

Annual report

2023



Independent Authority
for Fiscal Responsibility



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for Fiscal Responsibility

The mission of the Independent Authority for Fiscal Responsibility, AAI (AIReF) is to ensure strict compliance with the principles of budgetary stability and financial sustainability enshrined in Article 135 of the Spanish Constitution.

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PRESIDENT'S LETTER

If I had to summarise our activity in 2023, I would say that in the field of fiscal supervision it has been a unique year due to the high level of institutional uncertainty, while in the field of the evaluation of public spending, it has been a year of major progress. Budgetary activity has been marked by uncertainty arising from national electoral processes and the transition towards a new European fiscal governance framework. This has affected the pace and content of our reports and has led us to prioritise the formulation of recommendations for managing and mitigating this uncertainty. In the field of evaluation, progress has been made in the formation of the public spending evaluation division and the commissions planned for the year have been completed. New tools for analysis and dissemination have been developed in both areas.

Over 2023, in carrying out its fiscal supervision duties, AIReF has made recommendations to mitigate the effects of the uncertainty associated with electoral processes and the absence of a National Government. With no Parliament as from the end of May, there was no formal possibility of approval, during the first half of the year, of the budgetary targets that all General Government authorities require in order to draw up their budgets. However, given the risk of non-compliance with the recommendation issued by the Economic and Financial Affairs Council (ECOFIN) that limits the growth of public expenditure for 2024 and given the possibility of using the fiscal policy coordination mechanisms existing in the regulations, we issued several recommendations. These included recommendations to the Ministry of Finance to publish the reference rates and to convene the coordinating bodies and call on the territorial authorities to contain their spending in response to the temporary increase in revenue. Finally, in December, the Fiscal and Financial Policy Council was convened with a proposal for targets, an expenditure ceiling for the State, information on the resources of the financing system and a reference rate of expenditure included in the Report on the Situation of the Spanish Economy.

In addition, with our recommendations we have insisted on the need to prepare Spanish public finances for the return to fiscal rules and to pay attention to the sustainability of public debt. Although the exact rules to which we will return remain unknown, there are reasons to prepare for a new fiscal framework. First, because the situation and prospects of public finances show a position of vulnerability. Without additional measures, the recovery of economic growth does not seem sufficient to continue reducing the public deficit and debt on a

sustained basis. Second, because the national fiscal rules provided for in the Organic Law on Budgetary Stability and Financial Sustainability will be back in force in 2024. And third, because it seems evident that the new framework will focus on medium-term fiscal sustainability and economic growth.

That is why we repeatedly recommended that work should begin on developing a multi-year fiscal strategy and we offered our sustainability analyses to the General Government. We recommended providing the Stability Programme Update with sufficient content and scope to effectively set out a medium-term fiscal strategy. In relation to the Stability Programme Update, we stressed the need for an analysis of how the targets meet the requirement for debt to remain on a downward path. We called for the Fiscal and Financial Policy Council and the National Commission of Local Administrations to be convened to start work on this medium-term fiscal strategy, among other things. In the Report on the Rebalancing Plan, we stressed the need for the participation of the whole General Government and the social and political agents involved. This report constitutes a new development in AIReF's activity. This is required by the Organic Law on Budgetary Stability and Financial Sustainability in view of the activation of the escape clause and it is the first time we have been asked to issue it. In addition, we have carried out a sustainability analysis of public debt, estimating the order of magnitude of the medium-term adjustment that could be required of Spanish public finances. And, with the aim of analysing how this European framework can be applied at the national level, we have drawn up medium-term budgetary scenarios not only for the Central Government and the Social Security Funds, but also for all the Autonomous Regions.

I am convinced that Independent Fiscal Institutions (IFIs), due to their knowledge of specific national features, constitute the appropriate link between the European and national fiscal framework, especially in countries that are highly decentralised. IFIs can provide very useful inputs for the definition of medium-term fiscal strategies. In addition, they do so independently and objectively, bringing transparency to the process of defining fiscal strategies.

In addition, in the field of fiscal supervision, we published three Opinions in 2023, two on our own initiative and one mandated by law. In March, we published the Opinion on the Long-term Sustainability of the General Government, with a special focus on the impact of demographics. In June, we published, by legal mandate, the second Opinion on the Minimum Income Scheme. In November, we published, on our own initiative, an Opinion on the Budgetary Procedure in which we made proposals to reform the General Budgetary Law.

As I said, in the field of public spending evaluation, 2023 has been a year of major progress and strategic reflection. The third and final phase of the Spending Review 2018-2021 has been completed, and the Action Plan of the new Spending Review 2022-2026 has been approved. And at the regional level, progress was made with commissions from several Autonomous Regions and the evaluations in Extremadura on active employment policies and expenditure on pharmaceuticals and high-tech equipment were completed. As a new feature, in 2023 we published the Monitor Tool of the findings and proposals of the

evaluations performed by AIReF. This is the first step towards promoting more comprehensive monitoring of the proposals made by AIReF in its evaluations in order to extend it to the whole General Government and all the studies performed. Now is a crucial time for consolidating evaluation and this requires a strategic vision. Specifically, AIReF believes that the time is right to consider legislative changes in order to enable the evaluation function to have the same legal coverage and guarantees as the supervisory function.

The uniqueness of the institutional context that has characterised 2023, and to which I referred at the beginning, has also had implications in terms of our communication and accountability exercises. The calling of the general election has affected the pace of AIReF's reports, both due to the alteration of the budgetary process, and due to the decision to avoid unnecessary noise during the electoral process. This led us to modify the publication or dissemination dates of some of our publications. AIReF was not called to appear before Parliament in 2023, thereby reducing its accountability to Parliament. Given this situation, AIReF has made an effort to report on its work on its own initiative by taking on a greater presence at forums, promoting initiatives to encourage dialogue with key players in the political debate, such as the third workshop with General Government representatives, performing self-evaluation exercises, launching a second external evaluation and improving the dissemination capacity of our publications.

2023 has therefore been a unique year, marked by economic and institutional uncertainty, a period of transition towards a new framework of fiscal rules that will require a real medium-term planning exercise by the General Government and a necessary adaptation of the national budgetary framework. Therefore, 2024 looks set to be a critical year for fiscal policy and, as far as AIReF is concerned, a critical year for consolidating its evaluation activities and for contributing to the sustainability of public finances.

I would like to take advantage of these last lines to convey my best wishes to all readers for 2024.



1. DOCUMENTS PUBLISHED BY AIReF

The exercise of the functions entrusted to AIReF is carried out through the preparation and issuing of reports, opinions and studies. The reports and some of the opinions issued by AIReF are provided for in the regulations and are mandatory whenever the circumstances for them to be issued arise. AIReF also has the power to issue opinions on its own initiative in the areas under its remit. The studies, however, must always be carried out at the request of a General Government authority and mainly reflect the results of the evaluation of public policies. In addition to these three types of publications provided for in the regulations, AIReF prepares and disseminates working and technical papers necessary to discharge its duties.

The first type of report prepared by AIReF corresponds to the continuous monitoring of the budget cycle, government debt and macroeconomic forecasts. These reports are part of the economic and budgetary strategy defined in the updates of the Stability Programme and the budgets and are carried out for each General Government authority on the four phases of the budget cycle: preparation, approval, execution and supervision.

The second type of reports concern the implementation of the preventive, corrective and enforcement mechanisms of the Organic Law on Budgetary Stability and Financial Sustainability and the existence of the exceptional circumstances referred to in Article 11.3 of that law. These non-periodical reports are produced as and when the circumstances provided for in the regulations arise.

Both types of reports are directly affected by the course of the budget cycle. The continuation of the suspension of fiscal rules for the fourth consecutive year has resulted in the non-completion of certain reports in 2023, which would be part of a regular reporting cycle. In addition, AIReF has issued, for the first time, a Report on the Rebalancing Plan of the Central Government (CG), which the Government approved after four years of suspension of the fiscal rules, prior to a submission to Parliament.

Furthermore, AIReF prepares opinions on its own initiative or by legal mandate. Specifically, AIReF may prepare, issue and publish technical judgements or assessments, which are referred to as opinions, on any issue among the matters regulated under Article 23 of the Organic Law on the Creation of AIReF. Thus, in 2023 AIReF published on its own initiative an Opinion on the Long-term Sustainability of the General Government (GG) and an Opinion on the Budgetary Procedure. Furthermore, in 2023 the second Opinion on the Minimum Income Scheme (MIS) was published in compliance with its regulatory legislation and as set out in AIReF's work plan published in 2021.

The studies always respond to a request from the General Government. In 2023, the third and final phase of the Spending Review 2018-2021 was published and work began on the first phase of the Spending Review 2022-2026. In addition, several studies commissioned by the Autonomous Regions (ARs) were published and progress was made on the work of several evaluations, which are expected to be completed next year or later.

In addition, AIReF published six technical papers in 2023. In conjunction with the Opinion of the Long-term Sustainability of the General Government, four technical papers were published. These focused on demographic projections, the impact of the reforms of the pension system between 2021 and 2023, the methodology of the models for healthcare, education and long-term care and the methodology of the revenue and unemployment models. A document on the variability of tax revenue and the second evaluation of AIReF's macroeconomic and fiscal forecasts were published.

Annex 1 sets out the documents published by AIReF in 2023 and the links to said documents.

1.1. Reports on the budget cycle

The supervision of macroeconomic and budgetary developments was again marked by uncertainty, which remained high in 2023. In addition to economic and geopolitical uncertainty, marked by the continuation of the war in Ukraine, the outbreak of conflict in the Middle East and the change in the monetary and financial cycle, there was strong institutional uncertainty. At the national level, the year was characterised by the situation of an acting government, and the absence of the presentation of a draft General State Budget (GSB) and reference rates for the territorial authorities (TAs). And at the European level, due to the lack of clarity as regards the framework of fiscal rules to be in force as from 2024, the year in which the escape clause ceases to be active.

These factors affected AIReF's reporting cycle in 2023. The fiscal rules were once again suspended and only reference rates were set for drawing up and executing the General Government accounts. Consequently, the corrective procedures for failures to comply with the fiscal rules of previous years (preparation of economic-financial plans) remained on hold and the usual fiscal target-setting procedure was not applied. In addition, in December 2023 the Government approved a Rebalancing Plan for the Central Government (CG), for which AIReF issued a report before it was submitted to Parliament.

Economic growth slowed significantly compared with 2022, although over the year the forecasts were revised upwards. Geopolitical tensions, the energy crisis, the persistence of inflation and its effects on households' purchasing power and on the financing conditions of the economy, among others, led AIReF to project a slowdown in economic activity for 2023 and 2024. The projections for real growth made at the start of 2023 stood at around 1.6% for 2023 and 2.7% for 2024.

However, the estimated growth for 2023 was revised upwards over the year due to revisions to the INE's national and quarterly accounting figures. The upward growth surprises observed in the early months of the year, when it was found that Spain and the other European economies had been able to avoid the most adverse scenarios of energy supply restrictions, were offset by downward growth surprises projected by AIReF for the second half of the year in response to the deterioration of European economies and, in particular, weak investment. The outlook for 2024 also deteriorated. Although the Government was projecting growth rates higher than those of AIReF throughout the year, both for 2023 and 2024, the discrepancies were not high from a probabilistic point of view. Therefore, AIReF endorsed the Government's macroeconomic outlook in both spring and autumn.

In relation to the budget, AIReF estimated that the General Government deficit would remain slightly above 4% of GDP in 2023 and around 3% of GDP in 2024 and considered that in the medium term it would stabilise at 3.2% of GDP. The forecast for year-end 2023 stood at a deficit of around 4.1% of GDP. For 2024, AIReF estimated a deficit of 3% of GDP, which would make it possible to comply with the European Commission's recommendation for 2024. This compliance will be under the assumption that the measures adopted to mitigate the effects of the energy crisis and prices rises would not be extended and that the ARs and the LGs would not exhaust the margin for increasing expenditure or reducing revenue granted by the temporary revenue resulting from the extraordinary settlement of the financing systems. In 2025, the deficit would rise again to 3.2% of GDP, mainly due to the withdrawal of temporary revenue-increasing measures. In the medium term, after the withdrawal of the measures, the margin for reducing the deficit without adopting additional measures would be exhausted, resulting in a level above the 3% of GDP limit set in the Stability and Growth Pact (SGP).

With regard to sustainability, AIReF continued to warn about the risks and challenges for the medium- and long-term sustainability of the public accounts. Although public debt has remained on a downward path in recent years in the context of high nominal growth, in the absence of consolidation measures, a stabilisation of the debt ratio was expected in the coming years at above 100% of GDP, together with the start of an upward trajectory at the end of this decade when the effects of the ageing of the population on public accounts start to be felt. AIReF's projections also implied that in the coming years the GG would have to finance high amounts of debt, around 20% of GDP, at significantly higher interest rates. This would be in a context in which the demand for debt securities by the European Central Bank disappears and in which many countries maintain high levels of debt and refinancing needs. According to AIReF's estimates, putting the debt path on a permanent downward trajectory, as required by the new European fiscal framework, would require an adjustment of close to 0.6 percentage points of GDP for four consecutive years.

In this context, AIReF continued to make recommendations aimed at designing a medium-term fiscal strategy consistent with the sustainability requirements of the future European framework. In addition, in a context of uncertainty marked by the calling of a general election and the reform of the European and national

fiscal framework, AIReF made recommendations aimed at preparing the public accounts in the face of the reactivation of fiscal rules and to start work on the reform of the national fiscal framework. It also recommended enhancing coordination between the different public authorities. Recommendations were also made to improve the information available on the Recovery, Transformation and Resilience Plan (RTRP) and to design the governance system for its evaluation (see Section 2 of this Report for a summary of the recommendations made and the responses received).

Table 1 summarises the reports provided for by the regulations and those actually published in 2023, and the following sections briefly describe their content.

Table 1. Reports provided for by the regulations and published in 2023

AIREF STATUTE	REPORT	PUBLICATION DATE	REFERENCE YEAR	OBSERVATIONS
Art. 12	Report on Macroeconomic Forecasts	April 28 th	2023-2026	Endorsement of the macroeconomic forecasts of the Stability Programme
		October 16 th	2024	Endorsement of the macroeconomic forecasts of the Budgetary Plan
		September 15 th ; October 10 th , 16 th , 17 th , 19 th and 25 th ; and November 6 th , 10 th , 13 th , 22 nd and 30 th	2024	Endorsements of the macroeconomic forecasts of the budgets of the ARs
Art. 13	Report on the Methodology to Calculate Revenue and Expenditure Trends and the Reference Growth Rate	Not applicable		The Ministerial Order regulating the methodology was not modified
Art. 14	Report on the Existence of the Exceptional Circumstances referred to in Article 11.3 of Organic Law 2/2012, of April 27 th , on Budgetary Stability and Financial Sustainability	Not applicable		The escape clause was not re-activated
Art. 15	Report on the Stability Programme Update	May 11 th	2023-2026	
Art. 16	Report on the Setting of Individual Targets for the ARs	Not applicable		Due to the calling of elections and the delay in the formation of the Government, there was no proposal of targets for the report in 2023
Art. 17	Report on the Main Budgetary Lines and Draft Budgets of the General Government for 2024	October 26 th	2023-2028	GG, on Budgetary Plan
				Individual ARs
				Supplementary on LGs
Art. 18	Report on the Initial Budgets of the General Government, provided for in Article 17.2 of Organic Law 2/2012, of April 27 th	April 5 th	2023	GG, breakdown CG and SFFs
		April 13 th	2023	Individual ARs
				Supplementary on LGs
Art. 19	Report on the Analysis of Budgetary Execution, Public Debt and the Expenditure Rule	July 6 th	2023	Update of the macroeconomic outlook for 2023
		July 25 th	2023	Individual execution reports 2023 by AR Supplementary execution report for LGs 2023
Art.20	Report on the Implementation of the Corrective Mechanisms provided for in Organic Law 2/2012, of April 27 th , on Budgetary Stability and Financial Sustainability	Not applicable		Suspension of rules until 2023
Art.21	Report on the CG Rebalancing Plan	December 13 th	2023-2026	CG Referral to the 2023-2026 SPU and 2024 Budgetary Plan

Source: AIREF

1.1.A. Report on the 2023 budget cycle

On April 5th, AIReF published the **Report on the Initial Budgets of the General Government for 2023**, and on April 13th the individual reports of each Autonomous Region and the **Supplementary Report on the Local Governments (LGs)**. In its April 5th report, AIReF updated its macroeconomic and fiscal forecasts with respect to the previous report on the draft budget and main budgetary lines for 2023.

The macroeconomic scenario maintained the growth forecasts of the January 2023 report. AIReF presented a macroeconomic scenario that maintained the forecasts for real growth in gross domestic product (GDP) for 2023 at 1.6%, while nominal GDP growth stood at 6.5% with a change in the Consumer Price Index (CPI) of 4% and 4.8% in the case of the GDP deflator.

AIReF revised its central scenario to a GG deficit of 4.2% of GDP in 2023, 0.9 points higher than estimated in the previous report and 0.3 points above the reference rate set for 2023. Several factors led to this revision of the budget forecasts. On the one hand, before the end of the year, the Government extended the measures approved since 2021 to mitigate the effects of the energy crisis and introduced additional measures that meant an increase in the deficit of 1% of GDP by 2023. In addition, the latest available execution data pointed to an increase in the deficit forecast of 0.1 points. Furthermore, the changes in the macroeconomic scenario reduced the deficit by 0.2 points due to the increase in tax collection and the denominator effect (higher nominal GDP in 2023). As a result of this, the deficit in 2023 would fall by 0.6 points compared with 2022.

By sub-sector, the forecasts of the CG and the TAs worsened. The CG deficit was revised upwards by 0.5 points to 3.5% of GDP in 2023, mainly due to the approval of the new measures and the partial extension of the existing ones. For the SSFs, in contrast, the deficit forecast was reduced by 0.1 points, to 0.6% of GDP, due to the denominator effect (revision of GDP). The projected deficit for the ARs rose by 0.2 points to 0.3% of GDP, and the surplus of the LGs was revised downwards by 0.3 points. In both cases, this was mainly due to the higher level of expenditure reached at the end of 2022 than that forecast in the previous report.

AIReF also warned about the risks and challenges for the medium- and long-term sustainability of the public accounts. After reaching an all-time high of 125.7% of GDP in the first quarter of 2021, the debt ratio began a downward path that would place it at around 110.6% of GDP at the end of 2023. However, from this point on, AIReF projected an unfavourable evolution of the debt ratio due to the expected increase in spending on pensions, healthcare and long-term care as a result of the ageing population, together with the rapid and intense tightening of financing conditions, which placed public finances in a vulnerable situation.

On July 6th, in its Report on Budgetary Execution, Public Debt and the Expenditure Rule for 2023, AIReF updated its fiscal forecasts and its macroeconomic scenario. On that same day, the individual reports of each Autonomous Region were also published and on July 25th, the Supplementary Report on the Local Governments was published.

AIReF improved its GDP growth forecast to 2.3% for 2023 and estimated CPI growth of 3.7%, somewhat lower than forecast in the previous report. The upward revision in the estimate of real GDP growth was mainly due to the incorporation of the new estimates of the Quarterly Accounts of the National Statistics Institute (Spanish acronym: INE). This was despite the deterioration of the growth prospects of peer countries in our economic environment and world trade and a tightening of the financing conditions of the economy. On the price front, AIReF estimated an increase in the GDP deflator of 4.8% in 2023, identical to that expected in the spring. This would bring nominal economic growth to 7.2%.

The deficit forecast was maintained for the GG as a whole at 4.1% of GDP in 2023, but the estimate by sub-sector was revised. The update of the macroeconomic scenario together with the latest data on revenue collection and budget execution offset the cost of the measures adopted since the previous report. The deficit forecast for the CG worsened by less than 0.1 points, remaining at 3.4% of GDP by bearing the cost of the extension of the measures. In contrast, the forecast for the Social Security Funds improved by 0.1 points to -0.5% of GDP, due to the increase in the forecast of social contributions as a result of changes in the macroeconomic scenario. The estimate of the balance for the ARs worsened by almost 0.1 points, in accordance with the latest budget execution data, to a deficit of 0.4% of GDP, while for the LGs, it remained at 0.2%.

AIReF continued to warn about the medium- and long-term vulnerability of public finances. It highlighted that the new monetary cycle and the level of debt above 100% of GDP places the sustainability of public finances in a vulnerable position. It indicated that in the coming years the General Government would have to finance large amounts of debt, around 20% of GDP, at significantly higher interest rates. This would take place in the context in which the ECB's demand for debt securities disappears and in which there are many countries with high debt levels and refinancing needs.

Box 1. The reform of fiscal rules in the European Union

The review process of the European Union (EU) fiscal and economic governance framework was launched before the pandemic in February 2020. Following a period of public consultation to which AIReF contributed¹, the European Commission published its legislative proposal for reform on April 26th, 2023.

In line with its November 2022 Communication, this proposal (i) places greater emphasis on debt sustainability as the anchor of the fiscal framework; (ii) aims to foster national ownership of adjustment paths with greater country differentiation and a better balance between the role of the rules and Independent Fiscal Institutions (IFIs) within the framework; and (iii) promotes greater medium-term orientation on the basis of fiscal-structural plans to be submitted by Member States, which, barring exceptional circumstances, will not be amendable during their lifetime.

These plans – with a time horizon of four years, extendable up to seven years if the Member State accompanies it with a series of reforms and investments – should detail, as an operational variable, a path of primary expenditure net of revenue measures that guarantees sufficient adjustment.

The determination of the size of the adjustment would be calibrated, according to the Commission's initial proposal, based on a series of criteria. Specifically, for countries with a GG deficit of more than 3% of GDP and/or a public debt above 60%, the spending path must ensure that, once the adjustment period has ended and in the absence of additional measures: (1) the deficit is reduced below 3% of GDP and remains below that benchmark in the following decade; (2) debt is kept on a plausible downward path in the following decade, in accordance with the debt sustainability analysis methodology used in the Debt Sustainability Monitor; (3) there is no backloading of the fiscal adjustment effort; (4) debt at the end of the plan period is below the starting level; (5) growth in national expenditure net of revenue measures is below medium-term potential growth over the entire adjustment period; and (6) for countries whose deficit is above 3% of GDP and the excess over this benchmark is neither small nor temporary, the minimum fiscal adjustment should be 0.5% of GDP per annum. Points (3), (4), (5) and (6) constitute the so-called “safeguards” of the initial legislative proposal regarding the determination of the adjustment.

Since the Commission's legislative proposal was published, AIReF has carried out tentative simulation exercises to quantify the adjustment that the proposal would require. These quantifications were first published in AIReF's Report on the Stability Programme Update 2023-2026 and in the Report on the Main Lines of the 2024 General Government Budget. According to the macro-fiscal projections underlying both reports, complying with the proposed reform of the fiscal framework would require adopting measures amounting to between 0.5 and

¹ In the context of the debate on the reform of economic and fiscal governance in the EU, AIReF has published two papers. The [first](#) reflects AIReF's contribution to the public consultation launched by the European Commission in October 2021. The [second](#) is a technical paper that contains a specific proposal for the reform of the fiscal framework, applied to the Spanish economy.

0.6 percentage points of GDP per year in our country, for a consecutive period of four years.

As established by the EU legislative procedure, in recent months the Commission's initial proposal has been discussed in the European Council, under the Spanish Presidency. At the beginning of December, the Presidency published the compromise texts of the reform², which reflect the current state of negotiations and which must be endorsed by the European Parliament.

At the time of writing, the reform could enter into force in spring. This would mean that the first medium-term fiscal-structural plans could be approved in 2024.

Irrespective of the final drafting of the legislative texts, it seems clear that in the new framework - with a strengthened medium-term dimension - debt projections will play an important role. This will also apply to the projections underlying the estimate of the debt projections: the evolution of public revenue and expenditure over the medium and long term as well as growth over the same horizons. In this context, ensuring that fiscal targets are set with greater internal consistency, transparency and adequacy to the present and future situation of public finances, and with the participation of all the institutions involved in the process, will be a necessary condition for achieving a more efficient fiscal framework that facilitates compliance with the commitments acquired.

² Available at the following [link](#)

1.1.B. Reports on multi-year planning

On May 11th, AIReF issued the Report on the Stability Programme Update (SPU) with took a multi-year perspective. The 2023 SPU is part of the transition towards the new fiscal governance framework due to come into force in 2024. It aims to strengthen the medium-term orientation of fiscal policy and place debt sustainability at its core. In this regard, in 2023, despite the ongoing activation of the escape clause, the European Commission, in its guidance for the design of fiscal policy, recommended that the updates of the Stability or Convergence Programmes for the period 2023-2026 include medium-term fiscal-structural plans.

The SPU 2023-2026 met the commitment to reduce the public deficit below 3% of GDP over the projection horizon. However, AIReF estimated that, in the absence of additional measures, the deficit would stabilise at around 3% of GDP from 2024. In addition, the debt-to-GDP ratio would fall, driven mainly by nominal economic growth in both the SPU and AIReF scenarios. AIReF's projections showed that debt would start on an upward path from 2030 in the absence of additional measures. AIReF therefore estimated that when the new framework enters into force, and if it remains in line with the European Commission's legislative proposals, additional adjustment measures would be necessary to place the debt path on a downward trajectory in the coming years with sufficient plausibility (see Box 1).

On the macroeconomic front, AIReF endorsed the SPU scenario for the period 2023-2026. The macroeconomic environment over 2023 was marked by an easing of the supply shocks related to energy and non-energy commodity shortages and the persistence of high inflation rates up to the last months of the year, which brought about a further tightening of global financing conditions. In this context, AIReF projected a notable slowdown in real GDP growth, which would remain close to 2% in 2023 and 2024 as a whole. While these rates were somewhat lower than those projected by the Government (2.1% and 2.4%, respectively), they were considered feasible as they were within the central probability range estimated around AIReF's own forecasts. In nominal terms, the Government projected GDP growth of 6.1% in 2023 and 5.9% in 2024, compared with the 6.8% and 5% growth forecast by AIReF. In the medium term, the scenarios of the Government and AIReF presented similar paths both in volume terms and in nominal terms, with a convergence of the rate of GDP growth to around 1.7%, in real terms and slightly below 4% at current prices.

With regard to the fiscal scenario, AIReF estimated that the GG deficit would stand at 3% of GDP in 2026, 0.5 points above the SPU forecast. The main divergences between the path of the SPU and that of AIReF become apparent from 2025 and are accentuated for 2026. While AIReF expected that the deficit of 3% of GDP reached in 2024 would be maintained in the following years in the absence of additional measures, the Government forecast a progressive and gradual reduction that would lead to a deficit of 2.5% of GDP in 2026.

The evolution of revenue and expenditure was heavily conditioned by the timetable for the withdrawal of the temporary measures adopted. On the revenue side, there were differences by component with the Government's scenario: the SPU presented a higher level of taxes and social contributions, while AIReF estimated higher income from other revenue. The weight of expenditure as a proportion of GDP, excluding the RTRP, falls in AIReF's central scenario to 46.2% in 2026, 0.1 points below the figure included in the SPU.

By sub-sector, the profile of the balance would be affected by the impact of the settlements of the financing system of the territorial authorities and the transfers between sub-sectors. In 2024, the settlement of the financing systems would be high, which would drive the improvement of the AR and LG balances, and the worsening of the CG balance, despite the withdrawal of the temporary measures. This settlement would be lower in 2025 with the opposite effect and would tend to normalise in 2026. Consequently, in 2026 the deficit of the CG would be partially offset by the surplus in the ARs and LGs. The ARs would end the period with a deficit of 0.2% of GDP and the LGs would maintain the structural surplus of 0.2% of GDP. The Social Security Funds (SSFs) would stabilise their deficit at around 0.3% of GDP as from 2024 and the CG would end the period with a deficit of 3.2% of GDP.

1.1.C. Report on the 2024 budget cycle

On October 16th, AIReF endorsed the macroeconomic scenario that accompanied the Budgetary Plan for 2024, which forecast real GDP growth of 2.4% in 2023 and 2% in 2024. These figures stood within the central range of the probability bands prepared by AIReF based on its own scenarios. Regarding prices, the Government's scenario forecast high GDP deflator growth rates of 5.9% and 3.6% in 2023 and 2024, respectively, compared with the 5.8% and 3.2%, forecast by AIReF. This meant that, in nominal terms, the Government's forecasts were within the central range of the bands estimated by AIReF, although at their upper limit, indicating the existence of possible downside risks. In order to reduce the institutional uncertainty arising from the delay in the formation of the Government, AIReF recommended that the Ministry of Economic Affairs and Digital Transformation publish the Report on the Situation of the Spanish Economy provided for in Article 15.5 of Organic Law 2/2012, of April 27th, on Budgetary Stability and Financial Sustainability, with the reference rate of the expenditure rule for 2024.

On October 26th, AIReF published the Report on the Main Budgetary Lines and Draft Budget of the General Government for 2024, based on the 2024 Budgetary Plan, in the absence of the draft General State Budget. The report analysed the main budgetary lines or draft budgets of the territorial authorities and the Budgetary Plan sent to Brussels, as Spain's main fiscal milestone for 2024 in the absence of a draft GSB due to the delay in the formation of the Government after the July elections. In addition, the macroeconomic and fiscal forecasts of the General Government were updated up to 2028 on a no-policy-change basis. On the same day, the supplementary report on the Local Governments and the individual reports on the main budgetary lines and draft budgets of the

Autonomous Regions for 2024, which, for the first time, also included an individual macroeconomic and fiscal scenario up to 2028 on a no-policy change basis, were published.

In this report, AIReF updated the medium-term forecasts in the second half of the year, extending the time horizon until 2028 and its breakdown by authority to the individual level of each Autonomous Region. In compliance with the commitment initiated the previous year, the Report on the Main Budgetary Lines and Draft Budgets of the GG for 2024 included a revision of the medium-term forecast made at the time of the report of the SPU. However, the horizon was extended until 2028, a period that is likely to cover the fiscal-structural plan that might be required under the reform of the European fiscal framework. Furthermore, for the first time AIReF published medium-term forecasts up to 2028, broken down by Autonomous Region. This reinforces the medium-term focus of its analyses.

As regards the macroeconomic scenario, it was considered that, after the slowdown in growth in 2023 and 2024, compared with the previous years, the Spanish economy would gradually converge to its potential growth, which AIReF estimates at around 1.3%. For its part, inflation would converge in the medium term to the reference rates of the European Central Bank (ECB), once price pressures are assumed to be exhausted.

AIReF estimated a GG deficit of 3% of GDP in 2024 and considered that in the medium term it would stabilise at 3.2% of GDP. The forecast for the end of 2023 stood at a deficit of around 4.1% of GDP, 0.2 points higher than the forecast in the Budgetary Plan. For 2024, AIReF estimated a deficit of 3% of GDP, in line with the Budgetary Plan, which would make it possible to comply with the European Commission's recommendation for 2024. This compliance will be under the assumption that the measures adopted to mitigate the effects of the energy crisis and the rise in prices would not be extended and that the ARs and the LGs would not exhaust the margin for increasing expenditure or reducing revenue granted by the temporary revenue resulting from the extraordinary settlement of the financing systems. In 2025, the deficit would rise again to 3.2% of GDP, mainly due to the withdrawal of temporary measures to increase revenue. In the medium term, after the withdrawal of the measures, the margin for reducing the deficit without adopting additional measures would be exhausted, resulting in a level above the 3% of GDP limit set in the Stability and Growth Pact (SGP).

According to AIReF's calculations, the fiscal path that would comply with the guidance for calculating the technical trajectory contained in the European reform proposal would require taking measures during the period 2025-2028 amounting to 0.64 points of GDP per annum. This adjustment (2.56 points accumulated over four years) would generate a reduction in the debt ratio of 34 points of GDP over the next 16 years compared with the baseline projection, putting it on a clear downward path.

With regard to the CG, AIReF estimated a deficit of 3.2% of GDP in 2023 and 3.1% of GDP in 2024, without including the extension of the measures, considering that in the medium term it would stabilise at 2.9% of GDP. Despite the withdrawal of

the measures, the Central Government would only reduce its deficit by 0.1 points in 2024 to 3.1% of GDP, due to the extraordinary increase in the settlement of the territorial financing systems. In the medium term, according to AIReF's estimates, the deficit would stabilise at around 2.9% of GDP in 2028, offsetting the increase in the interest burden with the growth of collection and the moderation of the growth of other expenditure.

AIReF considered that the SSF deficit would stabilise at 0.4% of GDP for the entire projection horizon, from 2023 to 2028. Pension expenditure growth would moderate once inflationary tensions are overcome and unemployment benefit expenditure, after the 2023 increase, would evolve in line with the unemployment rate and reduce its weight over GDP. On the revenue side, contributions would moderate their growth in line with the evolution of employment and wages, incorporating the impact of the Intergenerational Equity Mechanism and the solidarity contribution.

AIReF worsened its deficit estimate for the ARs in 2023 by 0.2 points, to 0.6% of GDP, and for 2024 it forecast a surplus of 0.2% of GDP, which would deteriorate and stabilise at a deficit of 0.1% of GDP from 2026 onwards. The balance of the Autonomous Regions would improve by 0.8 points in 2024, mainly as a result of the evolution of the revenue from the financing system. This revenue was estimated to grow by 16%, driven by the growth in instalment payments and, to a greater extent, the exceptionally high settlement corresponding to 2022. AIReF subsequently estimated that, following weak growth in 2025 due to the system's settlement returning to normal levels, the flow of the system's revenue would normalise. On the expenditure side, growth was expected to moderate once inflationary pressures remitted and the return to fiscal rules materialised. As a consequence, the balance would be in equilibrium in 2025 and then deteriorate slightly until reaching a deficit of 0.1% of GDP in the rest of the period.

AIReF estimated a LG surplus in 2024 of 0.2% of GDP, after reaching 0.1% of GDP in 2023, with the balance stabilising at this level as from 2025. Similarly to the ARs, the evolution of the surplus would be marked by the settlements of the financing system in addition to the offsetting between 2022 and 2024 as a result of the negative settlement of 2020. Accordingly, AIReF considered that the LG surplus would stabilise in 2025 at 0.1% of GDP, maintaining that level until 2028, once the growth in spending observed in the years when the fiscal rules were suspended has moderated.

1.2. Central Government Rebalancing Plan

The existence of exceptional circumstances that allow for the suspension of fiscal rules provided for in the Law on Budgetary Stability and Financial Sustainability requires the approval of a Rebalancing Plan, which was presented in December 2023. Since the outbreak of the COVID-19 pandemic, Parliament concluded the occurrence of exceptional circumstances on three occasions: October 2020, September 2021 and September 2022, with AIReF issuing its mandatory report in this regard. On none of the three occasions did the Government present a Rebalancing Plan. Finally, in December 2023, after four years of suspension of fiscal rules, the Council of Ministers approved the Central Government Rebalancing Plan, and the Ministry of Finance and Civil Service requested that AIReF report on the Plan before it was submitted to Parliament.

AIReF issued its report on December 13th, concluding that the Rebalancing Plan submitted did not incorporate the content contained in the Law on Budgetary Stability. The Plan referred to the fiscal consolidation path of the April 2023-2026 Stability Programme Update and the October Budgetary Plan. These documents are not limited to the CG, do not offer the necessary detail on the revenue and expenditure of the CG, do not contain trend forecasts for revenue and expenditure, a description and timeline for the measures to be adopted to comply with the targets, the forecasts of the economic and fiscal variables, the assumptions on which they are based or a sensitivity analysis. Neither do they contain additional information on stability and debt targets. AIReF had already pointed out in previous reports that the Stability Programme Update does not constitute a genuine medium-term planning instrument and had highlighted the lack of consistency between the General Government budget and the medium-term planning instruments: the Stability Programme and the Budgetary Plan.

AIReF pointed out that the Rebalancing Plan did not contain measures that would support the reduction of the deficit until 2026, nor did it make explicit whether the path presented met the requirements of the future framework of fiscal rules. The measures contained in the plan coincided with those included in the Budgetary Plan for 2024, with some exceptions, without updating the evolution of revenue and expenditure up to 2026. AIReF considered that, although the negotiation on the reform of the fiscal framework was not completed, there were sufficient elements in place to analyse the debt path from the perspective of the European Commission's reform proposal.

It also indicated that the Rebalancing Plan would be superseded by the medium-term fiscal-structural plan that the Spanish authorities will have to draw up in the spring as a result of the reform of the European fiscal framework. The new framework is likely to determine a more demanding path, which will require the path set out in the Rebalancing Plan to be reformulated. At any event, its time horizon will have to be extended until at least 2028.

1.3. Opinions

In 2023, AIReF published three opinions, one by legal mandate and two on its own initiative. It published the second Opinion on the Minimum Income Scheme in compliance with its regulatory legislation and as set out in AIReF's work plan published in 2021. It also drew up, on its own initiative, an Opinion on the Long-term Sustainability of the General Government and an Opinion on the Budgetary Procedure.

- I. Opinion on the Minimum Income Scheme (MIS)** In June 2023, AIReF published the second Opinion on the Minimum Income Scheme. In accordance with the planned multi-year schedule (see Table 2), the second Opinion updated the first three modules and analysed two new modules (people with severe material needs and single-parent families and the child supplement). In addition, two boxes were included: the first examined the relationship of MIS beneficiaries with the labour market prior to receiving the benefit, while the second box studied the impact of inflation on MIS beneficiary households, estimating the extent to which the 50% increase in MIS payments between April and December 2022 managed to offset this phenomenon.

AIReF's first Opinion on the MIS already highlighted some difficulties in the design and roll-out of the benefit. The second Opinion continues to detect such difficulties and, despite the Ministry's actions to promote the benefit, little progress has been made in the implementation and management of the MIS. AIReF also found that the MIS was reaching very vulnerable households. However, AIReF also identified some findings that showed a certain degree of stagnation in the last year, the limited scope of the new child supplement and difficulties in the area of management.

Based on the findings obtained, AIReF formulated a series of proposals to improve the effectiveness and efficiency of the benefit. Specifically, it stressed the need to speed up and strengthen mechanisms for the exchange of information that the Government has on the vulnerable population; facilitating the interconnection of its data on income, wealth, benefits, taxes and social services assistance. It advocated a new management model for the MIS where it would be granted *ex officio* or set up as a negative tax through a universal declaration of income and benefits. In addition, AIReF raised the possibility of simplifying the definition of eligible income for access to the MIS based on the monthly frequency information that the Government already has. All this would allow the benefit to be modulated according to the actual needs of the beneficiaries at any given moment in time, improving the MIS's capacity to adapt to unforeseen situations of poverty.

In this analysis, it was essential to have access to information through the agreement between AIReF, the Tax Agency (AEAT) and the National

Social Security Institute (INSS). Thanks to this Agreement, AIReF accessed anonymised data derived from management by the INSS and income and wealth data from the Tax Agency.

Table 2. Schedule of modules to be included in AIReF's opinions on the MIS up to 2026

2021/2022	2022/2023	2023/2024	2024/2025	2026/2027
Module 1 Potential design	Module 4 People with severe material needs and single-parent families	Module 6 Coverage and scope in situations of transitory poverty	Module 7 The inclusion capacity of the MIS and its effects on the labour market	Module 8 Complementarity and overlaps with other non-contributory benefits
Module 2 Results	Module 5 Children and young people (Child supplement)			Module 9 International comparison (effectiveness and efficiency)
Module 3 Implementation and management				

- II. Opinion on the Long-term Sustainability of the General Government: the Impact of Demographics.** In March 2023, AIReF published its first Opinion on the Long-term Sustainability of the GG, focused on analysing the impact of demographics on the public accounts on the basis of a macroeconomic and fiscal scenario drawn up with a time horizon up to 2050 and 2070. This Opinion extended the previous sustainability analyses that began in 2018 when AIReF published its first demographic forecasts and in 2019 when a first Opinion on the Sustainability of Social Security was published, which provided a thorough analysis of the short- and long-term problems of its financial situation. In this new Opinion, AIReF illustrates the expected increase in expenditure on pensions, healthcare and long-term care as a result of the ageing population. The associated increase in debt in a context of less favourable financing conditions than in the past puts public finances in a vulnerable situation (see Box 2). Together with the Opinion on the Long-term Sustainability of the General Government, four technical papers were published that summarise the work carried out in updating and improving the tools for forecasting demographics and simulating expenditure on pensions and other variables, as well as an interactive population pyramid.

Box 2. Opinion on the Long-term Sustainability of the General Government: the Impact of Demographics

According to AIReF's estimates, the ageing of the population cohorts born in the 1960s and mid-1970s in Spain, the low fertility rates of recent decades and greater longevity will cause a profound transformation of the population structure by age and a fall in the relative weight of the working-age population as from the end of this decade. In addition, in order to build the long-term macroeconomic scenario, AIReF assumes average annual GDP growth of 1.3% in real terms and 3.3% in nominal terms between 2027 and 2070. On the basis of the demographic and macroeconomic scenario, AIReF builds a fiscal scenario in which fiscal rules would not operate and in which the paths of the different revenues and expenditures are estimated separately. This scenario shows an increasing deficit from 2026 to a peak of 8.1% of GDP in 2055, to then fall to 7% of GDP in 2070. This path is mainly explained by the spending pressures of ageing coupled with rising interest expenditure as debt levels increase.

Pension expenditure would start to accelerate, especially from 2035 onwards, reaching a peak in 2049 of 14.8% of GDP for social security pensions and 16.3% including non-contributory and civil servant pensions. Subsequently, once the pressures of ageing have eased, expenditure would fall to 13.4% and 13.9% of GDP, respectively, in 2070. According to AIReF's estimates, the pension reforms approved between 2021 and 2023 – which include both revenue and expenditure measures – mean an increase in the deficit of 1.1 points of GDP in 2050 and 1 point in 2070 compared with a scenario without these reforms and with the Pension Revaluation Index (PRI) and the sustainability factor. This figure includes the increase in line with the CPI, which results in an increase in expenditure of 2.7 points compared with the PRI in 2050 and 2.5 percentage points in 2070.

AIReF put forward three alternative scenarios. In the first of these, AIReF aimed to illustrate the importance of economic growth in ensuring a more sustainable debt path. However, an increase in potential growth of 0.3 points compared with the baseline scenario would mean that pension expenditure would fall to 13.5% of GDP in 2050, 1.3 points lower than the baseline scenario, while the debt ratio would stand at 126% of GDP in 2060. In the second scenario, AIReF assumes the entry into force of the future fiscal framework, which would allow a downward debt path to be reached after applying an adjustment that would lie in a range of between 0.32 and 0.43 GDP points per year, for four or seven consecutive years, respectively. Finally, a structural reduction in the deficit, via revenue or expenditure, of 1 additional point from 2027 would mean a reduction of 25 points of GDP of debt in 2050 and 47 in 2070. In the opposite direction, a structural increase in the deficit, via revenue or expenditure, of 1 additional point from 2027 would result in an increase of 25 GDP points of debt in 2050 and 47 points in 2070.

The proposals resulting from the analysis of the long-term sustainability of public finances are the preparation of a national medium- and long-term fiscal strategy with the participation of every tier of government; the monitoring and evaluation of the impact of pension reforms and the future evolution of pension expenditure; the introduction of modifications to the new pension expenditure rule; the

evaluation of healthcare expenditure to discover its determinants and the efficiency of the spending; the evaluation of the impact of the RTRP on growth and the sustainability of public finances; and the preparation of a report on fiscal risks.

- III. **Opinion on the Budgetary Procedure.** In November 2023, AIReF published an Opinion on the Budgetary Procedure (see Box 3), motivated by the weaknesses and shortcomings identified in the draft 2023 GSB. These had already been detected by AIReF since the beginning of its activity and were exacerbated by the absence of information on potential anti-crisis measures with a very high estimated impact. This essentially undermined its usefulness as a true fiscal policy instrument and, a posteriori, an instrument for accountability and control.

This Opinion sets out the main weaknesses and, in order to remedy them, puts forward proposals to amend the General Budgetary Law that would strengthen the GSB by improving its information.

Box 3. Opinion on the Budgetary Procedure

The Opinion on the Budgetary Procedure systematically sets out the main weaknesses that AIReF has identified in the course of its work:

- As regards its content, the GSB is not accompanied by multi-year scenarios that would allow it to be framed within the medium-term orientation required by a sustainability-orientated fiscal policy. In addition, it does not include information that would allow the budgetary balance to be reconciled with the national accounts, which makes it difficult to evaluate its compatibility with the stability targets. Furthermore, the GSB does not show the real evolution of revenue and expenditure with respect to the previous year, nor does it include a full and up-to-date list of fiscal risks that may affect the balance for the year. In this regard, neither does it provide sufficient detailed information on the economic policy measures planned, announced or temporarily in force to absorb fiscal risks. Finally, the quality of the targets or indicators of expenditure programmes is inadequate, resulting in a more formal than real application of results-based budgeting.
- As regards the procedure, it is not possible to ensure consistency between the main elements of the budget cycle: the Stability Programme Update, the GSB and the Budgetary Plan, which means that the budgetary process is fragmented in practice.

To remedy these weaknesses, AIReF proposes amendments to the General Budgetary Law that would strengthen the GSB as an instrument for fiscal and economic policy, as well as for accountability and control, by improving the information of the GSB in multiple aspects:

- ✓ Medium-term perspective, with multi-year budgetary scenarios in which to frame the GSB.
- ✓ Consistency with the main budgetary documents, promoting the consistency and integration of the SPU, the GSB and the Budgetary Plan, thereby remedying the fragmentation of the budgetary process.
- ✓ Comparability with the previous year, explaining the differences with regard to the previous year and incorporating the comparison with the most up-to-date forecasts at the end of the year in force.
- ✓ Adaptation to compliance with fiscal rules, including information that allows the reconciliation of data from budgetary accounting and national accounting, which is the manner in which fiscal rules are defined.
- ✓ Results-based orientation by improving the setting of targets and indicators, and creating an ex-post control system with public evaluation of the setting of targets and indicators, as well as considering their achievement in the budget allocation.
- ✓ Anticipation of possible deviations, collecting complete, up-to-date and quantified information on the main fiscal risks that might have a significant impact on the balance for the year.
- ✓ Usefulness as an instrument of economic and fiscal policy, including possible measures, whether simply planned, announced or temporarily in force, to absorb risks should they materialise.
- ✓ Accountability to Parliament, expanding the information submitted for discussion and approval, so that the accounts are more complete and transparent.

1.4. Studies

In June 2023, AIReF finished the work on the studies of the third phase of the comprehensive review of public spending that the Government commissioned from AIReF (known as the Spending Review 2018-2021). Performance of the third phase was one of the commitments acquired by the Government in the RTP (Milestone 402) and focused on two themes: the strategic evaluation of the financial instruments to support productive sectors, with a special focus on the effectiveness of those aimed at promoting the internationalisation of Spanish companies; and the evaluation of urban waste management.

In addition, work began on preparing the first phase of the next Spending Review 2022-2026, initiating the process for incorporating the information and microdata necessary for the review.

With regard to the evaluations commissioned by the Autonomous Regions, in 2023, two studies commissioned by the Regional Government of Extremadura were published:

- **The study on active employment policies was published in November.** Microdata-based evaluation of working lives in which an analysis was performed of the effects on employability and quality of employment with counterfactual methodologies. Direct job creation programmes in the public sector have shown no effects or negative effects on the quantity and quality of employment. The training programme shows mixed evidence. Some have a limited impact on employment, while others fail to improve the labour market integration of their beneficiaries. Recruitment incentives in the private sector have a positive effect on the integration of their beneficiaries and on the quality of employment.
- **The study on the efficiency and effectiveness of public pharmaceutical expenditure and investment in high-tech equipment was published in December.** It identified that biosimilars are key to the efficient management of pharmaceutical expenditure and that there exists high heterogeneity in the prescription by doctors.

The studies published make concrete proposals for the public agents involved in their management. These can be easily accessed and viewed on AIReF's [Monitor Tool of Findings and Proposals](#) (see Box 4).

Box 4. AIReF's Monitor Tool of Findings and Proposals of Public Spending Evaluations

Disseminating the evidence resulting from the evaluations is essential to facilitate their consideration when designing and reformulating public policies. For this reason, Article IV of the OECD Council on Public Policy Evaluation³ recommends, in addition to making the results of all evaluations public, as AIReF has been doing since its inception, **using evidence synthesis methodologies to aggregate evaluation findings and proposals and analyse their level of implementation in a systematic manner.**

These synthesis tools have a tradition in the US and UK. For example, the US Department of Labor maintains the [CLEAR](#) (Clearinghouse for Labor Evaluation and Research) database which aims to make research on labour issues more accessible to practitioners, policymakers, researchers and the general public. Similarly, the [Young Futures Foundation](#), one of the UK's evidence-generating research institutes and part of the network of What Works Centres, provides interactive mapping of existing evaluations of youth policies and identifies areas and methodological approaches where there is still a shortage of evidence. More recently, the Norwegian Agency for Public and Financial Management has launched the [Kudos](#) tool, which aims to be a large repository of evidence bringing together all studies, papers and academic work on the evaluation of different policies. In addition, in Portugal, the [Catalogue of Advanced Studies](#) is being developed by the Competence Centre for Planning, Policy and Foresight in Public Administration with the same aim of aggregating evidence that can be useful for decision-making.

In 2023, AIReF developed and presented the [Monitor Tool of Findings and Proposals](#) as an evidence synthesis tool that brings together all the findings and proposals made in the institution's evaluation studies. This tool, focused on the findings, allows interactive access to a summary of the main results of the evaluations classified according to the study to which they belong, the spending policy (employment, healthcare, education, housing...), the body affected, the geographical scope or the instrument (grant, financial instrument, transfer...) on which the implementation of the public policy is based. The Monitor Tool also includes the methodologies with which the evaluations have been carried out, together with the main graphic and interactive material used to summarise the results of the evaluations.

In addition, the Monitor Tool makes it possible to monitor the degree of implementation of the proposals made by AIReF in the Spending Review, the main multi-year instrument of the Central Government to channel the evaluation commissions to AIReF. Component 29 of the RTRP and, in particular, Milestone 397, lays down the need for a permanent structure to be created in the Ministry of Finance to actively monitor the implementation of the results of AIReF's spending reviews and the approval of the Order laying down the rules for

³ [Recommendation of the Council on Public Policy Evaluation](#)

preparation of the General State Budget. This milestone has already been met and has resulted in the publication by the Ministry of Finance, in March 2022 and 2023, of the [annual monitoring reports](#) of the recommendations made in the spending review processes (Milestone 401). The Monitor Tool of Findings and Proposals incorporates the information from these reports so that it is possible to know for each proposal the level of implementation (categorised into three levels: implemented, in process and rejected) as well as the breakdown that each department has provided to support its response.

In short, this new Monitor Tool of Findings and Proposals is a dynamic and living evidence synthesis tool that strengthens the transparency of AIReF's evaluations. It will continue to be enriched with each new study that the institution publishes, facilitating the monitoring of its results and offering information on the degree of implementation and use of the evidence, the last phase of the public policy evaluation cycle.

Finally, work has continued on the commissions made by several Autonomous Regions:

- Study to review public spending on human resources in healthcare in Extremadura.
- Study to review public spending on human resources in healthcare in the Balearic Islands.
- Study to review public spending on non-university education in the Balearic Islands.
- Study to review public spending on human resources in healthcare in Navarre.
- Study on universities commissioned by the Regional Government of Castile and Leon.
- Study on industrial policy commissioned by the Regional Government of Castile and Leon.

1.5. Technical papers

In March 2023, in conjunction with the Opinion on the Long-term Sustainability of the General Government, AIReF published four technical papers:

- 1. Demographic projections 2022-2070.** In 2023, AIReF revised and improved the estimate of population projections. The projection of the demographic phenomenon of fertility maintained the methodological procedure developed between 2018 and 2020. In contrast, an extensive revision was carried out with regard to the methodology and basic information used for the modelling and projection of the other phenomena. The details of the methodologies and the results obtained are described in Technical Paper 1/23, and the tables with the results are available to users in a reusable format on the AIReF website.
- 2. The impact of pension system reforms between 2021 and 2023.** This document describes the methodology used to estimate the impact on pension expenditure of the reforms approved in Law 21/2021 and RDL 2/2023. Law 21/2021 establishes that pensions will be increased in line with the CPI of the previous year. It also repealed the sustainability factor and changed the system of rewards and punishments. RDL 2/2023 approves the quasi-freezing of the maximum pension until 2050, modifies the number of years included in the calculation of the initial pension and introduces measures aimed at raising the system's income: the Intergenerational Equity Mechanism, growth above the CPI of the maximum contribution bases and the solidarity contribution. The paper describes the methodology used to assess each of these measures and is divided into two sections, one assessing the measures affecting expenditure and the other assessing the measures affecting revenue.
- 3. Methodology of healthcare, education and long-term care models.** The document describes the methodology used for estimating the long-term evolution of healthcare, education and long-term care expenditure included in the first AIReF Opinion on Sustainability, which is prepared with a time horizon up to 2070. Up to 2026, the estimates forecast for the Autonomous Regions for such expenditure included in the Report on the Draft Budget and Main Budgetary Lines of the General Government 2023 are considered. From 2027, the forecasts of such expenditure are based on cohort models. These models estimate the probability of being a beneficiary and the unit cost in a base year by sex and age groups for each one of these forms of expenditures. Assumptions are made about the evolution of this probability and the unit cost over time. The evolution of the demographic structure, together with the assumptions made, set the path for such expenditure over the projection period. The procedures used are included in Technical Paper 3/23, available on AIReF's website.
- 4. Methodology of revenue and unemployment models.** This paper describes the methodology used for estimating the long-term forecasts of revenue included in the first AIReF Opinion on Sustainability, which is prepared with a

time horizon up to 2050 and 2070. Up to 2026, the forecasts included in the report on the Draft Budget and Main Budgetary Lines of the General Government 2023 are considered. From 2027, estimates of public revenue conditional on economic growth and the long-term elasticities of the various revenue items to GDP, differentiating between tax revenue, social contributions and other revenue, are considered. The procedures used are included in Technical Paper 4/23, available on AIReF's website.

In June, AIReF published a paper on tax revenue variability. This paper examines the factors that led to a record revenue increase in 2022. By breaking down the variability of the main taxes, the different factors that have led to this increase in tax collected are quantified so as to serve as the basis for analysing the structural or cyclical nature of this growth. Both the revenue recorded during the period 2019 to 2022 and AIReF's forecasts for 2023 included in its Report on the Stability Programme Update 2023-2026 are analysed. The analysis is performed in detail and independently for Personal Income Tax, VAT, Corporate Income Tax and all Special Taxes and other tax revenue. The results obtained are detailed in Technical Paper 5/23, and the tables with the results are available to users in a reusable format on AIReF's website.

In December, AIReF carried out the second evaluation of its macroeconomic and fiscal forecasts. This evaluation updates the self-assessment exercise that was published for the first time in February 2022 with reference since 2015. It incorporates the years 2021 and 2022, in which the uncertainty of the estimates was extraordinarily accentuated as a result of the pandemic and the outbreak of the war in Ukraine and other geopolitical tensions, making the analysis of forecasting errors all the more relevant. This paper gives continuity to the transparency exercise, places AIReF on a par with other Independent Fiscal Institutions that already perform this type of exercise and fulfils one of the main recommendations of the OECD⁴ and the contents of AIReF's Strategic Plan 2020-2026. The results obtained are detailed in Technical Paper 6/23, available on AIReF's website, together with the tables in reusable format.

⁴ See the 10th Recommendation made by the OECD, relating to forecast evaluation in the document: [OECD Review of the Independent Authority for Fiscal Responsibility \(AIReF\).](#)

1.6. Other publications: economic data and interactive tools

In accordance with the principle of transparency that guides AIReF's action, not only can the aforementioned reports, studies, opinions and technical papers be found on the website, but sections are also included for the dissemination of other information of interest to both public finance specialists and the general public. Specifically, AIReF has developed interactive tools to make it easier for users to consult and access information:

- **Monitor of short-term indicators.** With the aim of supplementing short-term GDP estimates, since 2021 AIReF has published a summary table of short-term economic indicators to monitor various economic and financial aspects of the Spanish economy.
- **Historical archive of AIReF's macroeconomic forecasts.** AIReF continued with the publication of its own historical archive of macroeconomic forecasts for the various demand-side aggregates in terms of volume and for employment.
- **Real-time GDP forecasts (MIPRED).** Forecast of quarterly GDP growth for both the current quarter and the following quarter. This is based on a combination of short-term information issued at different frequencies, using a dynamic factor model. In 2023, work began to check whether, once the COVID-19 crisis is over, the estimated model requires any improvement or adaptation.
- **Quarterly GDP estimate of the Autonomous Regions.** This reflects the quarterly GDP estimate of the Autonomous Regions using the METCAP methodology (Methodology for Quarterly Estimation of GDP by Autonomous Region), which combines different types of statistical information. As in the case of MIPRED, the models used are subject to a review to verify their validity once the pandemic is over.
- **Monitoring of the 2023 budget stability target.** AIReF publishes its forecasts for the main fiscal variables on a monthly basis: revenue, expenditure and deficit for the General Government and by sub-sector in national accounting terms, in addition to a cash breakdown of the main tax and social contribution categories. In the case of Local Governments, the factsheet is produced on a quarterly basis, as this is the frequency at which the data are published.
- **Government Debt Monitor.** This is a periodic document that focuses on the evolution of debt and its determining factors, with special emphasis on the financing conditions prevailing in the markets and on the evolution of the debt burden in the context of higher inflation and high interest rates. It also presents their projections and a series of key indicators to analyse the sustainability of public finances for the General Government and its different sub-sectors. In 2023, in addition to noting the shift in the cost of debt financing, after several years of containment, emphasis was placed

on approximating the implications arising from the application of the new fiscal governance framework agreed for Spanish public finances.

- **Simulator of pension expenditure and other variables.** As a complement to the publication of the Opinion on the Long-term Sustainability of the General Government, and with the aim of improving the dissemination and understanding of its publications, AIReF updated and expanded this tool, which allows different scenarios to be simulated for pension spending and other variables such as spending on healthcare, education, long-term care and public revenue.
- **Demographics and interactive population pyramid.** Users can access the interactive population pyramid drawn up on the basis of the latest demographic forecasts, published in March 2023.
- **VAT change targeting simulator.** On the basis of AIReF's Micro-simulator and the microdata from the INE's Household Budget Survey, this tool provides information on the degree of targeting of the reductions or increases in VAT for a wide range of goods and services and their possible combinations. Specifically, this tool illustrates the heterogeneity of the measures affecting price, with those that affect goods whose consumption is concentrated among low-income households being more targeted and those that affect goods consumed mainly by higher-income households being less targeted.
- **Monitor Tool of Recommendations.** This interactive tool allows the user to easily consult the recommendations issued and the response offered by each authority. The tool generates a sheet for each recommendation with all the details of the recommendation, such as the reason behind it, the report in which it is included and the response of the corresponding authority. It also provides statistics on recommendations by scope, category and status. It allows the user to filter information by authority and time period and provides other data such as the average response time of each authority and the compliance commitment ratio (see Box 5).
- **Monitor Tool of Evaluation Findings and Proposals.** This tool constitutes an interactive synthesis of evidence from all of AIReF's evaluations at the level of findings, classified by different filters. It allows the degree of implementation of the proposals to be monitored (see Box 4).
- **AR Monitor Tool.** This offers an integrated view of the past, present and expected economic and financial situation of each Autonomous Region and a compilation of the documents published by AIReF on each of them. The tool was added to the website in March 2022 and was completed at the end of that year to incorporate descriptive indicators of the relative position of the Autonomous Regions in both revenue and expenditure terms. In 2023, a new module was included to capture the functional perspective in COFOG terms in the area of expenditure.

- **LG Monitor Tool.** A tool that compiles relevant economic and financial data from Local Governments. In March 2022, a new functionality was introduced to incorporate information on the cost of the services provided. In 2023, the possibility of downloading all the data in Excel was introduced as a new feature, together with a new module that shows the evolution of the budget balance and the sub-sector's net lending/borrowing.
- **Monitoring Tool of Experiences and Good Practices in Municipal Waste Management.** This tool includes experiences and good practices used by public authorities and other agents, both nationally and internationally, to improve the management of municipal waste. Users can search experiences classified by different filters: geographical level (national, regional, local), waste fraction, cycle phase, instrument used and year of implementation.

2. RECOMMENDATIONS AND THE “COMPLY OR EXPLAIN” PRINCIPLE

AIReF's recommendations are subject to the “comply or explain” principle. AIReF makes recommendations to the General Government authorities in the reports it issues in the exercise of its functions. The competent authorities are obliged to either comply with them or explain their reasons for deviating from them. The “comply or explain” principle is therefore a key tool for AIReF to fulfil its remit. AIReF publishes the follow-up of its recommendations on a quarterly basis. In addition, since 2023 it has made an interactive monitor tool available to the public to consult all the recommendations made by the institution and the response given by the GG authorities to which they were addressed (see Box 5).

Box 5. Interactive Monitor Tool of Recommendations

AIReF makes recommendations in the reports it publishes throughout the year, which are governed by the comply or explain principle, that is, the authorities must comply with these recommendations or explain why they do not comply with them. The monitoring of these recommendations is published by AIReF on its website on a quarterly basis.

As a new feature, in 2023 AIReF set up an [Interactive Monitor Tool of Recommendations](#) listing the recommendations issued by AIReF in its reports since it began operating in 2014. This provides users with a new interactive tool on its website that makes it easy to monitor any recommendation issued by AIReF.

In particular, this tool makes it possible to consult the details of each recommendation by generating an individual sheet summarising its main aspects (i.e. the reason for the recommendation, the report in which it is included, a summary of the authority's response and any observations made by AIReF, the status of compliance or the link that leads to the previous recommendation in the case of a reiterated or live recommendation). It also offers statistics on the recommendations by the area to which they refer, category and compliance status. Finally, It allows the user to filter information by authority and time periods and provides other data such as the average response time of each authority and the compliance commitment ratio.

This tool also allows users to consult the good practice guidelines formulated by AIReF in its Reports, in addition to the proposals resulting from the Opinions that are issued in relation to budgetary stability and financial sustainability, with the exception of those relating to the Opinion on the Minimum Income Scheme (which are published together with the proposals of the Spending Review studies in the Monitor Tool of Findings-Proposals of Evaluations).

The vast majority of the authorities receiving the recommendations applied this principle in 2023, giving rise to constructive dialogue with AIReF. All the authorities, with the exception of the Local Councils of Alboraya, Los Palacios and Villafranca, Barbate and Parla responded in 2023 to AIReF's request to state their intention to comply with or explain the recommendations made. This shows their firm commitment to this principle that allows constructive dialogue with the authorities to be established.

Over the course of 2023, AIReF made 131 recommendations, of which 121 were new, four were repeated and six were live. In addition, it issued 17 good practice guidelines. The new recommendations are those that are issued for the first time and may be repeated when the reasons for non-compliance are not sufficiently explained or do not appear to fulfil the purpose of the recommendation. Where appropriate, these recommendations may become live when, having already been repeated and the authority having sufficiently explained the reasons for departing from their compliance, AIReF continues to make them because it considers that compliance with such recommendations is important for ensuring the effectiveness of the fiscal framework. In addition, AIReF may give good practice guidelines, which are proposals or suggestions that are not subject to the comply or explain principle.

The recommendations were addressed to the Central Government and the territorial authorities, both at the regional and local level. The CG received 25 recommendations (17 to the Ministry of Finance and Civil Service and eight to the Ministry of Economic Affairs and Digital Transformation). The remaining recommendations were addressed to the territorial authorities, which received 106 recommendations, of which 29 were addressed to the Autonomous Regions and 77 to the Local Governments. Finally, the ARs also received 17 good practice guidelines.

Table 3. AIReF's recommendations and good practice guidelines, according to the report issued (2023)

REPORTS	NEW	REPEATED	LIVE	GOOD PRACTICE GUIDELINES	TOTAL
Analysis of Budgetary Execution, Debt and the Expenditure Rule	90				90
Stability Programme Update	3	1			4
Draft Budgets and Main Budgetary Lines	2				2
Macroeconomic Forecasts of the Stability Programme Update			3		3
Macroeconomic Forecasts of the Budgetary Plan	1	1	3		5
Initial budgets	24	2			26
Transparency	1				1
Medium-Term Orientation				17	17
Total	121	4	6	17	148

Source: AIReF

Table 4. AIReF's recommendations and good practice guidelines, according to content area (2023)

REPORTS	NEW	REPEATED	LIVE	GOOD PRACTICE GUIDELINES	TOTAL
Expenditure rule	74				74
Application of the Organic Law on Budgetary Stability and Financial Sustainability	1				1
Budgetary stability	34				35
Financial sustainability	6				6
Financial sustainability	2	3	6	17	28
Medium-term orientation	4				4
Total	121	4	6	17	148

Source: AIReF

Table 5. AIReF's recommendations and good practice guidelines, according to authority responsible for their application (2023)

REPORTS	NEW	REPEATED	LIVE	GOOD PRACTICE GUIDELINES	TOTAL
Ministry of Finance	12	3	3		17
Ministry of Economy	3	1	4		8
One or several ARs	29			17	46
One or several LGs	77				77
Total	121	4	6	17	148

Source: AIReF

Regarding their content, AIReF issued recommendations aimed at complying with the Country Specific Recommendation (CSR) issued by the Council of the European Union for 2024. AIReF recommended to the Ministry of Finance and Civil Service to propose (and subsequently, with an acting government in place, to agree within the Fiscal and Financial Policy Council and the National Commission for Local Administration) reference rates for net lending/borrowing and growth in primary expenditure net of revenue measures for the different authorities. This should be done taking into account the temporary structural nature of the revenue and expenditure of each sub-sector for 2024 and ensuring that the targets are consistent with compliance with the country specific recommendation. In addition, AIReF recommended the ARs and LGs to avoid increases in expenditure reductions in revenue without permanent funding and take into account the application of the expenditure rule in 2024.

Particularly important are the recommendations aimed at initiating both the development of a medium-term fiscal strategy and the adaptation of the national fiscal framework in line with the reform of European fiscal rules. AIReF urged the Government, on the one hand, to start developing a medium-term fiscal strategy in line with the principles of the reform of the European fiscal framework and regardless of having to adapt then subsequently to the final content of the European reform. It also urged the Government to start work as soon as possible on the reform of the national fiscal framework in line with the European reform. In both cases, it recommended involving the participation of all tiers of the General Government and the social and political agents involved.

It also made a number of recommendations to strengthen budgetary stability and transparency. With effects at the territorial level, AIReF recommended, on the one hand, that the Ministry of Finance and Civil Service should publish its instalment payments of the territorial financing systems for 2024 and, on the other hand, that the local government supervisory body should verify proper application of the European System of Accounts (ESA) criteria in calculating the net lending/borrowing for each year. On another matter, it repeatedly recommended that the Ministry of Economic Affairs and Digital Transformation consult AIReF

beforehand on the Report on the Situation of the Spanish Economy and urged it to publish this Report containing the reference rate of the expenditure rule for 2024. It also recommended incorporating an analysis of the plausibility of compliance with the downward debt path for each tier of government and reiterated to the Ministry of Finance and Civil Service that it should increase the transparency of the execution of the Recovery, Transformation and Resilience Plan (RTRP) in national accounting terms.

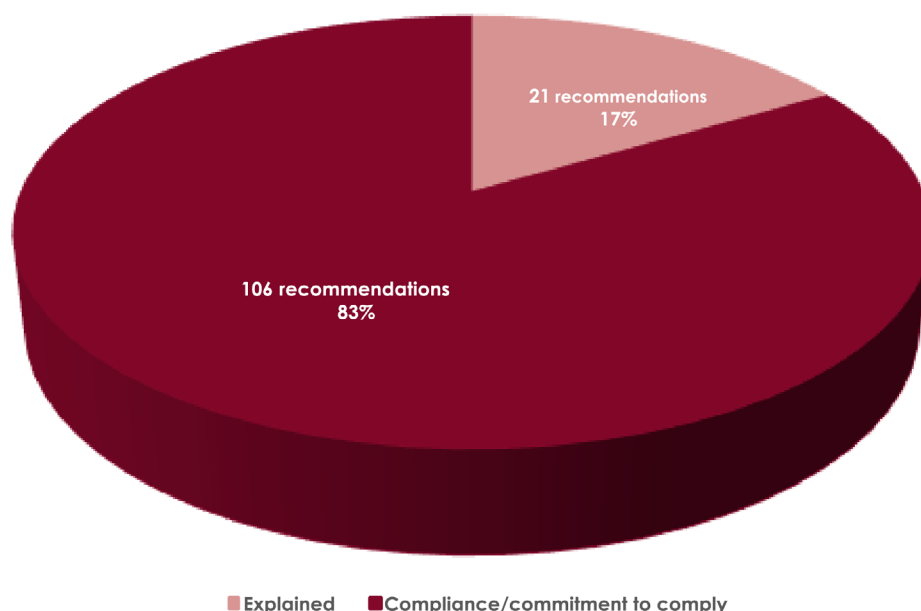
In addition, it made specific recommendations aimed at the regions with the highest expenditure growth. It recommended that the LGs analysed that had the highest growth in expenditure should avoid increases in expenditure or reductions in revenue without structural funding and that they should submit an analysis of the structural nature of the increase in expenditure since 2019 in relation to the expenditure rule to AIReF. In addition, with regard to the Local Councils of Algeciras, Arcos de la Frontera and Totana, AIReF recommended that they limit increases in expenditure or reductions in revenue that were not consistent with their adjustment plans and with a significant impact on the growth of eligible expenditure. It also recommended to the Ministry of Finance and Civil Service, as the supervisory body of the adjustment plans of these local councils, as well as their supervisory bodies, that it should monitor their budget execution.

Finally, in 2023 AIReF made six recommendations that are considered to be live. These recommendations were aimed at strengthening transparency and the exchange of information.

- (i) Provide further information on the budgetary and fiscal measures included in the macroeconomic scenario of the Stability Programme and the Budgetary Plan with the aim of increasing the rigour of the endorsement process.
- (ii) Regulation of the exchange of information: by means of an agreement or "memorandum of understanding".

With regard to the level of compliance, the authorities complied or undertook to comply with 83% of the 2023 recommendations. However, the degree of compliance was very uneven between the CG and the territorial authorities. While the former only complied or undertook to comply with 28% of the recommendations made to it, the figure for the territorial authorities stood at 99% (93% of the ARs and 99% of the LGs). However, in the case of the CG, the percentage of compliance would rise to 37% if the live ones that were formulated in 2023 were not considered, which generally come from previous years and remain specifically in this category as long as they remain unfulfilled.

Figure 1. 2023 recommendations for the entire GG: commitment to comply/complied or explained (number of recommendations and % of total)



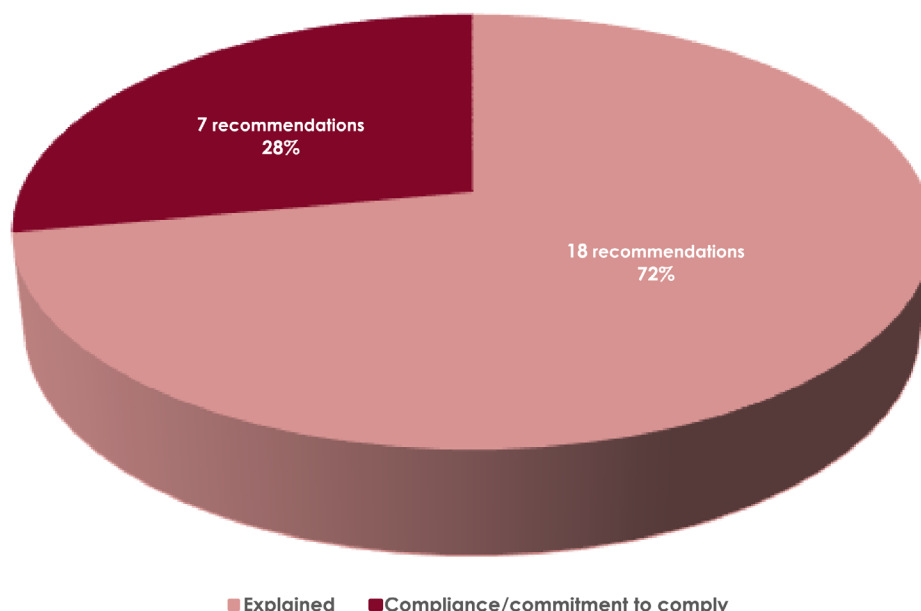
Source: AIReF

The CG complied with several recommendations, some as a supervisory or oversight body of the LGs. The Ministry of Finance and Civil Service complied with the recommendation to convene the Fiscal and Financial Policy Council (CPFF) and the National Commission for Local Administration (CNAL) to present the proposal for the stability and debt targets by sub-sector, as well as the reference rate for the expenditure rule. Furthermore, on the same day, it informed the Autonomous Regions of the instalment payments and presented the Report on the Situation of the Spanish Economy together with the proposed targets. It also undertook to monitor the budget execution of the Local Councils of Algeciras, Arcos de la Frontera and Totana as the supervisory body of the adjustment plans and to verify the correct application of the criteria of the European System of Accounts (ESA) in the calculation of the net lending/borrowing as supervisory body.

In contrast, it departed from the other recommendations, which include those aimed at initiating both the development of a medium-term fiscal strategy and the adaptation of the national fiscal framework in line with the reform of the European fiscal rules. The Ministry of Finance and Civil Service considered that it already follows a realistic and credible medium-term fiscal strategy that meets the current sustainability requirements and explained that the new EU legislative framework should not be transposed to the national legal framework until it is approved. It also departed from the recommendation to consult AIReF prior to preparing the Report on the Situation of the Spanish Economy and to incorporate an analysis of compliance with the debt path by each tier of government in the

target-setting resolution. It also failed to comply with the recommendations to increase the transparency of the execution of the RTRP in national accounting terms, to provide more information on the budgetary and fiscal measures incorporated into the macroeconomic scenario, and to establish the exchange of information through a memorandum of understanding. The reasons given for not following the recommendations were either that they were not necessary because they were already being complied with, or that it was not the right time to implement them, or that they were not provided for in the Law on Budgetary Stability and Financial Sustainability.

**Figure 2. 2023 recommendations for the CG:
commitment to comply/ complied or explained
(number of recommendations and % of the total)**

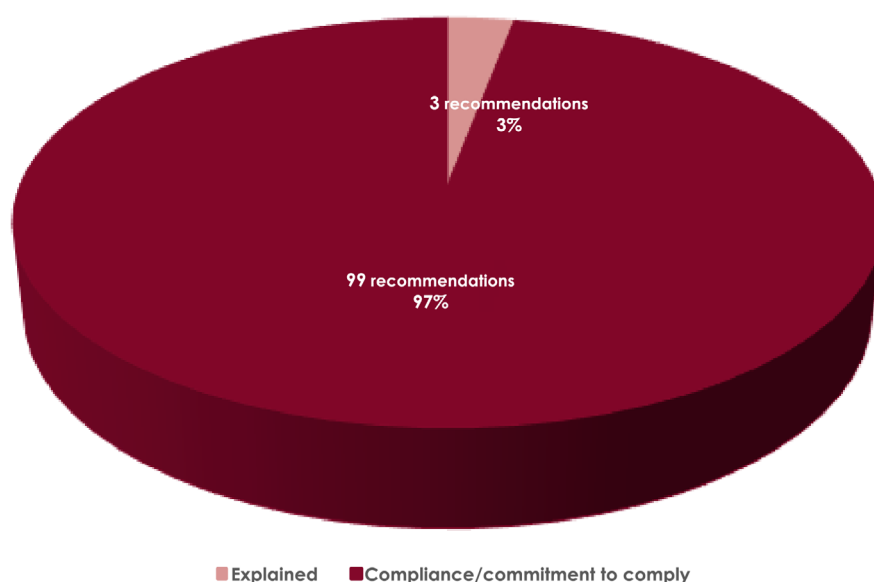


Source: AIReF

In the case of the territorial authorities, the vast majority were in favour of following the recommendations made. The ARs and LGs made a general commitment, albeit to a different extent and subject to various conditions, to comply with the recommendation to avoid increases in expenditure or reductions in revenue without permanent funding and to take into account the application of the expenditure rule in 2024. Although AIReF made an interim assessment on the risk of breaching this commitment, it will finally verify compliance with the execution of the 2024 Budget. All of the LGs analysed that had the highest growth in expenditure undertook to avoid increases in expenditure or reductions in revenue without structural funding. In addition, with the exception of the Island Council of Mallorca, they submitted to AIReF, in greater or lesser detail, an analysis of the structural nature of the increase in expenditure since 2019 in relation to

the expenditure rule. For their part, the Local Councils of Algeciras, Arcos de la Frontera and Totana undertook to limit increases in expenditure or reductions in revenue that were not consistent with their adjustment plans and with a significant impact on the growth of eligible expenditure. However, the Regional Government of Andalusia, like the Ministry of Finance and Civil Service, as the supervisory bodies of these local councils, failed to monitor their budget execution as they considered that this fell outside their remit of financial supervision.

**Figure 3. 2023 recommendations for the TAs:
commitment to comply/ complied or explained
(number of recommendations and % of the total)**



Source: AIReF

Lastly, in addition to the recommendations, AIReF set out 17 good practice guidelines, which are not subject to the “comply or explain” principle. All were addressed to the ARs and were aimed at improving transparency. In this regard, six ARs were advised to include the employment forecasts in regional accounting terms in their budgets and two ARs were advised to include GDP deflator estimates in the economic and financial report. Furthermore, nine ARs were advised to extend the forecast horizon of the macroeconomic scenario beyond the period of the annual general budgets, given the importance of medium-term planning.

3. INSTITUTIONAL ACTIVITY

3.1. Institutional relations

AIReF's institutional activity has been strongly marked by electoral processes and an acting government. AIReF's President has not been called to appear before Parliament. It has also not been possible to organise meetings with the spokespersons of the parliamentary Finance and Budget Committees. The electoral processes of May for the regional elections and July for the general election, together with the delay in forming the National Government, and constituting Parliament and its committees, have affected the appearances of the President of AIReF provided for in the legislation. The President has not been called to appear to report on the Stability Programme Update 2023-2026 nor, of course, has she been called to report on the draft General State Budget, as it has not been presented, nor the Budgetary Plan for 2024 sent to the EU institutions in October. The dissolution of Parliament has prevented these appearances, as well as the meetings that, on its own initiative, AIReF convenes at its headquarters to inform the spokespersons of the parliamentary Finance and Budget Committees of its activity, the economic and fiscal outlook and its evaluation activity. In December, with the formation of the Government, the meetings of the CPFF and the CNAL were convened, attended by the President of AIReF. Therefore, given the difficulty of reporting on its work through the usual mechanisms, AIReF has strengthened its accountability actions on its own initiative and the transparency in its communications in 2023.

The President has met with all the councillors of finance and economy of the Autonomous Regions and, for the third consecutive year, a workshop has been organised with the General Government. After the regional elections, with the aim of bringing AIReF closer to the new regional teams and verifying the budgetary problems of the ARs, AIReF's President met with the councillors of finance and economy of the 17 ARs. At these meetings, AIReF presented one of the key innovations for 2023 - the medium-term scenarios for each of the ARs. In November, the third workshop with the General Government was held, which once again brought together representatives from all tiers of the GG. The workshop was of a technical nature focused on the sustainability of public finances under the new framework of fiscal rules. During the workshop, discussions were held on the new European fiscal governance framework, the necessary reform of the Spanish fiscal framework and the configuration of fiscal governance in a decentralised state such as Spain.

AIReF's President also held meetings with other GG representatives. In particular, meetings were held with the State Secretariat for Budgets and Expenditure, the General Secretariat for Regional and Local Coordination, the Ministry of Inclusion,

Social Security and Migration, and the State Secretary for the Environment, in relation to the fiscal supervisory function and the performance of the evaluations. In addition, the President held meetings with different public authorities such as the General State Comptroller, the President of the ICO, the President of UNESPA, the President of SEGIPSA, representatives of the trade union CCOO and the President of AEB (Spanish Banking Association).

As a new development in 2023, the first edition of the workshop with study services was organised. With the aim of being a useful institution and enriching the debate, AIReF organised the first edition of this workshop in June, at a time when economic forecasts have gone through a period of major uncertainty. AIReF, as the endorser of the forecasts of the Government and the ARs, wanted to transparently share and discuss the difficulties in making forecasts to anticipate problems and the challenges for economic forecasting.

Throughout 2023, AIReF's President has increased her participation in forums on fiscal, economic and public policy evaluation as a platform to put forward AIReF's point of view on fiscal and evaluation matters, as well as to strengthen accountability. The sustainability of public finances, the evaluation of public policies and the future reform of the European and national fiscal framework have been key issues throughout 2023. She has spoken at the Conferences on the Sustainability of the Autonomous Regions organised by IVIE (Valencian Institute of Economic Research), at the Alternativas Foundation, at the Barcelona and Murcia Economists' Association, at the inaugural speech of the academic seminar Ageingomics on the pension system and intergenerational solidarity mechanisms organised by the Mapfre Foundation, at the dialogue organised by the Spanish Association of Executives (AED) and at the 10th Economic Forum of the Castile-La Mancha Family Business Association. The President also participated in forums organised by FEDEA, KPMG, PwC, Nueva Economía Forum, and the La Toja Forum. She also participated as a speaker at the meeting on public economics organised by the University of Badajoz, at the conference of the tenth anniversary of the Degree in Business Administration and Management at the University of Zaragoza, at the forum on taxation organised by the trade union CCOO, at the First Socioeconomic Forum organised by the Economic and Social Council (CES) of Valencia and in a lecture at the Faculty of Economics of the University of Oviedo. Also noteworthy are her speeches at the Association of Economic Information Journalists (APIE), in the "Wake up Spain" conferences organised by the newspaper "El Español", in the economic forum of the Diario Montañés newspaper and in the 45th anniversary of the newspaper Cinco Días. In addition, two interviews with AIReF's President were published on TVE Parlamento and in the Diario Montañés newspaper. In addition, she participated in three articles in the journals of the Economists' Associations of Madrid and Valencia and in the special issue of the IVIE magazine on the impact of COVID. Finally, the President participated in an opinion piece in El Independiente entitled: "2023: a year of fiscal policy transition".

The Advisory Board, renewed in 2021, met twice, in June and December. At both meetings, the institution's main actions were shared with its members, highlighting the status of the evaluation projects, especially the second Opinion on the

Minimum Income Scheme. The meetings also covered current macro-fiscal issues, such as the implications of the proposal to reform the EU fiscal governance framework and specific features for adaptation to the case of Spain, as well as the ongoing work on total factor productivity and the impact of inflation on fiscal consolidations. The members of the Board also maintained ongoing technical collaboration with AIReF's divisions.

In 2023, AIReF's President received two important awards for her professional career. In March, she received the Economic and Social Relevance Award in its first edition from the Economists' Association of Alicante. And in November she received an award from the Institute of Economic Studies, also its first edition, which aims to recognise the work of outstanding professionals in economics, as well as their work and impact on their areas of activity.

At the international level, AIReF played an active part in the network of Independent Fiscal Institutions of the EU Member States. AIReF participated in all the meetings of the IFI network which, as in 2022, combined face-to-face meetings (The Hague and Brussels) and meetings in a virtual format. AIReF contributed to the position paper published by the IFI network which discusses some of the issues relating to the new fiscal governance framework and in which it shared its views on the issue. It continued to be part of the EU IFIs' Effectiveness working group. As a result of this working group, the following article was published in July: "Do institutional aspects shape the effectiveness of independent fiscal institutions?", to be presented at the EFB annual conference in 2024. Among the intense international activity, we can highlight the participation in September in the joint meeting between the ECB and the IFIs network, which included a presentation on the impact of inflation on public finances. In November, AIReF participated in the "Annual Research Conference" of the European Commission, with a presentation on the gaps in the current regulation of IFIs at an EU level. Finally, in the framework of the EUNIFI meeting in December, a presentation was given on the challenges for IFIs in accessing information. It is also worth mentioning the appointment of Esther Gordo, Director of the Economic Analysis Division of AIReF, as Vice-President of the network of IFIs.

In addition, December saw the launch of the multi-country project financed with the "Technical Support Instrument" offered by the European Commission. AIReF participates in three pillars, one of them being an external evaluation by AIReF, a commitment made by the President for her term of office.

Close contact was maintained with EU institutions and international bodies, such as the IMF and the OECD. Specifically, bilateral meetings were held with the European Commission, the IMF and the OECD following their missions to Spain in order to gather AIReF's vision of the country's economic and fiscal situation. AIReF also held meetings with the ESM, with Brazil's independent fiscal institution and with the Polish Ministry of Finance to advise it on the implementation of public spending reviews.

AIReF also participated in meetings and activities organised by the networks of the European Commission, by the OECD and by other multilateral institutions. It

attended the Annual Conference of the PBO-IFIs (Parliamentary Budget Officials and Independent Fiscal Institutions) working group organised by the OECD in April. As regards issues related to climate change, AIReF participated in the "Climate Change and LTS" workshop and in "Green Budgeting" meetings, all organised by the European Commission. It also participated in the Regional Policy Dialogue organised by the Inter-American Development Bank and in the conference on "Fiscal Rules and Fiscal Councils" organised by the World Bank.

The articles published by AIReF and the presentations made can be found in Annex 2.

3.2. Communication activities

AIReF was consolidated in 2023 as the leading institution in economic, budgetary and public policy evaluation analysis. The institution's President, Cristina Herrero, and the rest of AIReF's management team, cooperated very actively to promote an open and approachable communication policy, faithful to one of AIReF's guiding principles - transparency - and in order to enhance one of the key objectives set by the President: to bring AIReF as close as possible to society so that it is perceived as a useful institution for everyone. The reputation and public awareness of AIReF were clearly strengthened despite 2023 being an atypical year, marked by the calling of elections in different tiers of the General Government and the suspension of fiscal rules, which had a significant impact on AIReF's general activity and, consequently, the institution's communication activities.

AIReF's website, social media and the media were the main channels for publicising the institution's activities over the year. In 2023, AIReF worked on promoting the three channels with the aim of expanding the institution's footprint in society. Alongside this, it incorporated new digital narratives to get closer to society. As the main new features in the year, AIReF had a greater presence in audiovisual media and especially in television, reinforced its activity in social media and opened profiles of the President in X (formerly Twitter) and LinkedIn, and significantly increased the use of new digital narratives with more accessible and entertaining formats.

As part of AIReF's activities, the institution maintained a fluid and constant relationship with the media, by holding press conferences and briefings, meetings with groups of Key Opinion Leaders (KOLs), specific ad hoc meetings with the media and an ongoing response to the doubts raised by journalists. AIReF held seven press conferences in 2023 to present its reports, studies and opinions. Media attendance was immense, with a considerable increase in the presence of audiovisual media. In addition, over 40 press releases and other materials were prepared to disseminate the institution's other products, such as the debt monitor, METCAP, technical papers and opinions, as well as the new analysis tools. In addition, the publication on the website of all the institution's news was promoted. This included the signing of new agreements and the approval of the new scholarship programme, and reviews of the forums and events in which the

President participated. These communications were sent by e-mail to different institutions and stakeholders. In total, 89 news items were published on the website in 2023, 9.8% more than in 2022 (81 news items).

AIReF was featured on the front and inner pages of newspapers in paper and digital format, was the subject of a number of radio debates and opened news programmes on major television channels as a result of its publications. In 2023, over 25,000 articles containing the word AIReF were published, a figure which, although 15% less than in 2022, is above the level of 2021. In 2023, in addition, AIReF organised, together with the Association of Economic Information Journalists, a course for journalists focused on improving access to data. It also participated in the seminar organised by this association on the new fiscal environment for 2024, as well as in the seminar organised within the framework of the Menéndez Pelayo International University of Santander. The President also met with the Associació de Periodistes de Informació Econòmica de Catalunya (APIEC). In fact, AIReF made a major effort to expand the dissemination of regional information with personalised mailings to regional and local media, offering them the information on the institution that may be most interesting to them, and held direct contact with said media. Furthermore, the President participated in multiple forums throughout the country, reporting openly and transparently to the media and through digital channels.

As a new aspect, AIReF's President took part, for the first time, in a television interview broadcast by the TVE Parlamento Channel on the occasion of Women's Day. She also took part in an ESADE podcast and gave an interview, produced by AIReF itself, which was broadcast to all the media.

In 2023, a new effort was made to improve the design and user experience of the website, both on the home page, the main menu and some inner pages as well as in the publications and data and tools. This effort was reflected in an improvement in all web metrics over the year, according to Google Analytics figures. Specifically, in 2023, more than 51,000 users visited the institution's website, 3% more than in 2022, almost 400,000 visits were registered, 22% more, and there were 142,334 sessions, 24% more.

In 2023, a major boost was given to developing specific and more informative materials with new narratives for AIReF's social media. 14 videos, five informative infographics and over 10 posters were produced and disseminated to publicise AIReF's publications and the events in which the President took part throughout the year. In 2023, AIReF's profile on the social media platform X (formerly known as Twitter) added 858 followers and closed the year with a total of 10,896 followers. In addition, AIReF also consolidated its position as the fourth largest independent fiscal institution in terms of absolute number of followers worldwide, behind only the United States, the United Kingdom and the Netherlands, and close to the UK and even ahead of the US if the number of followers in relation to the country's total population is taken into account. AIReF obtained a very significant boost in the case of LinkedIn, the social media platform with a more professional and specialised audience, by gaining 926 followers, ending the year with a total of 3,375 followers. AIReF is also one of the IFIs with the most followers in absolute terms.

As Cristina Herrero reached the halfway point in her term as President, profiles were opened for her on two major social media platforms: X and LinkedIn, and specific content was created for both profiles. The President's X account closed 2023 with 442 followers and the LinkedIn account with 1,109 followers.

AIReF also continued to gain subscribers to the Newsletter over 2023, to end the year with 1,065 subscribers, who receive AIReF news on a monthly basis in their email. The website acts as a permanent invitation to the Newsletter and regular publications have been made on the institution's social media to promote this product, with attractive content such as gifts and short videos with a call to action effect.

Table 6. Communication figures in 2023

Prensa	Web	Redes Sociales
25,131 articles published in 2023 in which the word AIReF appears	51,350 website users, up 3%	10,896 followers on X
17,042 articles in the digital press	389,650 visits, up 22%	3,375 followers on LinkedIn
8,089 articles in written press	142,334 sessions, up 24%	1,065 subscribers to the Newsletter

4. ACCESS TO INFORMATION

Uno de los requisitos básicos para el desarrollo de las funciones de la AIReF es el **One of the basic requirements for the performance of AIReF's functions is timely access to economic-financial information on the General Government. This aspect has been gradually improving.** The right of access to this information is legally established in Article 4 of Organic Law 6/2013, on the Creation of the Independent Authority for Fiscal Responsibility. However, in order to achieve its optimal application, it has been necessary to establish useful mechanisms for the exchange of information between public authorities.

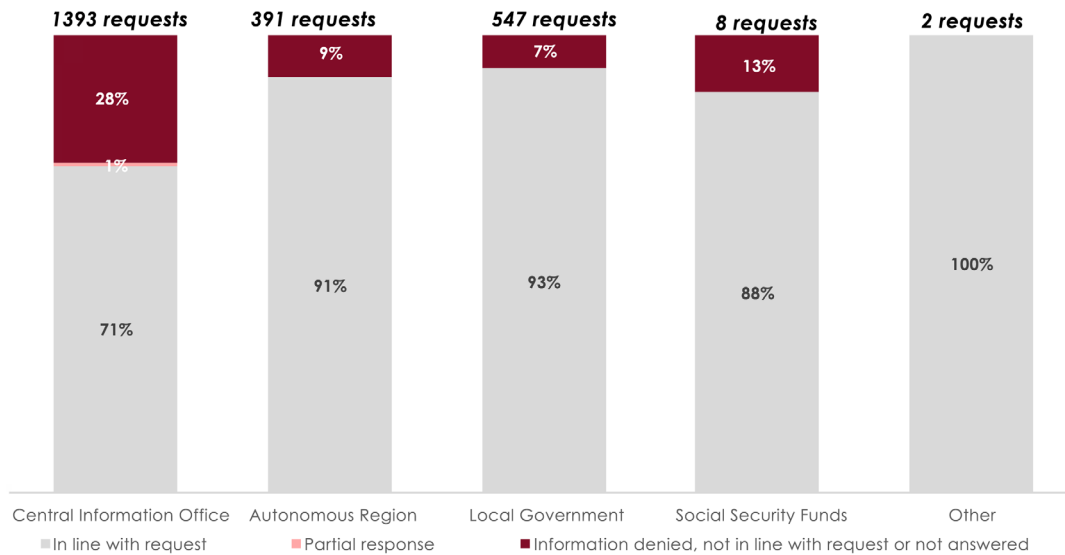
AIReF's capacity to prepare useful, rigorous and objective reports may be influenced by possible obstacles in accessing the necessary information. This risk is particularly high when there is a limited period for preparing and presenting said reports. In 2023, in general terms, the levels of response to requests for information made to the Information Centre of the Ministry of Finance and Civil Service have improved, both in quantity and quality. They have worsened slightly in the institutional sub-sectors of the ARs and LGs, and worsened to a slightly greater extent in the Social Security Funds, as 88% of the requests for information from AIReF were fulfilled in 2023, compared with 100% in 2022.

As already highlighted in the 2022 Report, in 2023 AIReF is still awaiting the signing of memoranda with the Ministry of Finance and Civil Service, as well as with the Ministry of Economy, Trade and Business, setting out the mechanisms and obligations for the submission of periodic and non-periodic information to AIReF.

Since 2016, AIReF has had a system for monitoring collaboration with the various authorities of the General Government in the field of information provision. In general, each request for information is linked to the preparation of one of the reports that AIReF must issue under current regulations. For reasons of procedural economy and administrative efficiency, each request is grouped into various information requests, which may be subject to a separate response and/or individual monitoring, either as a result of reference to different fiscal rules or different financial periods or as it is provided by different bodies.

The requests to the territorial authorities with an appropriate response exceeded 90% of those made in 2023. Those received in a complete and appropriate manner from the Information Centre of the Ministry of Finance and Civil Service stood at 71%, while the figure for those in the field of Social Security stood at 88%. The requests made to the Ministry of Finance and Civil Service that were not answered, were answered past the deadline required to be taken into account in the mandatory report or which only yielded a partial response stood at 29% of the total requests. The breakdown of responses to AIReF's requests by type of General Government authority and type of response is shown in Figure 4.

Figure 4. Breakdown of responses to AIReF's requests, by authority and type of response (2023)

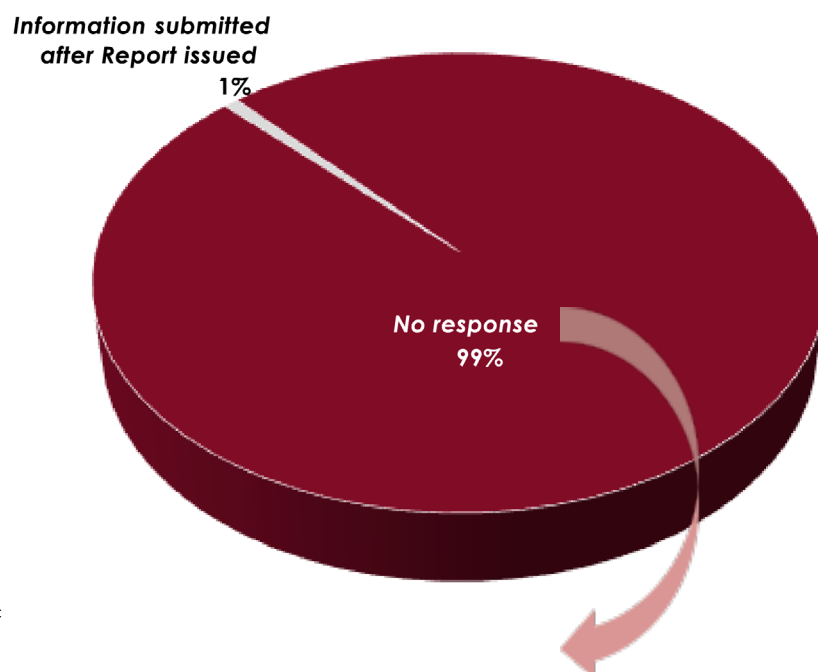


Source: AIReF

Of the requests that were not properly addressed (denied, not in line with the request or not responded to) by the Information Centre of the Ministry of Finance and Civil Service, 99% were answered after issuance of the Report for which they were needed (Figure 5) and mainly referred to information relating to stability or debt. As shown in Figure 6, most of these referred to elements necessary for calculating stability (34%) or debt (over 17%).

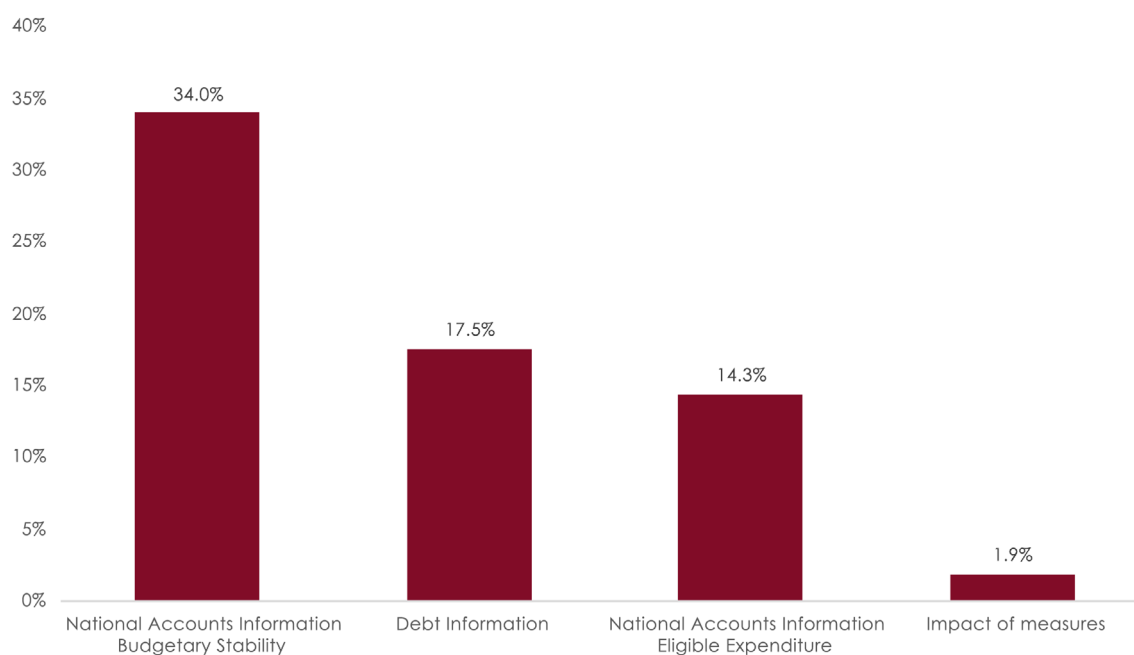
Finally, in 2023 AIReF issued one resolution due to failure to comply with the duty of cooperation of one local council, that of Barbate. AIReF had to issue one public warning to one local council due to repeated and serious non-compliance, as it failed to respond to requests for information for the preparation of various reports. This non-compliance by the Local Council of Barbate is not the first time that it has occurred. Accordingly, once again, as in 2022, this has been classified as serious and repeated, leading to its notification to the National Government and Parliament.

Figure 5. Breakdown of invalid responses from the Information Centre of the Ministry of Finance and Civil Service (2023)



Source: AIReF

Figure 6. Breakdown of requests to the Information Centre of the Ministry of Finance and Civil Service without a response by type of information requested (2023)



Source: AIReF

5. MONITORING OF THE 2023 ACTION PLAN

Action Plans are provided for in AIReF's regulations. Article 5 of AIReF's Organic Statute establishes that in the first quarter of the year, the institution shall prepare and publish an Action Plan that includes, in addition to mandatory reports, the studies that have been requested. This plan must be approved by the President, after being submitted for the consideration of the Steering Committee.

However, at its own initiative, AIReF has framed these annual plans within a multi-year strategy that is reflected in the strategic plans. In these plans, AIReF sets out the objectives for each mandate, the strategic pillars for achieving them and the main lines of work planned. This planning exercise allows a better understanding of AIReF's activity, gives predictability to its actions and is, above all, an essential tool for the institution's accountability to society. AIReF does not restrict itself to mere planning of its activity, but goes beyond the regulations and performs ex post monitoring of each annual plan.

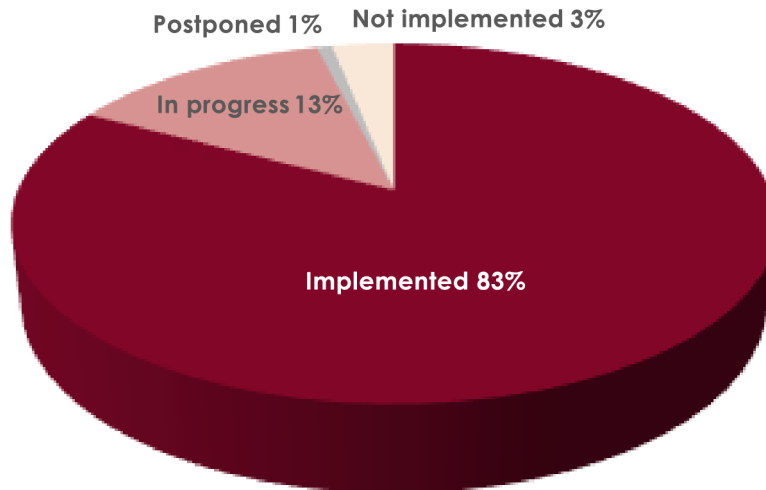
The 2023 Action Plan is the third plan to be prepared under the umbrella of the [Strategic Plan 2020-2026](#). A detailed follow-up of the 2023 Action Plan, the last plan within a context of suspension of national and European fiscal rules, can be found in Annex 3.

In quantitative terms, an execution level of 83% was reached. Of the 128 planned actions, 106 were fully executed, 17 actions are in progress, one has been postponed, while four could not be carried out. Specifically, neither the Opinion on the cessation of activity of self-employed workers was executed, nor was work started to develop a refund module in the Tas@AIReF application. For the time being, these actions are abandoned in the next Action Plan, giving way to other activities that are considered more pressing. The calling of elections and the subsequent acting government affected AIReF's activity and it was unable to carry out some of its planned activities. Specifically, the President was not called to appear before Parliament, the meeting with the parliamentary spokespersons could not be held and the analysis of the Report on the Situation of the Spanish Economy provided for in Article 15.5 of the Law on Budgetary Stability and Financial Sustainability could not be carried out, as it had not been published through the usual channels.

As already indicated in the section on publications, there were certain reports that were not published in 2023 for reasons beyond AIReF's control. However, an additional unplanned report on the Central Government Rebalancing Plan was published.

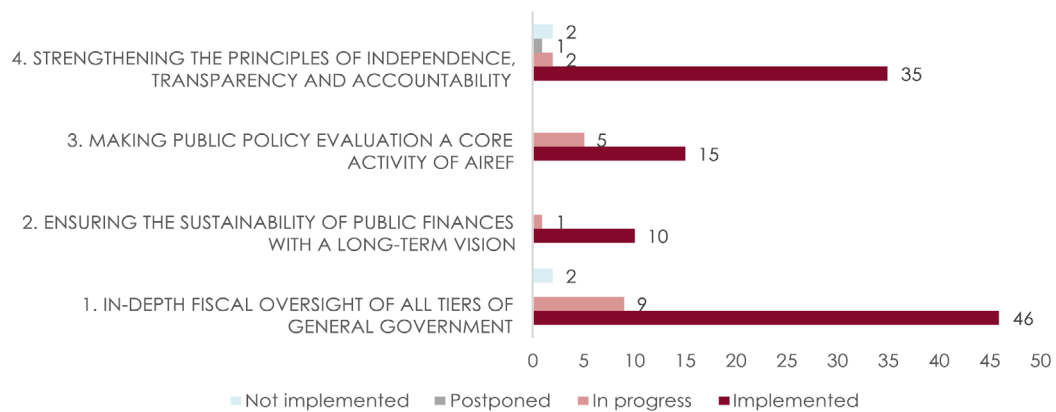
¹ See [Royal Decree 215/2014, of March 28th, approving the Organic Statute of the Independent Authority for Fiscal Responsibility, AAI, and its subsequent amendments](#).

Figure 7. Percentages of implementation of the 2023 Action Plan



Source: AIREF

Figure 8. Implementation by strategic pillar of the 2023 Action Plan



Source: AIREF

6. ECONOMIC MANAGEMENT, HUMAN RESOURCES AND TRANSPARENCY

6.1. Economic management

AIReF continued with its policy of transparency in economic management. The transparency section of the [website](#) contains information on the compensation of the members of the Steering Committee; the monthly execution of the expenditure budget, as well as the breakdown of expenses above 1,000 euros and the collection of income from its fees. In addition, it includes, amongst other things, the contractor's profile and the list of contracts, management assignments, commissions under the in-house procurement and collaboration agreements signed by AIReF and the subsidies granted.

Law 31/2022, of December 23th, on the General State Budget for 2023 approved a budget of €10.57m for AIReF in 2023 (€11.18m following appropriation modifications over the year). The expenditure finally executed by AIReF during 2023 amounted to €9.47m (84.73% of the total budget). The detailed execution of the expenditure can be seen in Table 7. The execution of different budget chapters reflects that the institution's performance in 2023 is in accordance with the provisions of its Action Plan.

In terms of revenue, the supervision fee is AIReF's main source of funding (see Table 8). This fee (provided for in the Second Additional Provision of Organic Law 6/2013 on the Creation of AIReF) is paid by the General Government authorities that receive reports and opinions, according to their budgets. This financing system, which is innovative in the field of Independent Financial Institutions, allows AIReF's financial independence to be guaranteed.

The amount collected from the fees accrued in 2023 was €10.4m. The State, the Social Security and all the Autonomous Regions paid the fee. Under the Ninety-eighth Additional Provision of the Law on the General State Budget for 2023, the rate of the fee was set at 0.00144%. In addition to the funding from the fee, there is a second significant source of income: the prices for carrying out studies commissioned by different General Government authorities, which in 2023 generated receivables for the institution in an amount of €837,667.18, of which €805,613 was paid in the same year. There were four studies that generated revenue for AIReF in 2023, one commissioned by the National Government and another three by Autonomous Regions: (i) Extremadura; (ii) Castile and Leon and (iii) Navarre.

In 2023, AIReF initiated and ruled on material and data verification procedures of the self-assessments carried out by the different General Government authorities obliged to pay the fees that in 2022 did not self-assess and pay the corresponding amount or did so outside the set period. Within these procedures, 34 settlement decisions were issued. Almost all of these were paid and the institution received revenue of €37,569.57.

Table 7. Execution of the 2023 expenditure budget (thousands of euros)

ITEM	2023 BUDGET	EXECUTION
Staff costs	6,858.38	6,262.73
Steering Committee Members		764.55
Officials		3,088.73
Workers		211.95
Performance incentives		1,677.45
Contributions and social expenditure		358.78
Training		30.6
Social action and others		130.62
Operating costs	3,955.69	2,616.67
Leases, repairs and maintenance		137.06
Office supplies		128.08
Utilities		44.91
Telephony and internet		100.34
Cleaning		67.11
Studies and technical work		881.34
External services		1,101.12
Travel		21.28
Publication costs		83.89
Hospitality	4.68	0.04
Other expenses		51.46
Paid internships	160	140.08
Investments	200	457.17
Advances to staff	12	1.6
TOTAL	11,186.07	9,478.26

Source: AIReF

Table 8. AIReF's Revenue 2023 (thousands of euros)

ITEM	ACCUMULATED AS AT 31 DECEMBER
AIReF fee 2023	10,407.20
State	3,574.23
Social Security	2,941.48
Autonomous Regions	3,184.37
Local Governments	707.11
Regularisation of previous years' fee	4.5
Settlements made by AIReF	37.56
Public prices for studies	805.61
Other revenue (litigation, refunds, etc.)	443.81
TOTAL REVENUE	11,689.65

Source: AIReF

The final approval of AIReF's 2023 annual accounts will be given in May 2024, subject to an audit report by the Audit Office. The final balance sheet can be consulted in the transparency section of [AIReF's website](#).

6.2. Human resources

AIReF comprises four divisions and a support unit to assist the President. The structure is largely horizontal and is underpinned by continuing collaboration and communication among the different units. The Economic Analysis Division performs functions, among others, relating to monitoring the economic reality and assessing the macroeconomic forecasts included in the budgets. For its part, the Budget Analysis Division is responsible, among other functions, for the analysis and monitoring of the budget cycle of each and every one of the General Government authorities. The Public Spending Evaluation Division is responsible for reviewing public spending and evaluating public policies and their results. Lastly, the Legal Affairs Division sees to the institution's daily management tasks and provides a legal advisory service.

In 2023, AIReF's List of Positions was extended as a result of the modification of the organic statute in 2021 and the absence of its own staff for information and communication technology tasks. In addition, a position was created for reinstatement from special services. The expansion of the institution's List of Positions, approved in June by the Executive Board of the Inter-ministerial Remuneration Committee (CECIR), involves the creation of three new positions. At the end of the year, the institution's List of Positions included 73 posts.

6.3. Transparency

AIReF was created with the vocation to fulfil its mission based on three principles: independence, transparency and accountability. In the performance of its functions, the institution is fully committed to transparency through the two main pillars of Law 19/2013, of December 9th, on transparency, access to public information and good governance: active publication and the right to access information. Furthermore, through its website, AIReF provides citizens with all the information about its reports, opinions and studies, as well as on the methodology and criteria used in their preparation, in an open and accessible way.

In the context of active publication, apart from complying with all obligations imposed by Law 19/2013, AIReF voluntarily publishes additional information on its website not required by applicable regulations, such as expenditure for amounts greater than €1,000 and the minutes of the Steering Committee.

In addition, in compliance with transparency regulations, all natural and legal persons have the right to access public information held by AIReF. Public information means the contents or documents, in whatever format or medium, that have been prepared or acquired in the exercise of the institution's activities. In 2023, 12 information requests were received, all of which were responded to in a timely manner, with four calendar days being the average response time. Lastly, AIReF is supported by a representative from the Transparency and Good Governance Committee (Director of the Legal Affairs Division).

ANNEX 1 DOCUMENTS PUBLISHED BY AIREF IN 2023

REPORTS ON THE BUDGET CYCLE	
April 5 th	Report on the Initial Budget of the General Government for 2023
April 13 th	Report on the Initial Budget of Andalusia 2023
April 13 th	Report on the Initial Budget of Aragon 2023
April 13 th	Report on the Initial Budget of Asturias 2023
April 13 th	Report on the Initial Budget of the Balearic Islands 2023
April 13 th	Report on the Initial Budget of the Canary Islands 2023
April 13 th	Report on the Initial Budget of Catalonia 2023
April 13 th	Report on the Initial Budget of Castile-La Mancha 2023
April 13 th	Report on the Initial Budget of Cantabria 2023
April 13 th	Report on the Initial Budget of Valencia 2023
April 13 th	Report on the Initial Budget of Castile and Leon 2023
April 13 th	Report on the Initial Budget of Extremadura 2023
April 13 th	Report on the Initial Budget of Galicia 2023
April 13 th	Report on the Initial Budget of Madrid 2023
April 13 th	Report on the Initial Budget of Murcia 2023
April 13 th	Report on the Initial Budget of Navarre 2023
April 13 th	Report on the Initial Budget of the Basque Country 2023
April 13 th	Report on the Initial Budget of Rioja 2023
April 13 th	Supplementary Report on the Individual Evaluation of the 2023 Initial Budgets of the Local Governments
April 28 th	Endorsement of the Stability Programme 2023-2026 Macroeconomic Outlook
May 11 th	Report on the of 2023-2026 Stability Programme Update.
July 6 th	Report on General Government Budgetary Execution, Public Debt and Expenditure Rule 2023
July 6 th	Report on Budgetary Execution, Public Debt and Expenditure Rule 2023 of Andalusia
July 6 th	Report on Budgetary Execution, Public Debt and Expenditure Rule 2023 of Aragon

REPORTS ON THE BUDGET CYCLE	
July 6 th	Report on Budgetary Execution, Public Debt and Expenditure Rule 2023 Asturias
July 6 th	Report on Budgetary Execution, Public Debt and Expenditure Rule 2023 of the Balearic Islands
July 6 th	Report on Budgetary Execution, Public Debt and Expenditure Rule 2023 of the Canary Islands
July 6 th	Report on Budgetary Execution, Public Debt and Expenditure Rule 2023 of Catalonia
July 6 th	Report on Budgetary Execution, Public Debt and Expenditure Rule 2023 of Castile-La Mancha
July 6 th	Report on Budgetary Execution, Public Debt and Expenditure Rule 2023 of Cantabria
July 6 th	Report on Budgetary Execution, Public Debt and Expenditure Rule 2023 of Valencia
July 6 th	Report on Budgetary Execution, Public Debt and Expenditure Rule 2023 of Castile and Leon
July 6 th	Report on Budgetary Execution, Public Debt and Expenditure Rule 2023 of Extremadura
July 6 th	Report on Budgetary Execution, Public Debt and Expenditure Rule 2023 of Galicia
July 6 th	Report on Budgetary Execution, Public Debt and Expenditure Rule 2023 of Madrid
July 6 th	Report on Budgetary Execution, Public Debt and Expenditure Rule 2023 of Murcia
July 6 th	Report on Budgetary Execution, Public Debt and Expenditure Rule 2023 of Navarre
July 6 th	Report on Budgetary Execution, Public Debt and Expenditure Rule 2023 of the Basque Country
July 6 th	Report on Budgetary Execution, Public Debt and Expenditure Rule 2023 of Rioja
July 25 th	Supplementary Report on Budgetary Execution, Public Debt and Expenditure Rule 2023 Local Governments
September 15 th	Report on the Macroeconomic Forecasts of the 2024 Budget of Castile-La Mancha
October 10 th	Report on the Macroeconomic Forecasts of the 2024 Budget of the Basque Country
October 16 th	Endorsement of the Macroeconomic Forecasts of the Budgetary Plan for 2024
October 16 th	Report on the Macroeconomic Forecasts of the 2024 Budget of Aragon
October 17 th	Report on the Macroeconomic Forecasts of the 2024 Budget of Galicia
October 19 th	Report on the Macroeconomic Forecasts of the 2024 Budget of Extremadura
October 25 th	Report on the Macroeconomic Forecasts of the 2024 Budget of Andalusia
October 25 th	Report on the Macroeconomic Forecasts of the 2024 Budget of Madrid
October 26 th	Report on the Draft Budget and Main Budgetary Lines of the General Government 2024
October 26 th	Report on the Main Lines of the 2024 Budget of Andalusia

REPORTS ON THE BUDGET CYCLE	
October 26 th	Report on the Main Lines of the 2024 Budget of Aragon
October 26 th	Report on the Main Lines of the 2024 Budget of Asturias
October 26 th	Report on the Main Lines of the 2024 Budget of the Balearic Islands
October 26 th	Report on the Main Lines of the 2024 Budget of the Canary Islands
October 26 th	Report on the Main Lines of the 2024 Budget of Catalonia
October 26 th	Report on the Main Lines of the 2024 Budget of Castile-La Mancha
October 26 th	Report on the Main Lines of the 2024 Budget of Cantabria
October 26 th	Report on the Main Lines of the 2024 Budget of Valencia
October 26 th	Report on the Main Lines of the 2024 Budget of Castile and Leon
October 26 th	Report on the Main Lines of the 2024 Budget of Extremadura
October 26 th	Report on the Main Lines of the 2024 Budget of Galicia
October 26 th	Report on the Main Lines of the 2024 Budget of Madrid
October 26 th	Report on the Main Lines of the 2024 Budget of Murcia
October 26 th	Report on the Main Lines of the 2024 Budget of Navarre
October 26 th	Report on the Main Lines of the 2024 Budget of the Basque Country
October 26 th	Report on the Main Lines of the 2024 Budget of Rioja
October 26 th	Report on the Draft Budget and Main Budgetary Lines of the General Government 2024: Supplementary Report on the Individual Evaluation of the Local Governments
November 6 th	Report on the Macroeconomic Forecasts of the 2024 Budget of Valencia
November 6 th	Report on the Macroeconomic Forecasts of the 2024 Budget of Catalonia
November 6 th	Report on the Macroeconomic Forecasts of the 2024 Budget of the Canary Islands
November 10 th	Report on the Macroeconomic Forecasts of the 2024 Budget of the Balearic Islands
November 13 nd	Report on the Macroeconomic Forecasts of the 2024 Budget of Murcia
November 22 th	Report on the Macroeconomic Forecasts of the 2024 Budget of Asturias
November 30 th	Report on the Macroeconomic Forecasts of the 2024 Budget of Navarre
December 12 th	Report on the Central Government Rebalancing Plan 2023

STUDIES	
July 31 st	Study on Public Sector Financial Instruments to Support Productive Sectors of the Spanish Economy
July 31 st	Study on Municipal Waste Management
November 20 th	Study on Active Employment Policies in Extremadura
December 4 th	Evaluation of Public Expenditure on Pharmaceuticals and High-Tech Equipment in Extremadura
OPINIONS	
March 24 th	Opinion on the Long-Term Sustainability of public administrations: the Impact of Demographics
June 15 th	Second Opinion on the Minimum Income Scheme
November 3 rd	Opinion on the Budgetary Procedure
TECHNICAL PAPERS	
March 24 th	Demographic Projections 2022-2070
March 24 th	Technical Paper on the Impact of Pension System Reforms between 2021 and 2023
March 24 th	Technical Paper on the Methodology of Healthcare, Education and Long-Term Care Models
March 24 th	Technical Paper on the Methodology of Income and Unemployment Models
June 7 th	Technical Paper on the Variability of Tax Revenue
December 27 th	Technical Paper on Second Evaluation of AIReF's Macroeconomic and Fiscal Forecasts

ANNEX 2 OTHER AIREF PUBLICATIONS IN THE INSTITUTIONAL FIELD IN 2023

DOCUMENTS AND CONTRIBUTIONS AT THE INTERNATIONAL LEVEL	
March 2 nd	EU Economic Governance Proposal Reform: Issues and Insights from EU IFIs, EU IFI Network
July 13 th	Do institutional aspects shape the effectiveness of independent fiscal institutions? EU IFI Network
ARTICLES AND INTERVIEWS	
January	Economists' Association of Valencia. Economistas 2022. "Fiscal policy: from stabilisation to sustainability"
March 11 th	TVE Parliament - Cristina Herrero, AIREF President
March 15 th	Papers on Economics. Funcas. The continuing reform of fiscal rules. Lessons learned from a comparative perspective
May 21 st	Diario Montañés. Interview with Cristina Herrero
October 2 nd	AIREF interview with Cristina Herrero
December 12 th	Economists' Association of Madrid. Economistas Magazine. "The 21st Century economist"
December 27 th	El Independiente newspaper. Opinion piece. "2023: a year of fiscal policy transition"
PRESENTATIONS BY AIREF's PRESIDENT	
March 1 st	Speech at the IviELLAB Conference "Debt and sustainability of regional finances"
March 9 th	Conference at the Institución Futuro on its 20th anniversary
March 28 th	Workshop on fiscal rules organised by Fedea. "IFIs: an integrative nexus of the European and national fiscal framework".
March 30 th	Speech at the Public Policy Evaluation conference organised by KPMG. "Ex-post Public Expenditure Evaluation".
May 5 th	Closing of the XXX Meeting on Public Economics. "Towards a new framework for public finance".
May 16 th	Lecture on the coordination of fiscal policy in the EU at the University of Zaragoza
May 23 rd	Intervention at the Economic Forum of El Diario Montañés. "Prospects and challenges for public finances".

PRESENTATIONS BY AIREF's PRESIDENT

June 6 th	Conference on European and Spanish taxation. Fundación Primero de Mayo of trade union CCOO.
June 14 th	Webinar at the Fundación de Estudios Bursátiles y Financieros. "Challenges for the public sector".
June 20 th	Inaugural speech at Ageingnomics of the Mapfre Foundation and UC3M
June 22 nd	Speech at the XL APIE seminar on the Economics of Democracy.
November 22 nd	Lecture at the Faculty of Economics in Oviedo. AIReF's role in the Spanish economy.

ANNEX 3 MONITORING OF THE 2023 ACTION PLAN

2020-2026 STRATEGIC PLAN	2023 ACTIONS	STATUS AS AT 31/12/2023 WORK CARRIED OUT
1. IN-DEPTH FISCAL OVERSIGHT OF ALL TIERS OF GENERAL GOVERNMENT		
I. Monitoring the economic and budgetary situation		
a. Development of short- and medium-term forecasting and projection models of macroeconomic and budgetary variables	1. Continuous review of the modelling of the main macroeconomic variables:	Implemented. This is an ongoing task
	a. Integrated very short-term forecasting model (q+1), dynamic factor model (MIPred)	Implemented. This is an ongoing task
	b. Short-term GDP forecasting model and Bayesian vector autoregressive models with exogenous variables (BVARX)	Implemented. This is an ongoing task
	c. Quarterly regional GDP flash estimate model (MetCap)	Implemented. This is an ongoing task
	d. Medium-term forecasting model based on error correction equations (MTA)	Implemented. This is an ongoing task
	e. Model for estimating compensation per employee	Implemented. This is an ongoing task
	f. Input-output framework for macroeconomic impact analysis	Implemented. This is an ongoing task
	2. Development of alternative econometric models based on high-frequency data for estimating GDP in the very short term or mixed frequency models	Implemented. This is an ongoing task
	3. Re-estimation of the quarterly regional GDP flash estimate model (MetCap)	Implemented. This is an ongoing task
	4. Maintenance of a synthetic approach to estimate the output gap.	Implemented. This is an ongoing task
	5. Maintenance and continuous review of an integrated system for forecasting the main tax categories that include error correction models of the main tax bases with a macroeconomic anchor, their translation to amounts in accrual and cash through their breakdown of the collection mechanisms. ESA adjustments are also incorporated into the system for the transfer of the cash amount to national accounts	Implemented. This is an ongoing task

2020-2026 STRATEGIC PLAN	2023 ACTIONS	STATUS AS AT 31/12/2023 WORK CARRIED OUT
1. IN-DEPTH FISCAL OVERSIGHT OF ALL TIERS OF GENERAL GOVERNMENT		
I. Monitoring the economic and budgetary situation		
a. Development of short- and medium-term forecasting and projection models of macroeconomic and budgetary variables	6. Maintenance and review of the models for forecasting the main revenue of the Autonomous Regions: revenue from financing system for regions under the ordinary regime, as well as revenue from the financing system for regions under the foral (provincial) regime and revenue from the Tax on Asset Transfers and Documented Legal Acts	Implemented. This is an ongoing task
	7. Automation of the procedures for inputting the financial and fiscal information of ARs and other entities for their exploitation and analysis	Implemented. This is an ongoing task
	8. Maintenance and review of the models for forecasting the main revenue of Local Governments, mainly the local financing system and revenue of the Provincial Councils	Implemented. This is an ongoing task
	9. Maintenance and review of the short-term forecasting models for social contributions and unemployment benefits:	In progress
	a. Quarterly social contribution models in national accounting terms	In progress
	b. Monthly social contribution models in cash terms according to type of regime	In progress
	c. Quarterly unemployment benefit models, distinguishing between contributory and non-contributory regimes	Implemented. This is an ongoing task
	10. Maintenance and review of the short- and medium-term health and education expenditure forecasting models: extension of the contrast variables (Social Security affiliations and other monthly statistics, health expenditure questionnaires sent by the Autonomous Regions) and of the review frequency based on the previous variables	Implemented. This is an ongoing task
	11. Maintenance, review and improvement of the CG expenditure models, including preparing a correlation between budgetary and national accounts data by headings for the State	Implemented. This is an ongoing task
	12. Maintenance, review and improvement of the separate estimate for the headings of revenue and expenditure of the State and Central Government organisations, including forecasts of transfers between the State and Central Government bodies	Implemented. This is an ongoing task
	13. Maintenance, review and improvement of the estimate of the headings of revenue and expenditure of each one of the Autonomous Regions and of the Local Government sub-sector, integrating the results of the specific models and other projection methods	Implemented. This is an ongoing task

2020-2026 STRATEGIC PLAN	2023 ACTIONS	STATUS AS AT 31/12/2023 WORK CARRIED OUT
1. IN-DEPTH FISCAL OVERSIGHT OF ALL TIERS OF GENERAL GOVERNMENT		
I. Monitoring the economic and budgetary situation		
a. Development of short- and medium-term forecasting and projection models of macroeconomic and budgetary variables	14. Detailed study and reconciliation of transfers between all sub-sectors (with breakdown by Autonomous Region) based on the information published in the General Government Accounts, with a view to improving fiscal forecasts.	Implemented. This is an ongoing task
	15. Integration of the projections for each of the sub-sectors in a fiscal sheet for the whole General Government, by aggregating the individual data and consolidating the estimated transfers between the different agents	Implemented. This is an ongoing task
b. Development of databases and macroeconomic forecasting systems and monitoring budgetary execution data for the whole General Government.	1. Extension and maintenance of the internal database of macroeconomic variables	Implemented. This is an ongoing task
	2. Maintenance and improvement of the existing Local Government database	Implemented. This is an ongoing task
c. Preparation of reports, studies and opinions, as well as technical papers on macroeconomic and fiscal matters	1. Preparation of the reports provided for in AIReF's regulations	Implemented. This is an ongoing task
	2. Public policy evaluation studies under Aim 3	Implemented
	3. Opinion on the long-term sustainability of the General Government	Implemented. This is an ongoing task
	4. Opinion on the cessation of activity of self-employed workers	Not implemented
	5. Performance of work and publication of the second Opinion on the Evaluation of the Minimum Income Scheme (MIS)	Implemented
	6. Autumn and spring update and publication of the medium-term scenario of the macroeconomic and fiscal forecasts	Implemented. This is an ongoing task
	7. Opinion on the budgetary procedure	Implemented
	8. Preparation of medium-term scenarios for each Autonomous Region	Implemented. This is an ongoing task
	9. Analysis of the Report on the situation of the Spanish economy provided for in Article 15.5 of the Organic Law on Budgetary Stability and Financial Sustainability	Not implemented. The analysis could not be carried out as the report was not published through the usual channels.
	10. January and July macroeconomic outlook updates	Implemented

2020-2026 STRATEGIC PLAN	2023 ACTIONS	STATUS AS AT 31/12/2023 WORK CARRIED OUT
1. IN-DEPTH FISCAL OVERSIGHT OF ALL TIERS OF GENERAL GOVERNMENT		
I. Monitoring the economic and budgetary situation		
d. Monitoring and assessment of the macroeconomic and fiscal impact of economic policy measures	1. Maintenance and update of the database of tax measures with the impact on tax collection	Implemented. This is an ongoing task
	2. Review and improvement of the impact assessment of the SSF measures, both in terms of contributions and benefits	Implemented. This is an ongoing task
	3. Monitoring of the materialisation and execution of the Next Generation EU Funds	Implemented. This is an ongoing task
	4. Assessment of the macroeconomic impact of the measures and reforms included in the Recovery, Transformation and Resilience Plan and assessment of the macro and fiscal impact of the medium-term consolidation strategy that might be included in the Stability Programme Update.	In progress
	5. Development and maintenance of the AIReF macroeconomic impact assessment tool (Integrated AIReF Model)	Implemented. This is an ongoing task
	6. Maintenance of the macroeconomic impact assessment and simulation tools of the EC QUEST and OXFORD models	Implemented. This is an ongoing task
	7. Preparation of a technical paper on the analysis of the impact of the regulatory changes on tax revenue	In progress
e. Self-assessment of macroeconomic and fiscal forecasts	1. Preparation of a technical paper on forecast errors in AIReF's macroeconomic and fiscal estimates. Update with the incorporation of results for 2022. Maintenance of the real-time database	Implemented. This is an ongoing task
	2. Evaluation of the macroeconomic forecast models of the Autonomous Regions	Implemented. This is an ongoing task
f. Formulation and follow-up of recommendations subject to the comply or explain principle	1. Publication of the quarterly recommendations follow-up	Implemented. This is an ongoing task
	2. Maintenance and improvement of an internal database with recommendations issued by AIReF together with their follow-up	Implemented. This is an ongoing task
II. Compliance with the national and European fiscal framework		
a. Analysis of the application of EU and national fiscal rules	1. Monitoring the implementation of national and EU fiscal rules, bearing in mind activation of the respective escape clauses and the guidance of EU institutions	Implemented. This is an ongoing task
	2. Monitoring changes in EU and national fiscal guidance and rules that might be decided over the year.	Implemented. This is an ongoing task
	3. Contribution to the requests for information on the implementation of the fiscal framework applicable to Spain	Implemented. This is an ongoing task

2020-2026 STRATEGIC PLAN	2023 ACTIONS	STATUS AS AT 31/12/2023 WORK CARRIED OUT
1. IN-DEPTH FISCAL OVERSIGHT OF ALL TIERS OF GENERAL GOVERNMENT		
II. Compliance with the national and European fiscal framework		
b. Monitoring of the reform of European tax rules and analysis of how they operate	1. Participation in discussion forums on the reform of EU fiscal rules, both in the area of review initiatives promoted at an EU level, and within the network of IFIs.	Implemented. This is an ongoing task
	2. Analysis that replicates the methodology used by the European Commission in its assessment of fiscal sustainability to project stressed scenarios of public debt evolution. Application to the decentralised national framework	Implemented. This is an ongoing task
	3. Participation in the IFI Network's assessment of the European Commission's economic governance reform proposal and on alignment of national fiscal frameworks with the new EU framework	Implemented. This is an ongoing task
III. Early warning of risks		
a. Monthly follow-up of compliance with fiscal targets	Monthly publication of the monitoring of execution in national accounting terms of General Government and each one of the sub-sectors with the revision of the previous forecasts	Implemented. This is an ongoing task
b. Definition of leading indicators and macro-fiscal risk indicators for all tiers of the General Government	1. Selection of risk alerts for sustainability of Local Governments as well as other financial analysis indicators of Local Governments, and implementation of all of this in a new Monitor Tool available on the website	In progress
	2. Monitoring and evaluation of the synthetic models for the assessment of macro-fiscal risks for all tiers of General Government.	In progress
c. Analysis of other risks and their budgetary implications	1. Completion of work on long-term healthcare, education and social protection expenditure forecasts for their integration into the Opinion on the Long-term Sustainability of the General Government	Implemented
	2. Fiscal risk analysis	In progress
	3. Introduce the macro-fiscal implications of climate change into fiscal risk analysis	In progress
2. ENSURING THE SUSTAINABILITY OF PUBLIC FINANCES WITH A LONG-TERM VISION		
I. In-depth analysis of long-term sustainability		
a. Development of long-term macroeconomic, demographic and budgetary forecasts	1. Maintain and update tools for analysing long-term debt sustainability	Implemented. This is an ongoing task
	2. Development of a long-term macroeconomic forecasting framework, incorporating the impact analysis of structural reforms	Implemented. This is an ongoing task
	3. Maintenance of the tools for drawing up AIReF's long-term demographic projections	Implemented. This is an ongoing task
	4. Long-term debt projections, identification of the most significant risks and monitoring by quarterly updates of the Debt Monitor Tool	Implemented. This is an ongoing task

2020-2026 STRATEGIC PLAN	2023 ACTIONS	STATUS AS AT 31/12/2023 WORK CARRIED OUT
2. ENSURING THE SUSTAINABILITY OF PUBLIC FINANCES WITH A LONG-TERM VISION		
I. In-depth analysis of long-term sustainability		
a. Development of long-term macroeconomic, demographic and budgetary forecasts	5. Completion of long-term macro and fiscal forecasts for integration into the opinion on the long-term sustainability of the General Government	Implemented. This is an ongoing task
	6. Analysis of productivity and its contribution to long-term growth, based on an approach that allows the modelling of the impact of certain economic policy measures	Implemented. This is an ongoing task
	7. Publication of a Technical Paper on updating population projections	Implemented
	8. Publication on the website of a simulator of long-term sustainability scenarios	Implemented. This is an ongoing task
b. Monitoring and analysing the sustainability of the General Government, in particular the Social Security system	Maintenance and updating of demographic and pension expenditure forecasts, including the impact of the pension reform approved in 2021 and, as far as possible, any reforms approved in 2023	Implemented. This is an ongoing task
c. Monitoring and analysing contingent liabilities and other measures with an impact on sustainability	Periodic monitoring of the contingent liabilities identified and preparation of public debt projection scenarios linked to different assumptions of the materialisation of those liabilities	Implemented. This is an ongoing task
II. Contribution to the definition of a sustainable fiscal strategy		
a. Analysis of strategies for reaching a sustainable level of public debt	Determination of public debt thresholds that can operate as a long-term anchor based on projections of fiscal variables on a no-policy-change basis and a stochastic analysis of public debt	Implemented. This is an ongoing task
b. Preparation of empirical studies on the impact of the various fiscal measures	Analysis of the elements of the national fiscal framework that need updating following the reform of the EU fiscal governance framework	In progress
3. MAKE PUBLIC POLICY EVALUATION A CORE ACTIVITY OF AIReF		
I. Promote the necessary policy changes to enable evaluation to be a permanent function of AIReF		
a. Promotion of regulatory change	Filling of vacant positions in the previously defined structure of the Evaluation Division	In progress

2020-2026 STRATEGIC PLAN	2023 ACTIONS	STATUS AS AT 31/12/2023 WORK CARRIED OUT
3. MAKE PUBLIC POLICY EVALUATION A CORE ACTIVITY OF AIREF		
II. Public policy evaluations		
a. Public policy evaluations at the request of the General Government	1. Finalisation and publication of the evaluations of the third phase of the Spending Review 2018 - 2021	Implemented
	2. Completion of the work of the first phase of the Spending Review 2022-2026	In progress
	3. Preparation of the Action Plan of the commission from the Governing Council of the Regional Government of Valencia	In progress
	4. Completion and publication of the evaluation of active employment policies commissioned by the Regional Government of Extremadura	Implemented
	5. Completion and publication of the evaluation of expenditure on pharmaceutical and high-tech expenditure commissioned by the Regional Government of Extremadura	Implemented
	6. Completion and publication of the evaluation of healthcare equipment and infrastructure commissioned by the Autonomous Region of Navarre	In progress. The delay in access to information conditioned the start of the evaluation.
	7. Performance of the work of the evaluation of human resources in education commissioned by the Government of the Balearic Islands	Implemented
	8. Performance of the work of the evaluation of human resources in healthcare commissioned by the Regional Government of the Balearic Islands	Implemented
	9. Performance of the work of the evaluation on human resources in healthcare commissioned by the Autonomous Region of Extremadura	Implemented
	10. Performance of the work of the evaluation of human resources in healthcare commissioned by the Autonomous Region of Navarre	Implemented
	11. Performance of the evaluation work on universities commissioned by the Regional Government of Castile and Leon	Implemented
	12. Preparation of the work prior to the evaluation of public procurement and information systems commissioned by the Regional Government of the Balearic Islands	In progress
b. Make available the information used in the evaluations	1. Development of interactive tools and micro-simulators to display information from the studies by different categories, classifications or codifications	Implemented. This is an ongoing task

2020-2026 STRATEGIC PLAN	2023 ACTIONS	STATUS AS AT 31/12/2023 WORK CARRIED OUT
3. MAKE PUBLIC POLICY EVALUATION A CORE ACTIVITY OF AIREF		
II. Public policy evaluations		
b. Make available the information used in the evaluations	2. Implementation of a relational database system (MySQL) to facilitate access to and exploitation of the information used in the evaluations and its subsequent maintenance	Implemented. This is an ongoing task
	3. Provide data, tables and graphs that are part of the evaluation reports in editable format	Implemented. This is an ongoing task
III. Evaluation monitoring system		
a. Establish a system for monitoring proposals and publishing the progress made	Publication and subsequent continuous updating of a database with the findings and proposals of the studies	Implemented. This is an ongoing task
b. Promote the implementation of AIReF's proposals through systems of collaboration with the General Government	Interaction with the Monitoring Unit set up in the Ministry of Finance and Public Administration for the harmonisation of the proposals of those who will carry out the continuous monitoring	Implemented. This is an ongoing task
IV. Foster the culture of evaluation within the budget process		
a. Dissemination of knowledge on evaluation methodologies	Publish methodological annexes of the completed evaluations	Implemented. This is an ongoing task
b. Collaboration and exchange of knowledge with institutions and agencies with evaluation functions and in the academic field	Disseminate AIReF's evaluation experience, studies carried out and the methodological approaches in the different authorities, evaluation forums, sectoral meetings and related publications	Implemented. This is an ongoing task
4. STRENGTHEN THE PRINCIPLES OF INDEPENDENCE, TRANSPARENCY AND ACCOUNTABILITY		
I. Strengthen the principle of independence		
a. Consolidate an efficient administrative structure and multidisciplinary staff	1. Development of the selection process for AIReF's own permanent workforce	Implemented
	2. Adaptation of organisation of jobs to possible changes in legislation of teleworking	Implemented. This is an ongoing task
	3. Provide courses for staff in various subjects related to their jobs. Start the implementation of a participatory training tool for AIReF staff	In progress

2020-2026 STRATEGIC PLAN	2023 ACTIONS	STATUS AS AT 31/12/2023 WORK CARRIED OUT
4. STRENGTHEN THE PRINCIPLES OF INDEPENDENCE, TRANSPARENCY AND ACCOUNTABILITY		
I. Strengthen the principle of independence		
a. Consolidate an efficient administrative structure and multidisciplinary staff	4. Update and maintenance of the Digital Rights Policy for AIReF staff	Implemented
	5. Implementation of corrective and improvement measures arising from the 2023 data protection audit	Implemented
	6. Adaptation of 100% of AIReF's information systems to the National Security Scheme and start the certification process	Implemented
	7. Security incidents: zero security incidents in the assets of the Public Spending Evaluation Division	Implemented
	8. ICT training/awareness: organisation of at least one training and awareness-raising session for AIReF ICT users	Implemented
	9. Completion of the implementation of a continuity and contingency plan to ensure the availability of information systems (DRS)	In progress
	10. Psychosocial risk assessment of AIReF's staff	Implemented
	11. Start the work to develop the refund module in the Tas@ AIReF application	Not implemented. It has been decided to abandon this action for the time being.
	12. Amendment of AIReF's Strategic Grants Plan, the Rules for awarding AIReF grants and the call for applications for grants	Implemented
	13. Creation of AIReF's list of positions for staff under contract	Postponed
	14. Remediation, in terms of prevention of occupational risks and improvement of energy efficiency, on lighting and distribution in offices	Implemented
b. Devising tools for sharing information and developing institutional relations with the General Government	1. Creating legal instruments to encourage the exchange of information and the processing of large databases of other General Government authorities by AIReF	Implemented. This is an ongoing task
	2. Promotion of the use of the document management system	Implemented
	3. Ongoing improvement and promotion of the use of the information structure for performing evaluation studies commissioned by other GG authorities.	Implemented. This is an ongoing task

2020-2026 STRATEGIC PLAN	2023 ACTIONS	STATUS AS AT 31/12/2023 WORK CARRIED OUT
4. STRENGTHEN THE PRINCIPLES OF INDEPENDENCE, TRANSPARENCY AND ACCOUNTABILITY		
I. Strengthen the principle of independence		
c. Ensure a financing and budgeting system for AIReF's activity that is consistent with its necessary functional autonomy	1. Carrying out the necessary procedures for collection of the amount of the fee not paid by the General Government	Implemented. This is an ongoing task
	2. Invoicing and carrying out procedures for collecting the public fees accruing from the performance of studies	Implemented. This is an ongoing task
	3. Preparing, as the case may be, the preliminary draft of the 2024 budgets, including the expenditure and investment headings necessary to ensure that the institution properly complies with its functions	Implemented
II. Strengthen the principle of transparency		
a. Publication of documents and recommendations. Make all of AIReF's analysis tools available on the website	1. Promote transparency in other public authorities: identify improvements in the provision of information and promote access to data	Implemented
	2. Publish recommendations through a simple and visual tool in order to transmit the information	Implemented
	3. Maintenance of the Autonomous Region Monitor Tool and extension with the development of new phases	Implemented. This is an ongoing task
	4. Maintenance of the Local Government Fiscal Data Monitor Tool and extension with the development of new phases	Implemented. This is an ongoing task
	5. Multi-channel dissemination of AIReF publications, adapting the messages to the medium	Implemented
	6. Development of a Monitor to track changes in the labour market	Implemented
b. Provide information about upcoming AIReF events and publications	Maintain and update the agenda for website publications	Implemented
c. Collaboration and participation in forums with universities, experts and agencies in matters under AIReF's remit	Participation in seminars and conferences in areas within AIReF's remit. Organisation of technical seminars or sessions	Implemented
d. Presentation of AIReF's work to the non-specialised public	1. Generation of multimedia content and new narratives to facilitate dissemination	Implemented
	2. Presence in the media and forums at a national and regional level	Implemented
	3. Updating and promotion of the institution's platforms (website and social media) to improve accessibility and user experience	Implemented

2020-2026 STRATEGIC PLAN	2023 ACTIONS	STATUS AS AT 31/12/2023 WORK CARRIED OUT
4. STRENGTHEN THE PRINCIPLES OF INDEPENDENCE, TRANSPARENCY AND ACCOUNTABILITY		
III. Strengthen the principle of accountability		
a. Appearances before Parliament	Publication on the website of the President's appearances and information to the media. Invitation to the spokespersons of the Congressional Budget and Finance Committees to an information meeting at AIReF	Not implemented. The calling of elections and the acting government prevented the appearance before Parliament and the meeting with spokespersons
b. Advisory Board	Renewal and possible enlargement of the Advisory Board and holding of at least two plenary meetings	Implemented
c. External evaluations carried out on AIReF. Monitoring recommendations and promoting a new evaluation	Start the work to carry out an external evaluation with possible technical assistance from the Technical Support Instrument	Implemented
d. Collaboration with European institutions, international organisations and other Independent Fiscal Institutions	1. Participation in the IFI networks of the EU and the OECD	Implemented
	2. Continued collaboration with EU, IMF, ECB, OECD institutions	Implemented. This is an ongoing task
	3. Providing information to the European Commission, the EFB (European Fiscal Board) and other institutions with responsibility for economic and budgetary analysis	Implemented
	4. Participation in the activities of the EU's IFI network and bi-annual publication of the European Fiscal Monitor	Implemented
	5. Participation in the Coordination Committee of the Public Economics Meetings and evaluation of papers	Implemented
	6. Participation in the multi-IFI project with assistance from the Technical Support Instrument to strengthen the capacity of IFIs	Implemented



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