF:

- Drafting new proposals for MoUs with MoF and Ministry of Economy
- Direct access to databases (or periodic transfers, especially local level)
- Collaboration agreement with the Bank of Spain (July 2017)

Medium term approach (3-5 yr)

## Integrated into the revision of the 2015-2020 strategic plan. Working:

- No policy change scenarios. AIReF ready should there be a request/mandate change
- Cyclical position analysis
- Systematization of medium-term sustainability risks

Recommendations selectivity

### Working on:

- Redesigning database to facilitate statistical monitoring and more effective application
- Reconsidering criteria for classifying the recommendations, in particular those repeated
- Integrating deadlines according to the nature and complexity of the recommendations
- Continue to maintaining a selective strategy in the formulation



# Recommendations followed: some examples and progress to date (ii)

Developing benchmarking analysis at subnational level

#### Integrated into 2015-2020 revised strategic plan

- Regional healthcare and education expenditure analysis already begun. Plans to expand to social services
- <u>Local Government fiscal databases</u> (including effective costs for provision of services) that allows a comparative analysis already completed (19june) Next steps: risk alert indicators, benchmarking tools

## http://www.airef.es/ccll-lab

• <u>SR of policies with sub-national level competences</u> requires benchmarking techniques to identify efficient frontiers. Non-hospital pharmaceutical expenditure and active labour market policies analysed in 2018

**Documenting analysis** 

#### Greater connection with the AIReF website's graphic platform

Public debt observatory

http://www.airef.es/observatorio-de-deuda



## Main take-aways/lessons

Evaluation team & approach key for a successful review

- √ OECD + IFIs experts: good combination
- √ Country specific approach

Useful exercise for AIReF

- ✓ Already visible outcomes: AlReF's statute amended with improvements in terms of information access, budget process and CoE
- ✓ Increasing awareness among policy-makers and political parties of AIReF's role- useful institution for all
  - Paving the way for consolidating the institution and future reforms if necessary

AIReF is a singular institution among its peers

- ✓ Broad mandate due to institutional reasons (decentralized country) and growing on an adhoc basis.
- ✓ Evolving institution: form mainly a fiscal watchdog to an advisory entity
   SR + increasing commissioned studies
  - Other potential functions not to be ruled out: NPBs
  - Need for legal changes even already in the short term





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