



Examining different models of IFIs

# IFIs in the EU – state of play

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# Outline of presentation

1. The new institutional setting for EU IFIs
2. Capacity and tasks of EU IFIs (*December 2025 Commission report*)
3. Conclusions (lessons for ECA region)

# IFIs in the amended EU fiscal framework

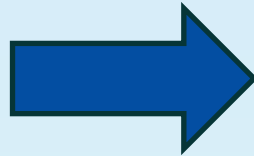
## Before the reforms

### **EU legislation**

- Directive 2011/85/EU
- Regulation (EU) no 473/2013

### **Intergovernmental agreement**

- TSCG – “Fiscal Compact” – 2012



## After the reforms

### **EU legislation**

- Amended Directive 2011/85/EU (via amending Directive (EU) 2024/1265)
- Regulation (EU) 2024/1263
- Amended Council Regulation (EC) No 2024/1264
- Regulation (EU) no 473/2013 (to be amended)
- TSCG still in force (but relevant IFI content of Fiscal Compact now reflected in new EU framework)

# What concretely is new? (I)

- *For IFIs outside the euro area:* Specifying anything in EU law is new (previous legal base was only the Fiscal Compact (for some Member States)).
- *For euro area IFIs:*

## Chapter V – Article 8a of the amended Directive:

- Enhanced independence safeguards (Article 8a.1-4)
- Additional tasks (Article 8a.5) – cross reference to the two Regulations
- Comply-or-explain principle (Article 8a.6)

# What concretely is new? (II)

- Enhanced independence safeguards (Article 8a.1-4)
  - IFIs established in law
  - Nominations and appointments based on merit and transparent procedures
  - Not take instructions
  - Capacity to communicate publicly about their assessments and opinions
  - Adequate and stable resources
  - Adequate and timely access to information
  - Regular external evaluations
- Additional tasks (Article 8a.5) – cross reference to the two Regulations
- Comply-or-explain principle (Article 8a.6)

# What concretely is new? (III)

- Enhanced independence safeguards (Article 8a.1-4)
- Additional tasks (Article 8a.5) – cross reference to the two Regulations
  - Produce, assess or endorse annual and multiannual macroeconomic forecasts
  - Monitor compliance with country-specific numerical fiscal rules
  - Undertake tasks linked to the MTFSPs
  - Assess the consistency, coherence and effectiveness of the national budgetary framework
  - Participate in regular hearings and discussions at the national parliament
- Comply-or-explain principle (Article 8a.6)
  -

# Transition to the new framework

- Legislation went into force in April 2024
- The Directive: transposition period ended on 31 Dec 2025; transposition check has started
- The two Regulations: directly applicable, but IFI role not compulsory until 2032
- Varying participation of IFIs in the first round of medium-term fiscal-structural plans

# Capacity and tasks of EU IFIs

In December 2025, the Commission issued a “Report on the Capacity and Tasks of Independent Fiscal Institutions in the EU” (Institutional Paper 330).

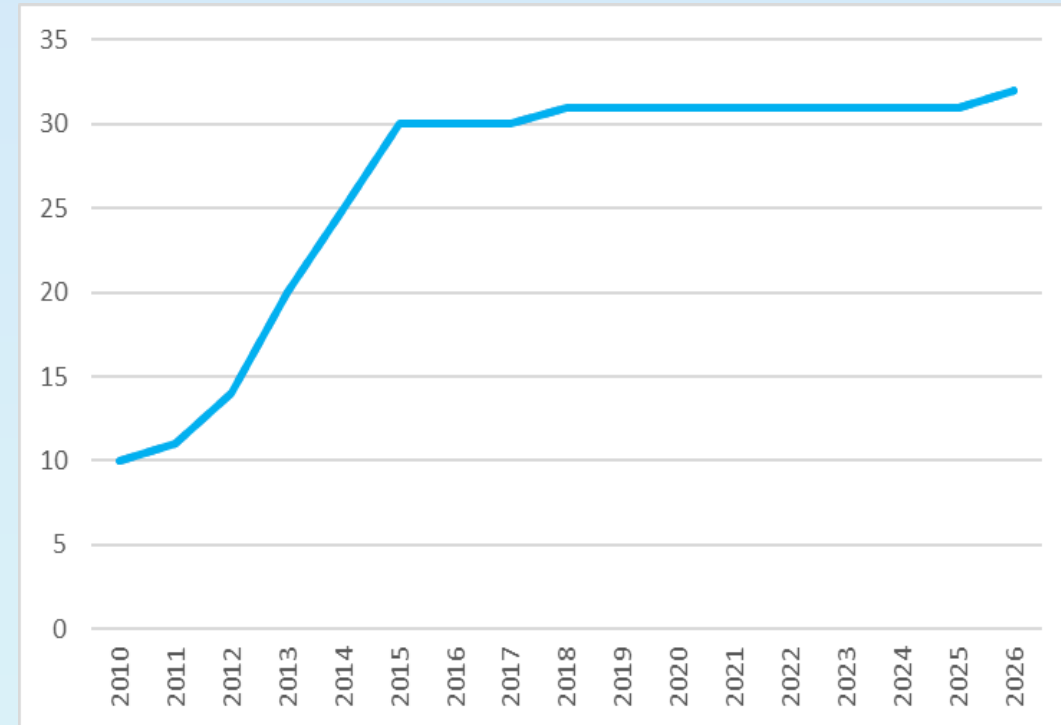
It consists of a concise Report and an accompanying Staff Working Document with individual IFI fact sheets.

- Based on information available up until mid-October 2025.
- Information collected mainly via annual survey feeding the Fiscal Governance Database (2025 edition)
- Individual fact sheets cross-checked bilaterally with IFIs and national authorities.



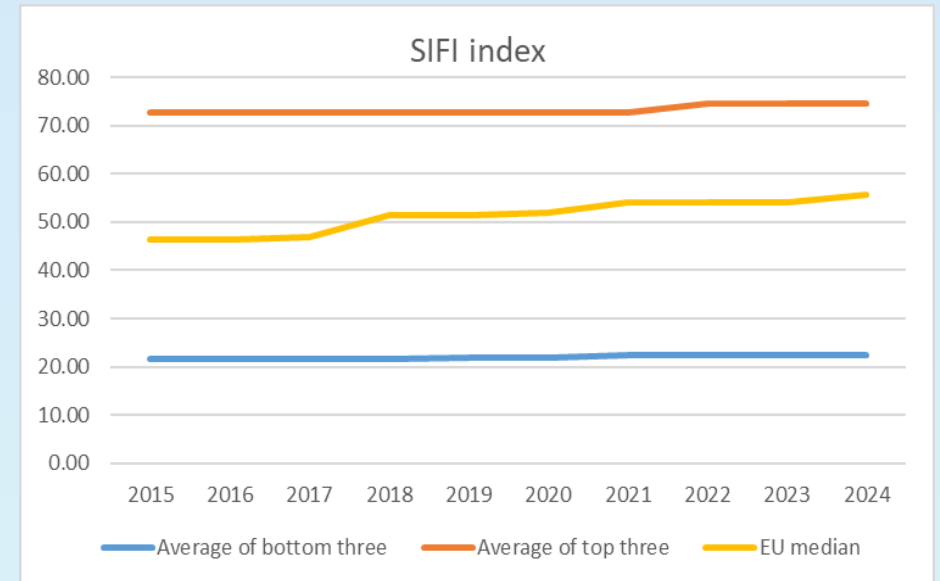
# IFIs in the EU – State of play

- EU legislation in the wake of the Big Financial Crisis provided impetus for setting up new IFIs, especially in the euro area.
- 32 IFIs in total (5 MSs have two IFIs)
- The Polish IFI is the most recent addition.



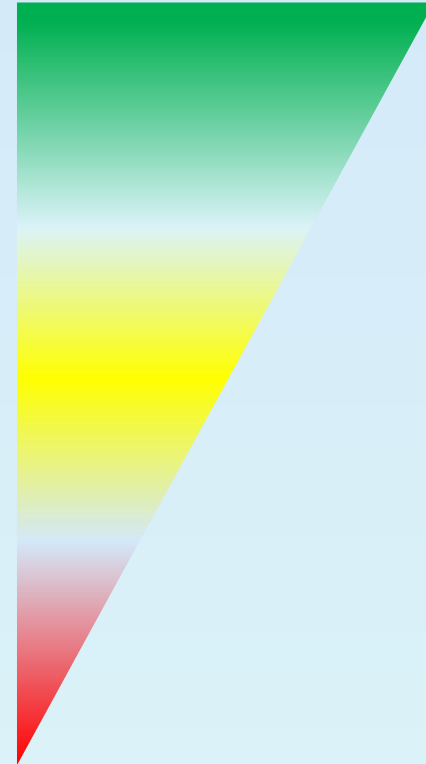
# IFIs in the EU – Tasks (I)

- Picture is very diverse, with some IFIs performing many tasks, while others do the minimum.
- This is reflected in the SIFI index score which reflects the scope and intensity of IFI activities.
- Number of tasks and intensity of work linked to size of IFI.



# IFIs in the EU – Tasks (II)

- Monitoring compliance with fiscal rules
- Macroeconomic forecasts
- Budgetary forecasts
- Analysis of long-term sustainability
- Quantitative policy costing
- Assessment of the national fiscal framework



# IFIs in the EU – Capacity (I)

- Budgetary resources and staffing
- Independence
- Communication

# IFIs in the EU – Capacity (II)

## Budgetary resources and staffing

- Annual budgetary appropriations: EUR 100.000 - EUR 11 million
- Technical staffing level: 1 – 67 FTE (median: 6.5)
- Country-specific factors:
  - *support from other institutions*
  - *unused funds due to various restrictions*
  - *different wage levels across Member States*
  - *large institutions with non-IFI tasks*
- Lack of mechanisms for stability of funding

# IFIs in the EU – Capacity (III)

## Independence

- Prohibition against taking instructions
- Transparent nomination procedures
- Professional competence requirements
- Timely access to information
- Dialogue with the authorities (“comply-or-explain”)
- External evaluations

# IFIs in the EU – Capacity (IV)

## Communication

- Explicit communication strategy, incl. follow-up of impact
- Communication role of leadership
- Press conferences
- Participation in conferences, events etc
- Appearance in media, incl. social media
- Staff specialised in communication

# Conclusions

- Merit in having one stand-alone institution
- Enshrine its status in law
- Integrate institutional independence safeguards:
  - *nomination procedure*
  - *operational independence*
  - *freedom in recruiting*
  - *adequate and stable resources*
  - *access to information*
- Do not forget the communication aspect

# Useful links

- [“Report on the Capacity and Tasks of Independent Fiscal Institutions in the EU”](#) (Institutional Paper 330, December 2025).
- [“Interim progress report on the implementation of Council Directive 2024/1265/EU of 29 April 2024 amending Council Directive 2011/85/EU on requirements for budgetary frameworks”](#) (Institutional Paper 323, July 2025)
- [“Independent Fiscal Institutions in the Revised Fiscal Framework – State of Play”](#) (Discussion Paper 223, July 2025)
- The European Commission [Fiscal Governance Database](#)

# Thank you



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