



PRESS RELEASE
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AIReF's President appears before the Congressional Commission for Social and Economic Reconstruction

CRISTINA HERRERO CALLS FOR A COMPREHENSIVE EXIT STRATEGY THAT SUPPORTS RECOVERY AND ENSURES THE SUSTAINABILITY OF PUBLIC ACCOUNTS

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- [Access the AIReF President's presentation. Only available in Spanish](#)

The President of the Independent Authority for Fiscal Responsibility (AIReF), Cristina Herrero, appeared today before the Congressional Commission for Social and Economic Reconstruction, where she called for a comprehensive exit strategy that would support economic recovery and ensure the sustainability of public accounts as a guarantee for future growth. In her opinion, this strategy will be stronger and more credible if the design and definition of the main lines of action is backed by the institutional cooperation of all public administrations and with the greatest possible support from parliament and economic players.

During her appearance, Cristina Herrero highlighted the contributions that AIReF can make to this Commission through an objective analysis of the current situation and future perspectives, a medium-term vision, its capacity for evaluation when designing policies and the provision of information to provide transparency, predictability, certainty and confidence.

AIReF's president explained that the institution has carried out a complete two-year scenario analysis that includes considerations of sustainability over a broader horizon and detailed monthly monitoring of each administration and the implementation of the measures being adopted.

Under any scenario, AIReF's analysis points to an intense contraction in growth in 2020, followed by an incomplete recovery in 2021 and with an intense impact on the public accounts of both years.

The public debt-to-GDP ratio will experience a strong knock-on effect and we will therefore face a twofold challenge: an economic challenge requiring a recovery strategy and a fiscal challenge of ensuring a debt dynamic that guarantees the stability of economic growth itself and the success of the recovery plans.



In this sense, she pointed out that the crisis has required an immediate reaction that will probably have to continue for a longer time in order to protect jobs, the productive fabric, income and social welfare. In her view, the priority remains to address these needs, but looking ahead to the medium term, all the more so given the starting position in terms of deficit and debt.

This medium-term vision should make it possible to overcome short-termism, for which it will be necessary to address the fiscal implications of the crisis. According to AIReF's president, it is time to begin work on defining a rebalancing and modernisation plan. Uncertainty cannot be an excuse for a budget planning exercise and proper coordination with the recovery strategy.

This medium-term strategy is even more important given the need for adequate planning of additional resources from the EU. Cristina Herrero emphasised that the current regulations envisage exceptional situations as a preliminary step to the formulation of such an exit strategy and recalled AIReF's recommendation to activate the national escape clause.

With regard to the contribution that AIReF can make thanks to its evaluation capacity, Cristina Herrero pointed out that it is important that the urgent nature of the moment does not make us lose sight of the usefulness of the evaluation. She referred to the work that AIReF has been doing since 2018 within the framework of the analysis process undertaken with the European Union, known as the Spending Review, and other studies commissioned to AIReF. The President stressed that studies such as the one on Minimum Income or the review of active employment policies show their usefulness at times like these and demonstrate that urgency and evaluation are not at odds.

Finally, she stressed the importance of regaining confidence as part of the exit strategy. In her view, economic and health certainty must be provided through the timely provision of information. She noted that the institution is adapting its analytical framework with sources of information that are more in line with the economic reality.

She announced the resumption next week of quarterly GDP estimates based on the revised MIPRED model. AIReF is also monitoring public accounts on a monthly basis, including detailed information on the measures being taken. In addition, AIReF offers its analysis capacity and the studies carried out to date in order to provide elements of judgement that may help to define medium-term trajectories.