

The Fiscal Council of Estonia assesses the macroeconomic and fiscal forecasts used for budgetary planning and monitors compliance with the budgetary rules. The Council must also present an opinion regarding the objective of the structural budget position set in the medium-term budget strategy (national analogue of the stability programme). The authorities and the Council consider it crucial that the opinion of the Council is delivered prior to the approval of the budget strategy and the stability programme. To meet this target the Council needs access to not-yet finalised documents and unpublished data. To make the change of information smooth and predictable, the Ministry of Finance and the Council signed a special agreement of cooperation. The Council is an independent body and the agreement does not set any limits to the Council to take decisions and publishes ad hoc opinions on its own initiative.

COOPERATION AGREEMENT

To facilitate its execution of the tasks assigned to it by the State Budget Act and to organise the exchange of information between it and the Ministry of Finance,

the Fiscal Council, represented by the Chair of the Council Raul Eamets, and the Ministry of Finance, represented by the Minister of Finance Toomas Tõniste, as the parties to this cooperation agreement have signed the agreement as follows:

1. Exchange of information concerning economic forecasts and the opinion of the Fiscal Council

1.1. The Ministry of Finance presents the national macroeconomic forecast and the national fiscal forecast to the Fiscal Council before they are published.

1.2. The Fiscal Council sends its opinion on the national macroeconomic forecast and the national fiscal forecast and on compliance with the national fiscal rules to the Ministry of Finance before they are published.

2. Interpretation of the Fiscal Council opinion as an endorsement of the national economic forecast

2.1. Under §4(1) of the State Budget Act, the Fiscal Council assesses the national macroeconomic and fiscal forecasts.

2.2. The parties agree that a positive assessment of the national macroeconomic forecast in the opinion of the Fiscal Council may be interpreted as an endorsement of the forecast by an independent body in the sense of Article 2 1(b) of Regulation (EU) No 473/2013 of the European Parliament and of the Council.

2.3. The Fiscal Council expresses its opinion of the national macroeconomic forecast in a way that makes clear whether the forecast has been endorsed or not.

3. Giving the Fiscal Council opinion on the goals for the general government structural fiscal position reflected in the budget strategy and the stability programme

3.1. So that the Fiscal Council can give its opinion to the government before the state budget strategy and the stability programme are approved, the Ministry of Finance sends to the Fiscal Council a minimum of five working days before the date the state budget strategy is to be confirmed by the government the draft of the chapter of the state budget strategy that concerns the fiscal framework and that describes the expected expenditure and revenue measures that will affect the general government fiscal position.

3.2. As well as the data noted in Point 3.1 and with the same time limit, the Ministry of Finance sends the Fiscal Council the necessary data on each legal person of the central government together with the assessment of the Ministry of Finance of whether that legal person complies with the fiscal rules in Chapter 2 of the State Budget Act.

4. Informing the Fiscal Council of the activation of the correction mechanism

If the government decides to activate the correction mechanism set out in §7 of the State Budget Act, the Ministry of Finance sends the Fiscal Council an overview of the measures to improve the structural fiscal position.

5. Duration of the agreement, and changes and additions to it

5.1. The agreement is signed without limit of duration and enters into force from the moment it is signed by both parties.

5.2. The agreement does not create any legal obligations for the parties or limit the exercise of the statutory rights of the parties or the fulfilment of their duties.

5.3. The Parties will assess the relevance of the agreement at least once every three years and make any appropriate changes to it.

The parties have signed the agreement digitally.

Toomas Tõniste
Minister of Finance

Raul Eamets
Chairman of Fiscal Council