



LATVIJAS REPUBLIKAS FISKĀLĀS DISCIPLĪNAS PADOME

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Minutes of the extraordinary meeting of the Council No.. 4 (43)

Rīga

12th May, 2020

The meeting is chaired by:

Chairwoman of the Fiscal Discipline Council I.Šteinbuka

Participants:

Deputy-Chairman of the Fiscal Discipline Council	M.Hansen
Member of the Fiscal Discipline Council	A.Ūbelis
Member of the Fiscal Discipline Council	A.Jakobsons
Member of the Fiscal Discipline Council	M.Āboliņš
Member of the Fiscal Discipline Council	U.Kaasik
<i>Secretariat –</i>	
Fiscal Discipline Council Secretary	I.Golsts
Fiscal Discipline Council Economist	I.Jansone
Fiscal Discipline Council Fiscal Risks Expert	N.Malnačs
Fiscal Discipline Council Macroeconomic Expert	V.Zaremba

Invited -

Director of the Fiscal Policy Department of the Ministry of Finance	N.Sakss
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Minuted taken by:

Fiscal Discipline Council Economist
Meeting begins at 15:00 12May2020

I.Jansone

Opening of the Meeting – I.Šteinbuka

The Chairman of the Fiscal Discipline Council (hereinafter - the Council) I. Šteinbuka opens the meeting and announces the agenda of the extraordinary meeting (attached).

I. Šteinbuka reminds all participants of the extraordinary meeting of the Council that taking into account the Cabinet of Ministers Order No. 103 of March 12, 2020 “On Declaring a State of Emergency” to limit the spread of Covid-19 in Latvia, from March 12, 2020 to 2020. An emergency situation has been declared in the entire territory of the country by June 9, 2006.

The order of the said Cabinet of Ministers stipulates that during an emergency situation, state and local government institutions must evaluate and, as far as possible, ensure the provision of face-to-face services at a distance.

With reference to the above, and subject to national regulations, the Council works remotely and discusses the issues to be considered at an extraordinary meeting of the Council by organizing a video conference.

1. On the fiscal framework of the current economic situation

Rapporteur: N.Sakss

N.Sakss provides attendees with information on the application of fiscal regulation in the current economic situation.

Discussion on the application of fiscal regulation in the current economic situation.

Decision:

1.1. To take note of the information provided and to inform the MoF about the position of the Council on this issue.

I.Šteinbuka – in favour;

M.Hansen – in favour;

A.Ūbelis – in favour;

A.Jakobsons – in favour;

M.Āboliņš – in favour;

U.Kaasik – in favour.

2. Conceptual position of the Fiscal Discipline Council on budget deficit and public debt issues in the context of COVID-19

Discussion on the Council's position on budgetary and public debt issues in the context of COVID-19.

The members of the Council conclude that the Council should actively participate in the public debate on the dynamics of public expenditure and public debt. Uncontrolled growth of public debt is not allowed, even in the economic stimulus phase. The need to improve the public debt management strategy, which would also set public debt targets, is being discussed.

3. Council opinion on the further development of monitoring reports

Rapporteur: I.Šteinbuka

I. Šteinbuka reminds those present that in accordance with the established priorities of the Council's activities, a monitoring report is issued twice a month during this emergency situation, starting from April. In order to implement the priority set by the Council, the Secretariat has engaged an expert service for the quality preparation of these reports. The monitoring reports summarize information on the fiscal support measures implemented by the government in response to the economic consequences of the containment of the COVID-19 pandemic in Latvia. Also in May, two monitoring reports will be prepared, in June and in the following months the periodicity of the reports will be decided by the development of the situation.

Proposals of Council members for the improvement of MR:

- shorter and more focused, focusing mainly on: (i) new support measures, (ii) tax revenue dynamics, (iii) economic innovation, particularly paying attention to the signals of recovery;
- to improve the distribution of MR by sending MR to stakeholders;
- emphasize in the recommendations the need to avoid uncontrolled increases in expenditure

Decision:

3.1. Two monitoring reports will be prepared in May. Their number in June and in the following months will be decided according to the development of the situation.

I.Šteinbuka – in favour;
M.Hansen – in favour;
A.Ūbelis – in favour;
A.Jakobsons – in favour;
M.Āboliņš – in favour;
U.Kaasik – in favour.

4. Administrative issues

Rapporteur: I.Golsts

I.Golsts informs those present about the implementation of the Council's budget as of 10.05.2020.

Decision:

4.1. Take note of the information provided.

I.Šteinbuka – in favour;
M.Hansen – in favour;
A.Ūbelis – in favour;
A.Jakobsons – in favour;
M.Āboliņš – in favour;
U.Kaasik – in favour.

Meeting closed at 17:00 12th May, 2020.

Chairwoman

I.Šteinbuka

Meeting Secretary

I.Jansone

Council Secretary

I.Golsts

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