

# The new fiscal framework in practice

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*\*Disclaimer: The views expressed are those of the presenters and do not necessarily reflect those of the European Parliament.*

# A comparative overview

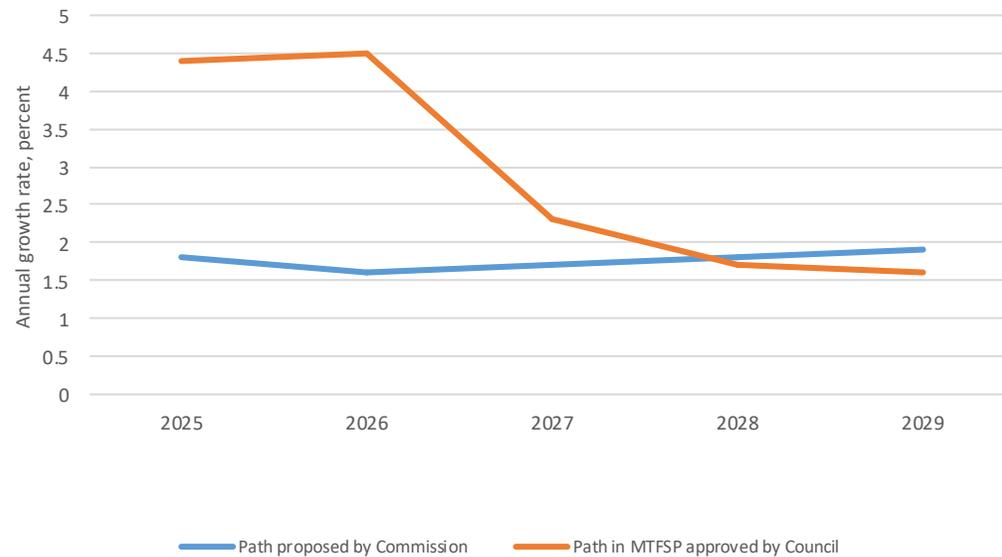
- **General goal**
  - Highlight main patterns, choice and challenges from the first application of the rules
  - Assess accountability and transparency dimension of the new rules while drawing lessons learnt
- **Recurring to various sources**
  - Comparative overview of 6 case studies
  - Survey with National Parliaments
  - Insights from EFB and IFIs involvement

## The case studies

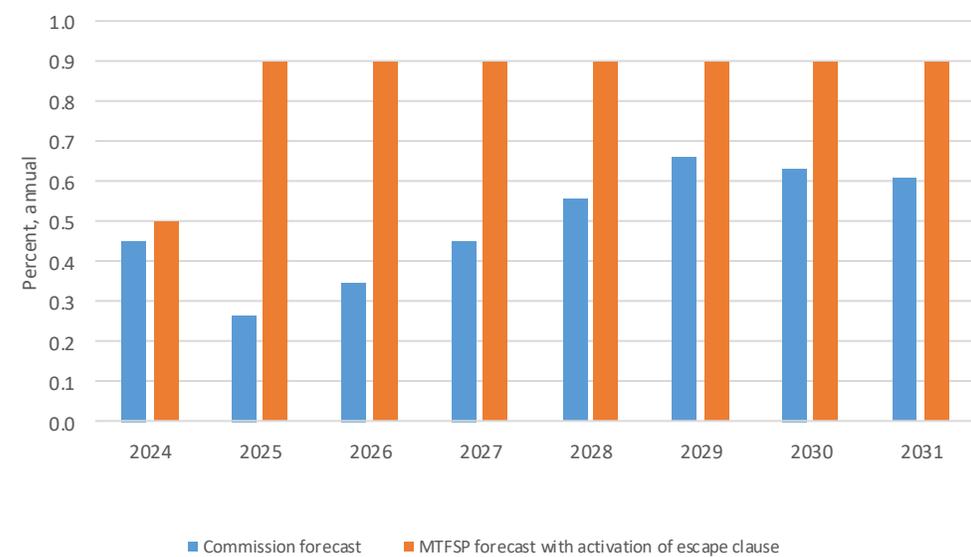
- 6 Member States (NL, DE, IT, ES, PL, RO)
  - Different starting fiscal position
  - Varied institutional and budgetary settings
  - Different use of flexibility positions
  - Different degree of alignment with Commission's reference trajectory
  - Euro area vs non-euro-area perspective
- Sample allows to assess balance between national heterogeneity and common standards of fiscal discipline and transparency

# The German example

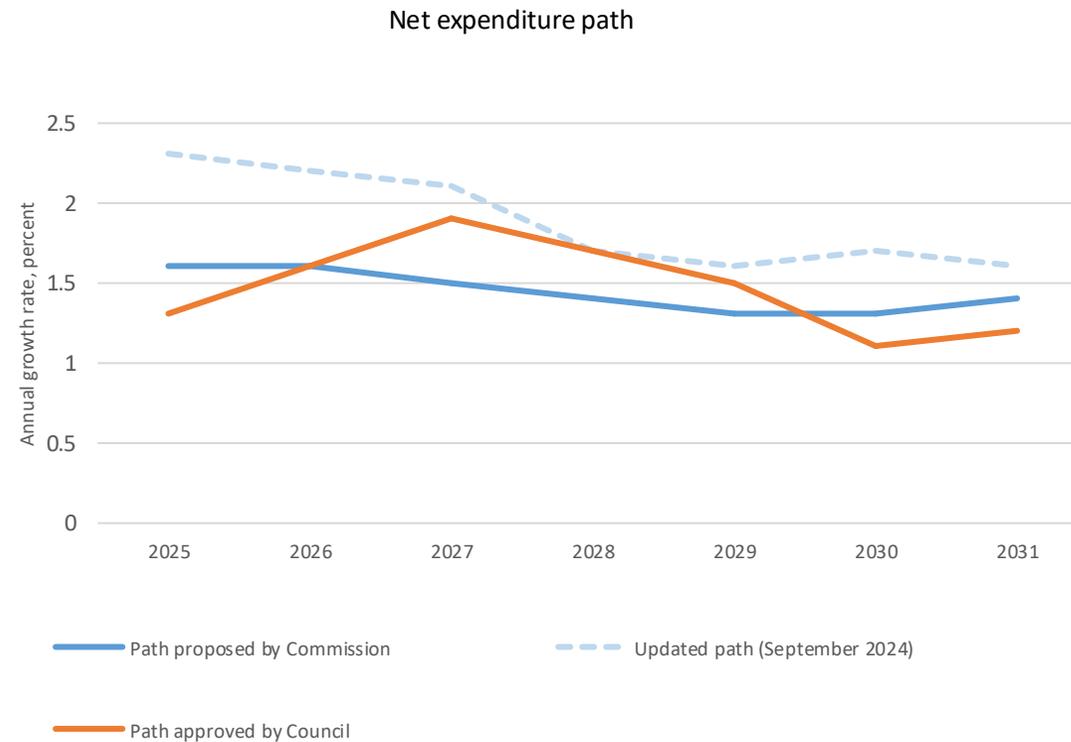
Net expenditure path



Potential output growth

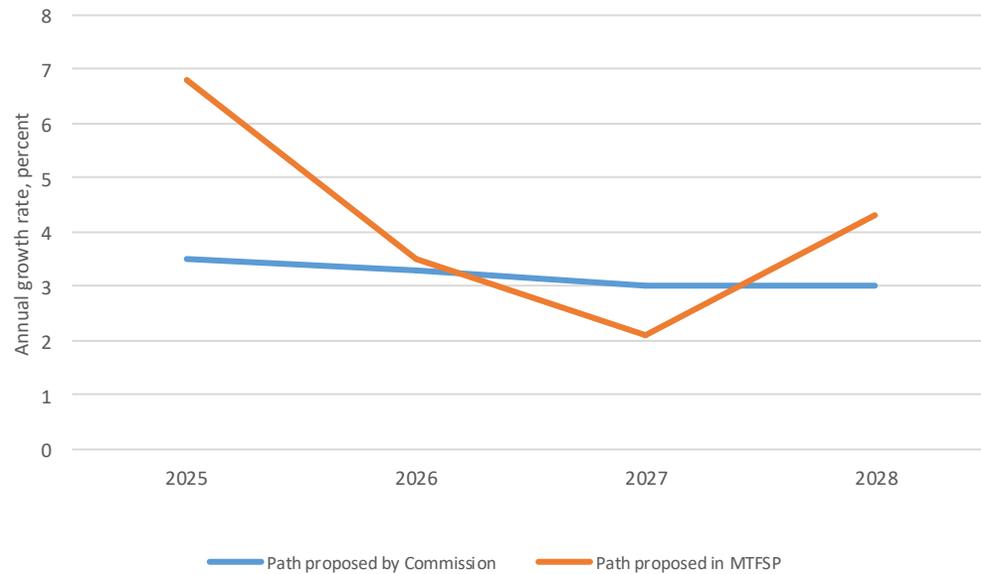


# The Italian example

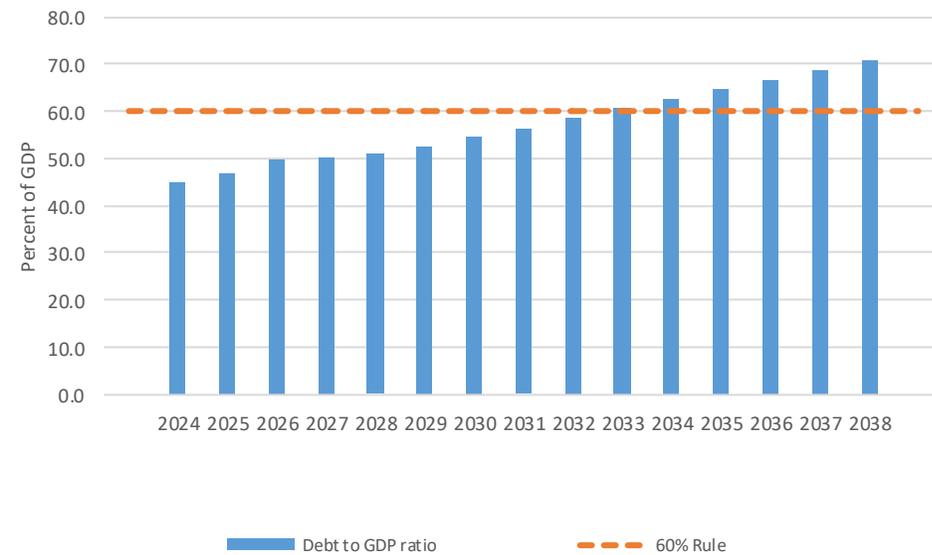


# The Dutch example

Net expenditure path



Debt to GDP projections



# Looking beyond the case studies...

Most MS have submitted an average net expenditure figure above the original proposal of the Commission

Member State	Procedure	2024	2025	2026	2027	2028	2025-2028	Change
	<a href="#">COM prior guidance</a>	-	-	-	-	-	n.a.	n.a.
	<a href="#">Council path</a>	n.a.	6.2	4.9	4.4	4.0	4.9	
	<a href="#">COM prior guidance</a>	7.0	5.9	5.0	4.5	4.3	4.9	↑
	<a href="#">Council path</a>	2.7	6.0	5.0	5.4	4.3	5.2	
	<a href="#">COM prior guidance</a>	-	-	-	-	-	3.5	↓
	<a href="#">Council path</a>	5.3	4.5	2.5	2.6	2.9	3.1	
	<a href="#">COM prior guidance</a>	-	-	-	-	-	5.8	↓
	<a href="#">Council path</a>	7.2	5.0	5.7	3.8	2.9	4.4	
	<a href="#">COM prior guidance</a>	5.4	3.3	3.3	2.9	2.9	3.1	↑
	<a href="#">Council path</a>	1.9	7.1	5.1	3.6	3.2	4.7	
	<a href="#">COM prior guidance</a>	1.8	3.0	3.2	3.1	3.0	3.1	↑
	<a href="#">Council path</a>	2.6	3.7	3.6	3.1	3.0	3.3	
	<a href="#">COM prior guidance</a>	-	-	-	-	-	4.0	↑
	<a href="#">Council path</a>	18.6	6.4	4.9	4.1	3.7	4.8	
	<a href="#">COM prior guidance</a>	3.6	4.8	4.5	4.3	4.1	4.4	↓
	<a href="#">Council path</a>	3.6	4.3	4.0	3.9	3.7	4.0	

# Insights from the EFB

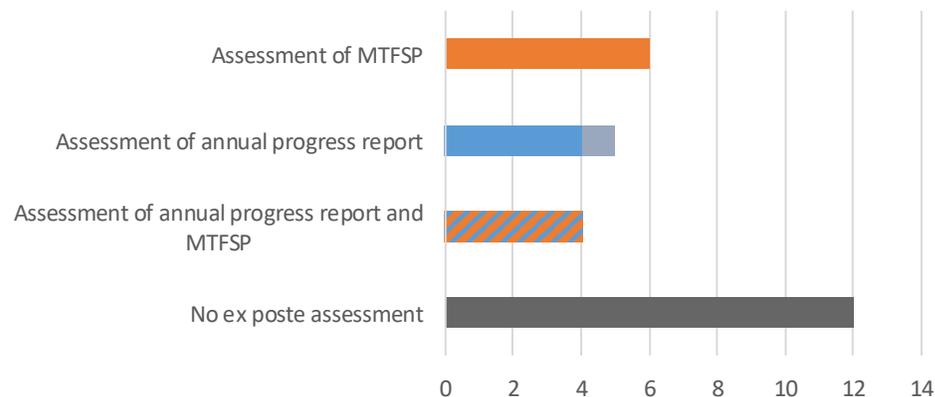
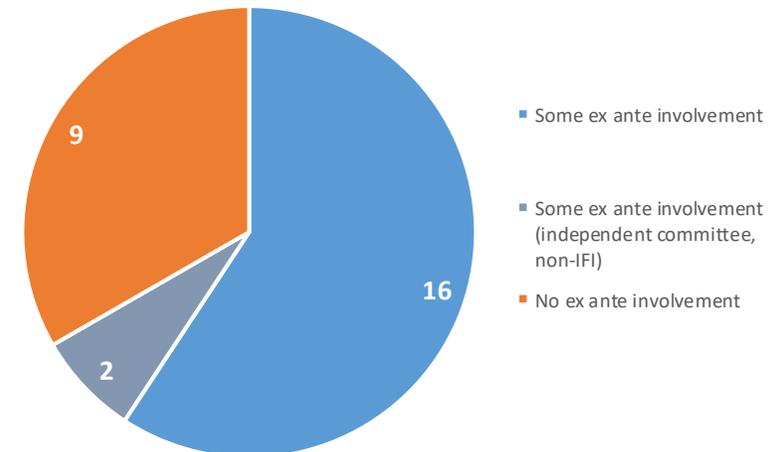
- **Surveillance gap**
  - Commission prior guidance not released until Member States publish their plans
    - Limited access to information to stakeholders and IFIs
  - Confidentiality and bilateralism of technical dialogue hinders transparency and accountability
  - 12/27 MTFSP contains assumptions that are “significantly or very significantly more optimistic” than Commission’s prior guidance
- **Limited ex ante involvement of IFIs**
  - 15 IFIs involved ex ante but mostly in endorsement of macroeconomic forecasts (15) and production of estimates used in MTFSP (9 cases)
  - Limited official role of IFIs weakened transparency

# Limited (ex ante) involvement of IFIs

## EGOV complementary analysis

- Around 2/3 IFIs involved in plans' preparation
- Yet mostly limited to independent endorsement of forecasts
- Ex post, the proportion of IFIs involved increases to  $\frac{3}{4}$

Ex ante involvement in MTFSP



# National Parliaments involvement

## EGOV survey

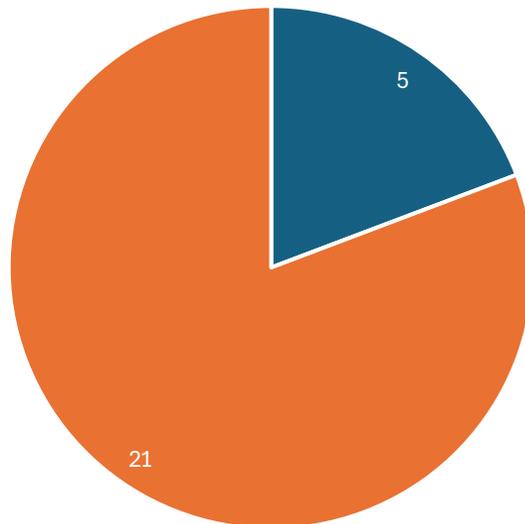
- Oct-Nov 2025
- 26 national parliament responded
- We aggregated responses from bi-cameral systems to account for one national parliament
- A parliament was involved if at least one of the chambers was involved

# National Parliaments involvement

## Findings

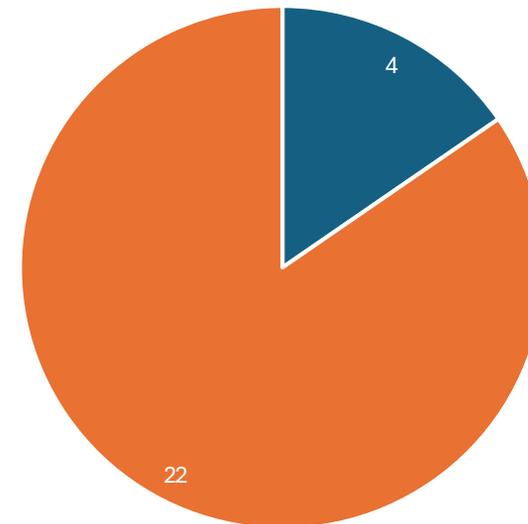
- Limited involvement ex ante in the preparation or endorsement of the plans

Parliamentary involvement in preparation of MTFSP



■ Some involvement ■ No involvement

Vote in Parliament on MTFSP



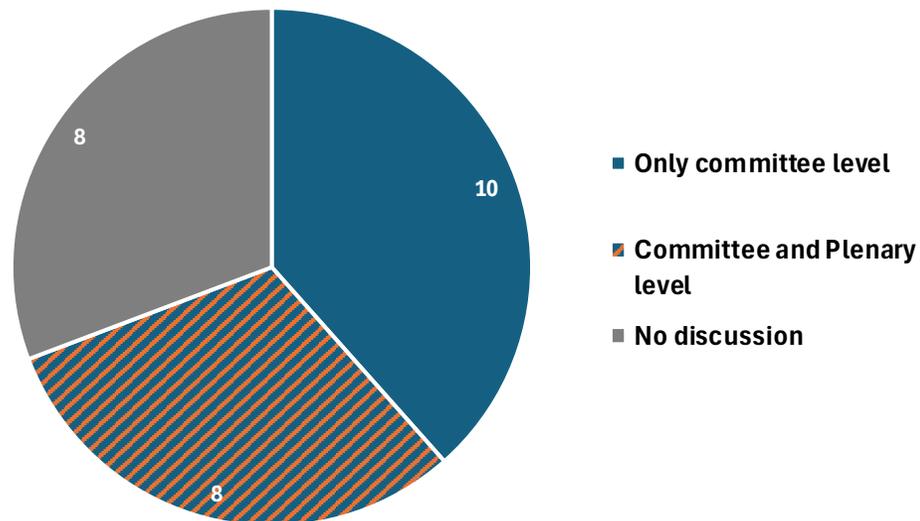
■ Vote held ■ No vote held

# National Parliaments involvement

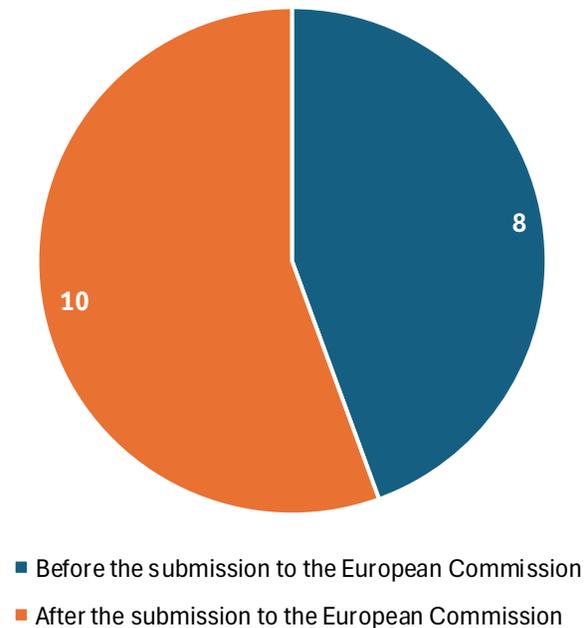
## Findings

- Sporadic discussions before submission of the plans

Discussion of MTFSP in Parliament



Timing of parliamentary discussion

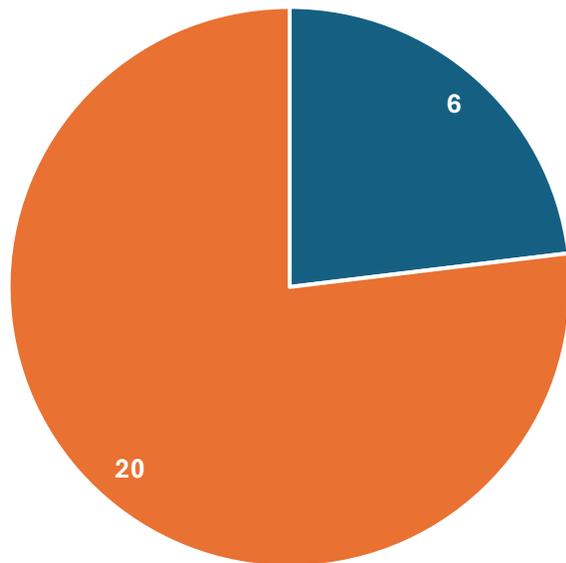


# National Parliaments involvement

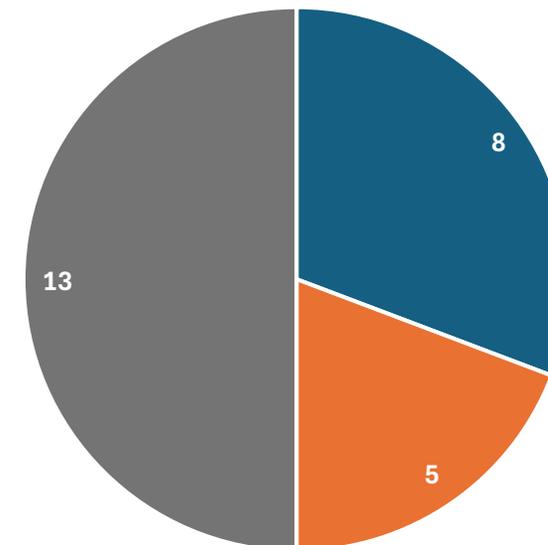
## Findings

- In most cases, no information received on the technical dialogue
- Limited discussions of ex post of annual progress reports

Information on technical dialogue received by Parliament



Discussion of annual progress report in parliament



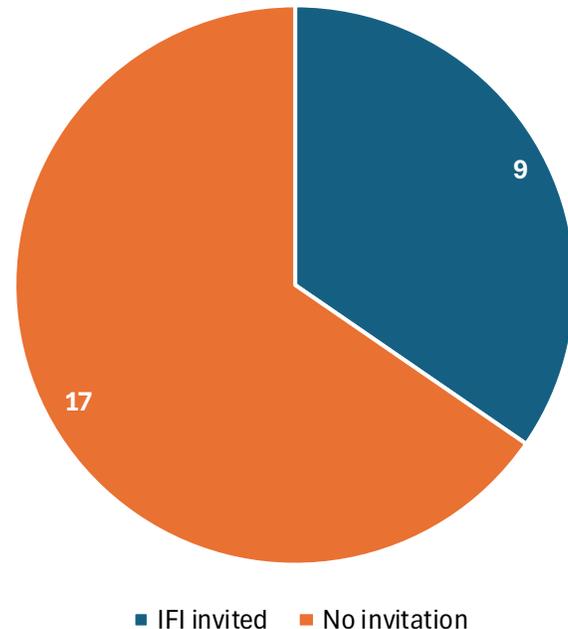
- Discussed only at committee level
- Discussed at both at committee and plenary level
- No discussion

# National Parliaments involvement

## Findings

- Only sporadic engagement with national independent fiscal institutions

**IFI invited to parliament to discuss opinion on MTFSP?**



# Lessons learnt for parliamentary scrutiny (1/4)

- **Sensitivity to DSA assumptions**
  - DSA is the cornerstone of the new fiscal rules
  - Art. 10 and Art. 27 allow for greater transparency on DSA methodology by means of Economic Dialogues
  - Methodological transparency is key when deviating from Commission guidance
- **Accountability gap - EP involvement/DSA transparency is suboptimal**
  - No codes are published, only “manual” replication is possible by plugging in
  - Significant differences in underlying assumptions used
  - Difficult to retrieve original documentations to trace back definition of net expenditure path
  - Lack of common understanding – EP not involved in WG on DSA

## Lessons learnt for parliamentary scrutiny (2/4)

- **Primary role of the technical dialogue**
  - Bilateral negotiations between Commission and Member State essential to define net expenditure path and find agreement
  - Questions of consistency with overall multilateral nature of the framework
- **Opacity of the technical dialogue**
  - Behind closed door negotiations
  - Official communication often released only after Commission / Council endorsement
  - Challenges to meaningful (parliamentary) scrutiny in lack of information
  - EP should be informed without delay

## Lessons learnt for parliamentary scrutiny (3/4)

- EFB and IFIs play a crucial role for transparency of the rules
  - Legislation recognises role of IFIs in enhancing transparency
  - Stronger role of the EFB was a main request by the EP to boost accountability
- Strengthen the role of the EFB in dialogue with EP
  - Closer relation could promote transparency, create positive incentives for Commissions in implementation, foster knowledge sharing, consistency
    - Economic Dialogues, ad hoc exchanges with dedicated parliamentary working groups
  - Cooperate with EP to promote common understanding of DSA changes, e.g. ahead of dedicated Economic Dialogue with the Commission.

## Lessons learnt for parliamentary scrutiny (4/4)

- Key goal of the reform was to boost national ownership
  - Reform proposed greater involvement of national parliaments
  - Limited role in first round of preparations calls for greater involvement in next rounds and revisions
- Best practices for national parliaments
  - Devote more time to ex ante discussion as well as ex post scrutiny sessions
  - Improve interactions with national IFIs to foster government accountability and make use of IFI information
  - Engage in regular discussions of annual progress reports
  - Request that draft plans are seen by parliamentary committees before submission to the Commission

# What is next

## Potential revisions of plans

- More Member States may choose to revise plans following national elections
- Case studies show the need to continue monitoring the Commission's approach to accepting changes to methodological assumptions
- Open questions of what role will be played by civil society and national parliaments in the preparation of the revisions

# Thank you for your attention

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[EGOV LinkedIn](#)

## Background readings

- [The new fiscal framework in practice: a comparative overview of 6 cases](#)
- [Implementation of the reformed Stability and Growth Pact \(December 2025\)](#)
- [Exchange of views with Pieter Hasekamp, Chair of the European Fiscal Board \(January 2026\)](#)