



Autoridad Independiente
de Responsabilidad Fiscal

Communication and Transparency in DSA: watchdog perspective

ESM Workshop

December 2018

Why is Transparency/Communication important for AIReF?

Publication/Communication commitments imply a certain degree of inertia and self-discipline

Self-discipline

Moral authority, setting the example of implementing “best practices”

Setting the bar

Forget about the “black box complex”, allowing for informed discussions

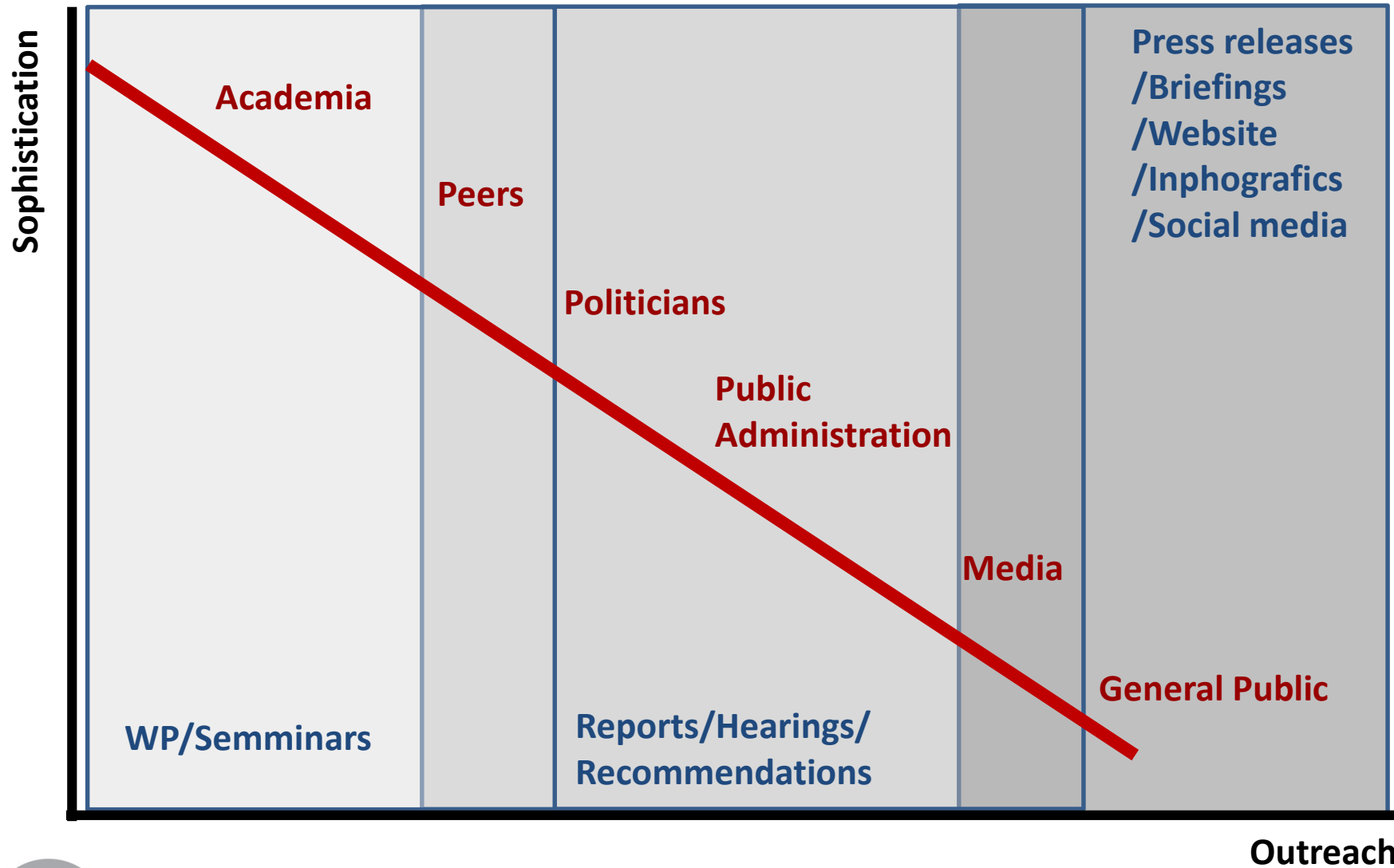
Replicability

Ending point: all boils down to being credible by gaining reputation: technically solvent and independent

Reputation

***Comply or Explain* principle: “Blame and shame”**

How did we face the communication challenge?



1. Identification of Stakeholders

2. Selection of communication Channels (dedicated team)

3. Follow-up and assessment of Effectiveness

What is the outreach of your research?

- Yearly seminars on public debt sustainability issues

HOME / NOTICIAS
NOTICIAS

La sostenibilidad de la Deuda Pública, a debate en la AIReF

05 SEPTIEMBRE, 2017



La Autoridad Independiente de Responsabilidad Fiscal organiza un seminario sobre Riesgos Fiscales

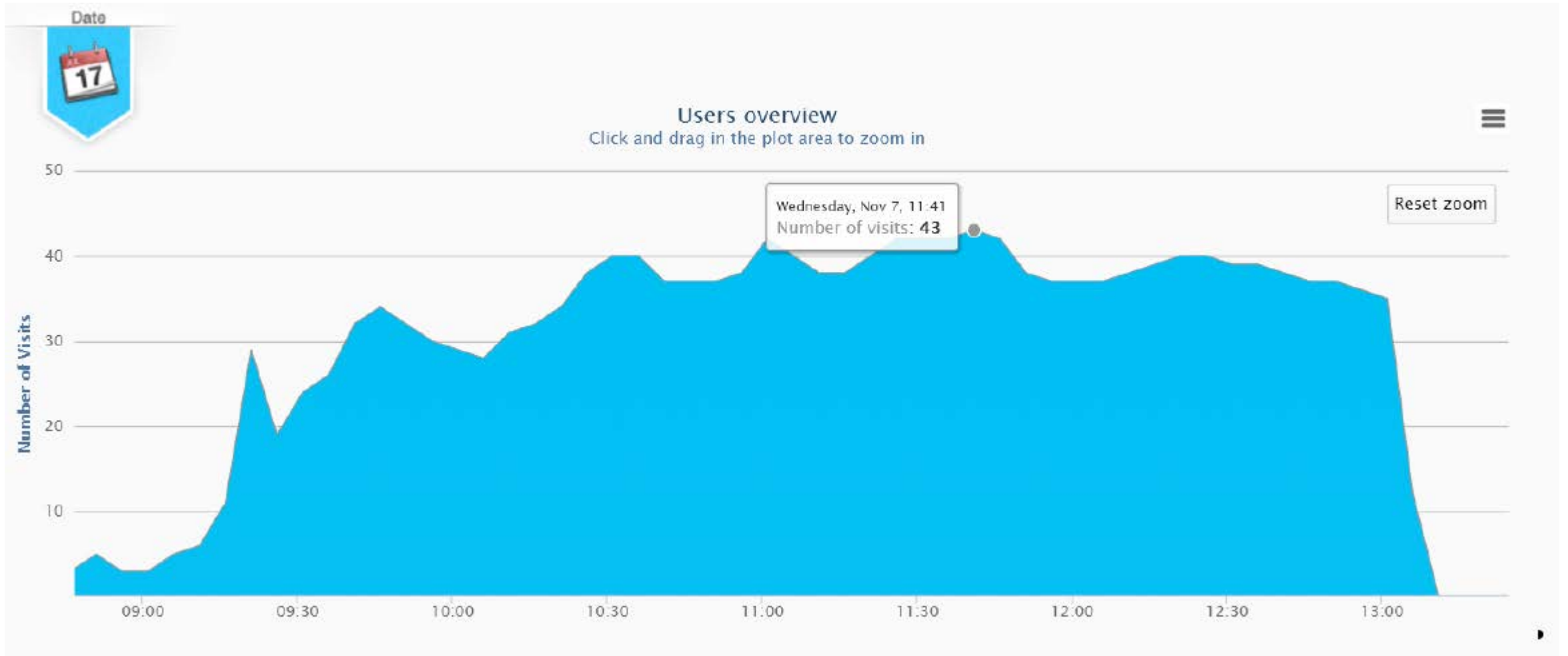
07 NOVIEMBRE, 2018

07/11/2018



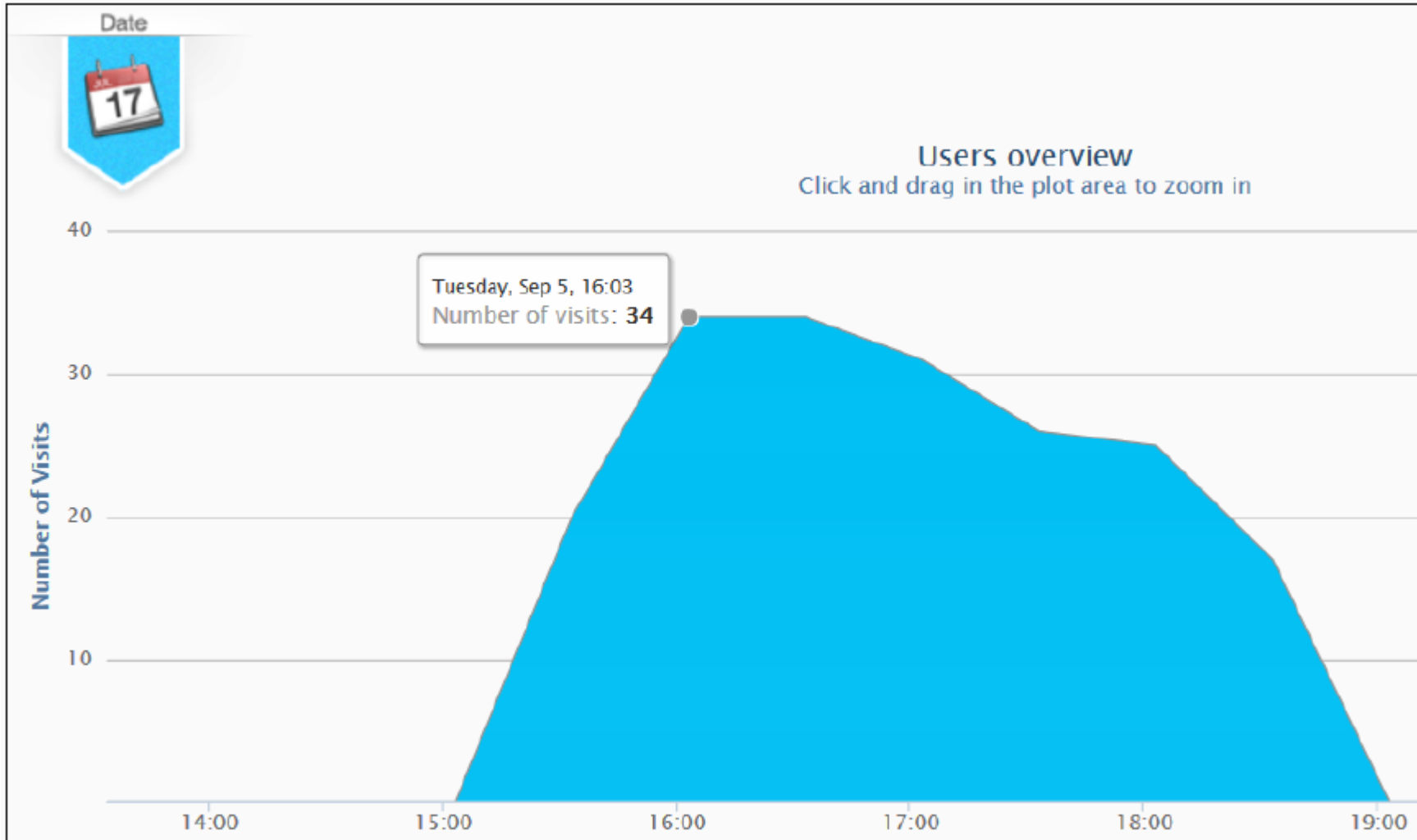
What is the outreach of your research?

- Streaming platform stats: 2018 seminar



What is the outreach of your research?

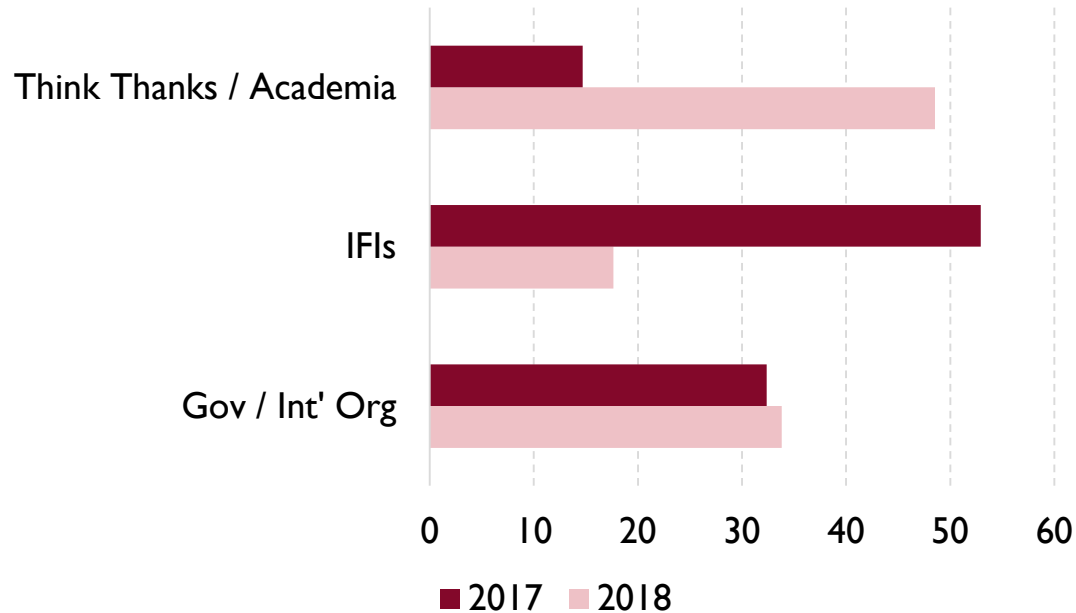
- Streaming platform stats: 2017 seminar



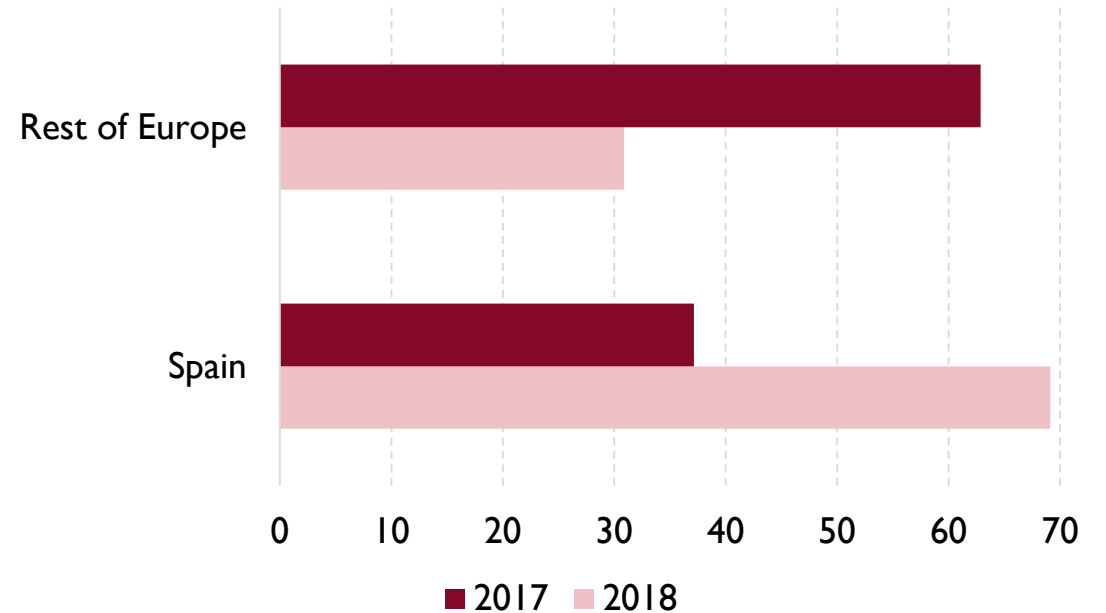
What is the outreach of your research?

- Streaming platform stats

Participants profile (% total)



Regional share (% total)



- Total participation doubled from 2017 to 2018
 - More interest showed by Thinks Thanks & Academia
 - Spanish increased presence explained by regional actors (governments & academia)

What is the outreach of your reports/recommendations?

- 2017 OECD Review of AIReF's work

Informing the parliamentary debate as a core endeavor

AIReF has been successful in building a constituency within the Spanish parliament

Hearings with AIReF's President are now a regular and growing feature

Parliamentary stakeholders report that AIReF has enriched the debate on fiscal issues

AIReF's products are viewed as independent, accurate and useful across the political spectrum

AIReF's analysis has levelled the playing field

What is the outreach of your reports/recommendations?

- 2017 OECD Review of AIReF's work

Use of the *Comply or Explain* authority

AIReF has been tracking and publishing quarterly the implementation of its recommendations

- Initial implementation of the principle was somewhat disappointing
Issuing too many of them? Stakeholders concerns pointed towards the time to react and heterogeneity
 - Latest data shows firmer commitment from Public Administrations, even triggering Finance Ministry to publish their responses to our recommendations
-

Open Issues:

- Quality of the responses: more than just box-ticking
 - Timing of the responses
 - Ex-post dialogue in case of disagreement
-

What is the outreach of your reports/recommendations?

- 2017 OECD Review of AIReF's work

AIReF's role at the subnational level: stakeholders view

AIReF has contributed to subnational fiscal transparency by:

- making its reports and methodologies public
- and delivering a suite of economic and fiscal information that was previously unavailable for all regions, for example, fiscal sustainability analysis

Many of AIReF's recommendations for SNG are aimed at improving fiscal transparency

AIReF has acted as a champion of Good fiscal management, publishing comparative information: fostering best practices and benchmarking analysis

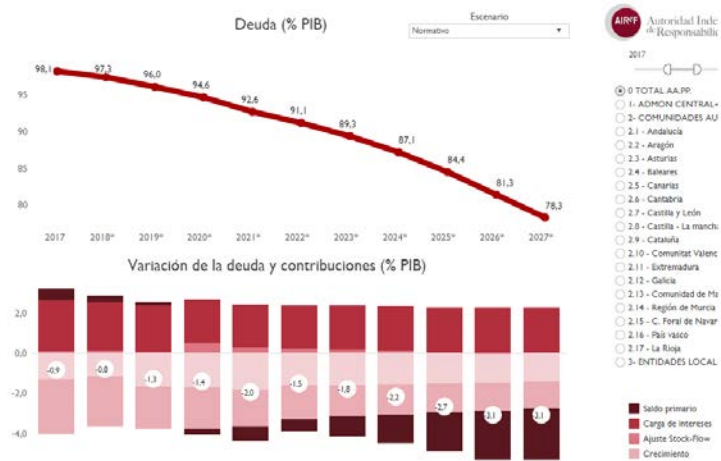
Regional compliance with fiscal rules has improved

AIReF is a source of independent information for negotiations at the Fiscal&Financial Pol. Council



Managing the website as a library of interactive contents

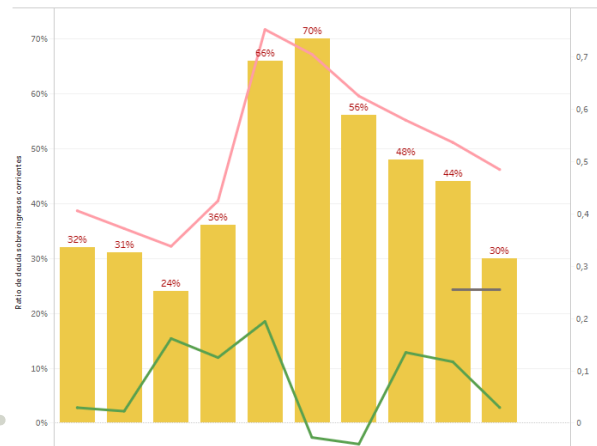
Data Lab



Municipalities

Ayto. de Valle de la Serena (Badajoz)

Deuda viva, remanente de tesorería y saldo cta. 413 a final ejercicio
 (importes en millones €)

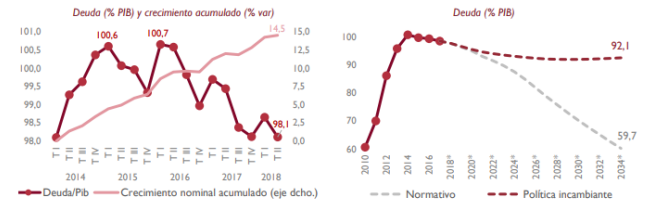


Debt Monitor

I. Evolución reciente y previsiones

- La ratio de deuda sobre el PIB muestra una estabilización entorno a su valor mínimo a pesar del crecimiento sostenido de la economía y un entorno de tipos de interés nominales históricamente bajos.
- La generación del suficiente espacio fiscal para responder a crisis futuras requiere de una reducción de la deuda más intensa, lo que dependerá íntegramente del cumplimiento del marco actual de reglas fiscales.
- El escenario normativo de AIREF, que supone el cumplimiento de reglas fiscales, proyecta la consecución del nivel de referencia del 60% del PIB en el año 2034. El mantenimiento del saldo primario estructural actual estabilizará la ratio de deuda en el entorno del 90% del PIB.

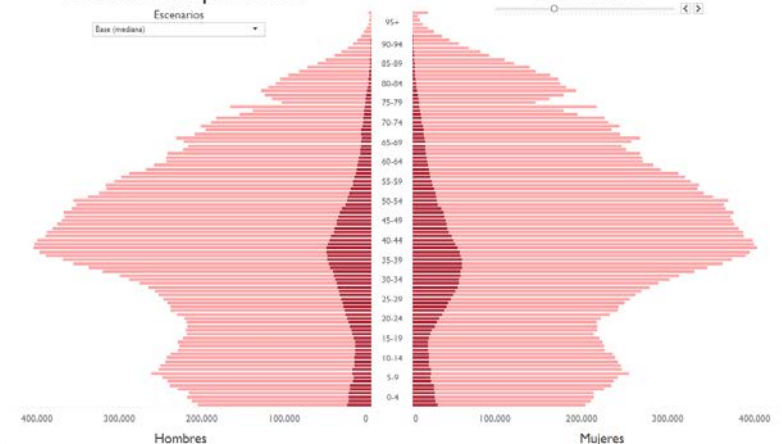
- En el segundo trimestre de 2018 el ratio deuda sobre PIB se ha situado en el 98,1%, el mismo nivel registrado en 2014, a pesar de haber experimentado un crecimiento nominal del PIB del 14,5% en ese periodo.
- El escenario normativo de AIREF sitúa el ratio deuda sobre el PIB en el nivel del 60% en el año 2034. Frente a dicho cumplimiento de reglas, mantener el saldo primario estructural actual implicaría que la ratio no disminuya del 90% del PIB.



Demographics

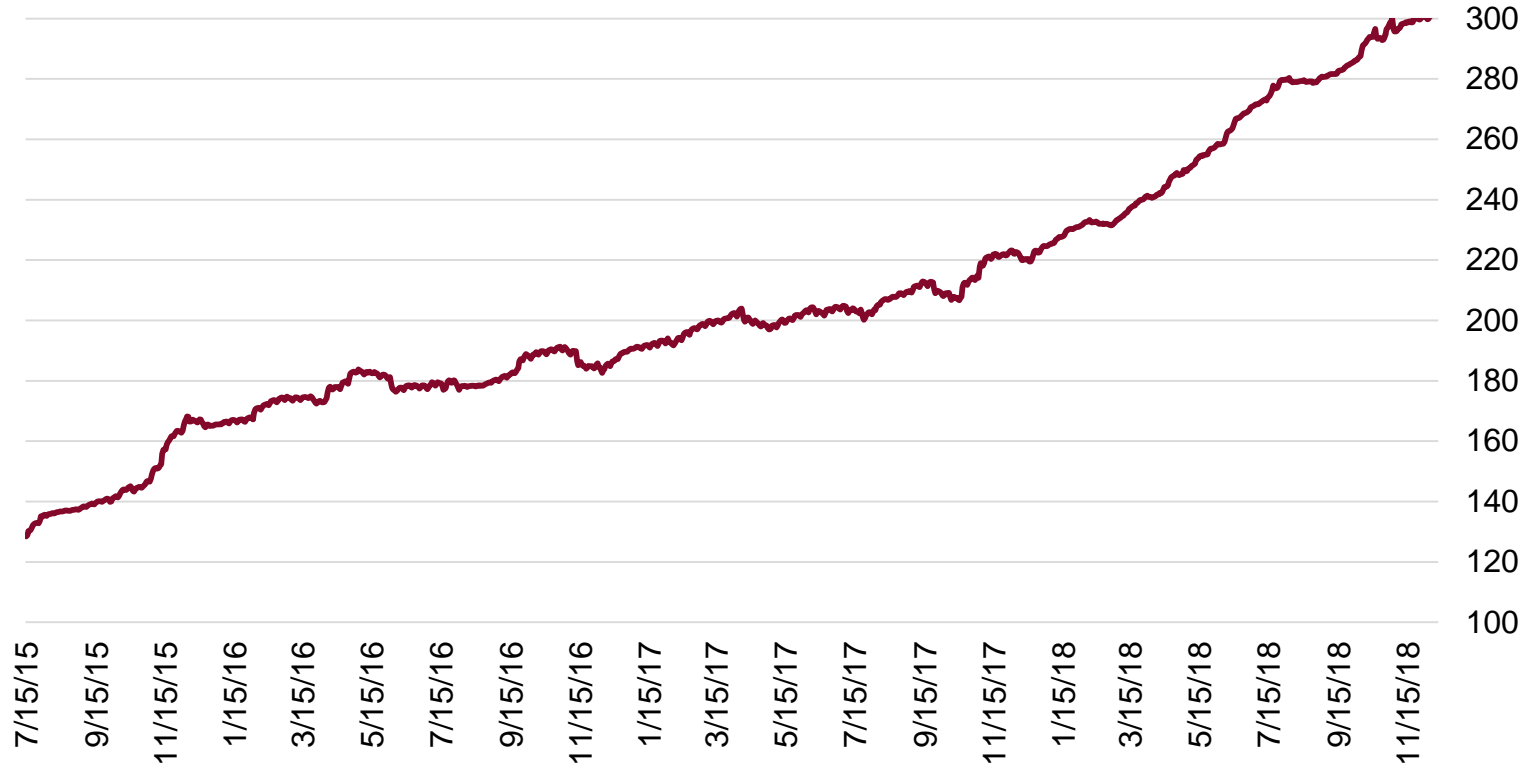
Pirámide de población

Año 2017



How to measure the effectiveness of the framework?

Daily Web sessions (mov. avge 365 days)

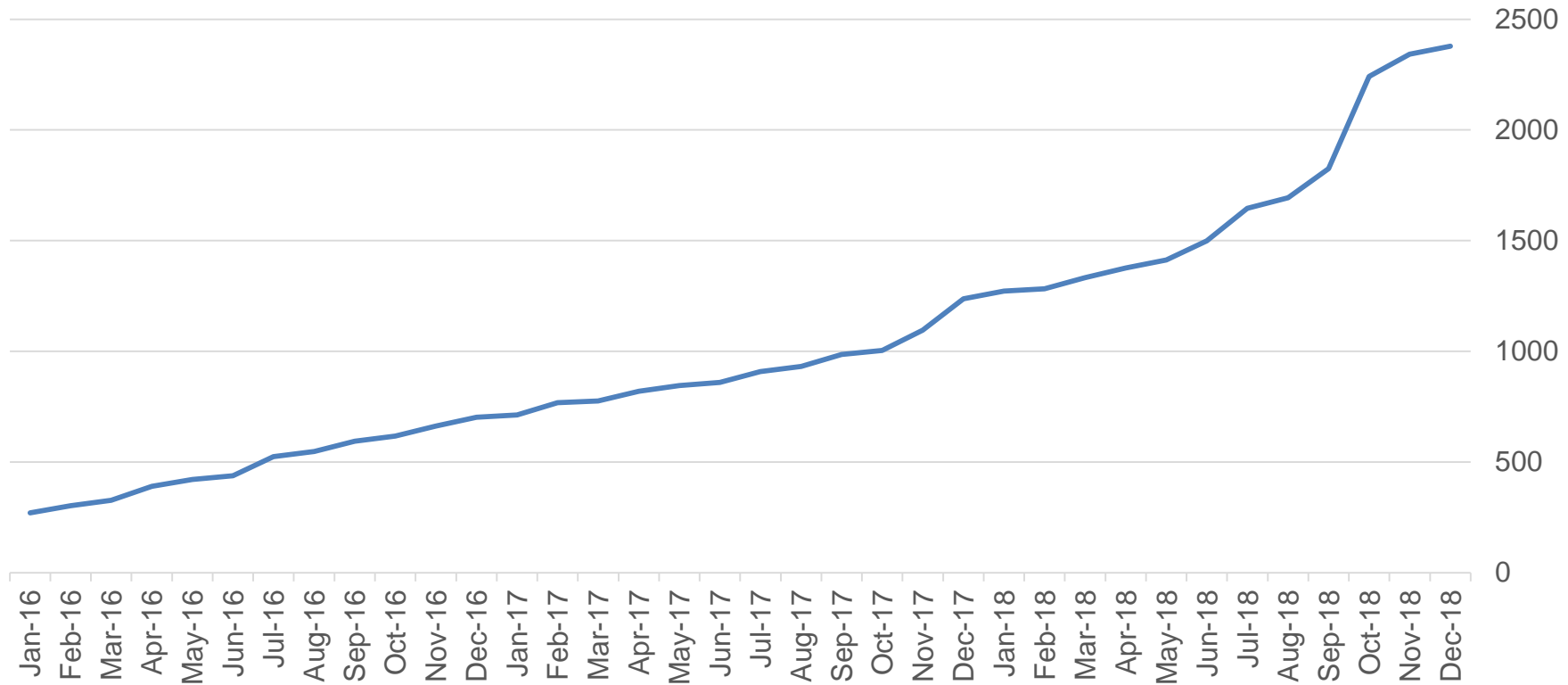


Background of increasing visits and overall impact



How to measure the effectiveness of the framework?

Twitter followers @AIReF_es
Jan 2016 - Dec 2018

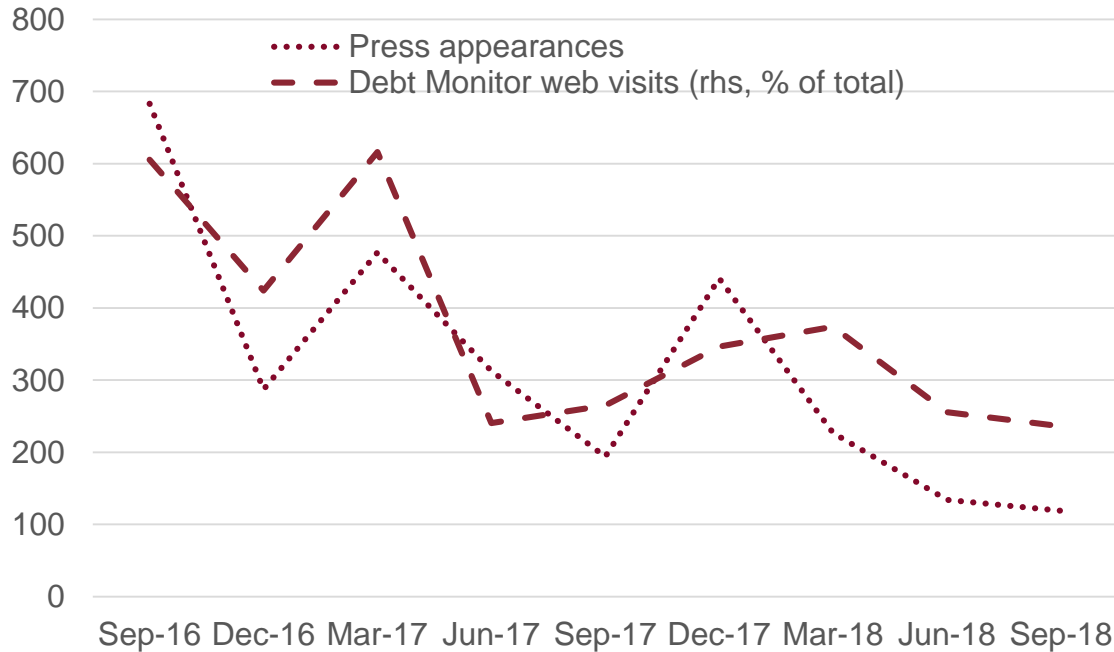


Background of increasing visits and overall impact

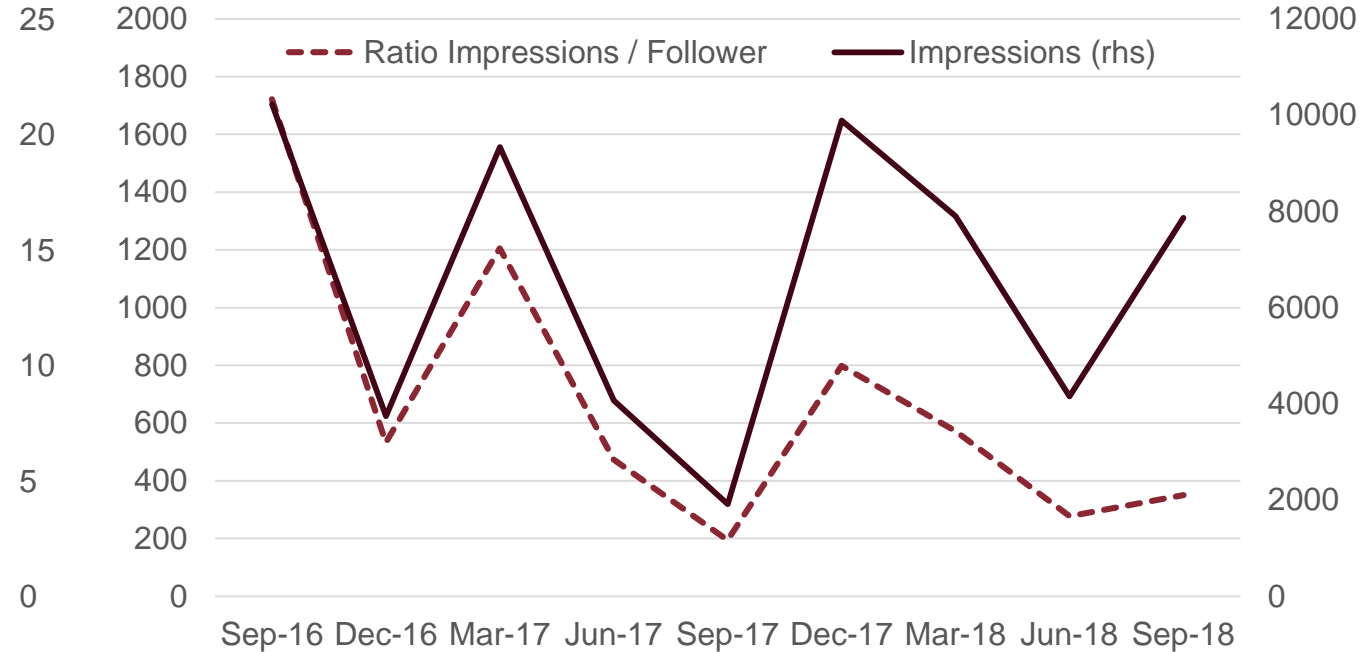


How to measure the effectiveness of the framework?

Press and website



Twitter



Potentially declining impact despite increasing efforts and revamped frameworks. Why?

- against a background of increasing visits and overall impact
- more news competing for a limited space: saturation point for long-term issues
- not adequate frequency: is quarterly too often? Too many messages? Not pessimistic enough?
- spotlight of the media on more short-term issues

Open question: how to communicate uncertainty?

Case scenarios-Fan charts-Risk analysis/contingent liabilities

- crucially depends on the time horizon
- communication of uncertainty requires a proactive and didactic effort: dedicated sessions with journalists, for example
- When to incorporate risks into the central scenario and how to communicate it? For example pensions-related risks/asymmetric bands
- distinction between constant policy and constant legislation scenarios

Extra slides



OECD recommendations

- **Pursue a strategy of increased selectivity regarding its CoE recommendations** emphasising its most important messages
- **Develop materials that are more accessible for non-technical stakeholders** at both the national and subnational level.
- **Set clear and measurable communications targets** regarding its communications via social media platforms.
- **Promote its most important reports in a targeted way** through a broader range of media to reach a wider public.
- **Expand its outreach** to academics and universities.
- **Periodically undertake stakeholder satisfaction surveys** for key stakeholder groups such as parliamentarians and academics.