



LATVIJAS REPUBLIKAS FISKĀLĀS DISCIPLĪNAS PADOME

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**Fiscal discipline council**  
**Fiscal safety reserve assessment working group meeting**  
Minutes No 1 (10)

Rīga

31 January 2018

**Chairperson:**

Chairman of the Fiscal Discipline Council, Chairman of the Fiscal safety reserve assessment working group – J.Platais

**Participants of the meeting:**

Deputy Chairman of the Fiscal Discipline Council	I. Eriņš
Member of Fiscal Discipline Council	A. Ūbelis

**Council secretariat:**

Secretary of Fiscal Discipline Council	D.Kalsone
Fiscal risks expert of Fiscal Discipline Council	V.Miglinieks
Economist of Fiscal Discipline Council	E.Lucka
Fiscal risks expert (voluntary) of Fiscal Discipline Council	I.Brezaucka

**Invited persons paragraph:**

Ministry of Finance, Director of Fiscal Policy Department	N.Sakss
Ministry of Finance, Deputy Director of Fiscal Policy Department, Head of Fiscal Governance Division	G.Trupovnieks

**Meeting secretary:**

Fiscal Discipline Council economist

E.Lucka

Meeting starts at 14:00 on 31 January 2018.

**J.Platais opens the meeting**

The Chairman of the Fiscal Discipline Council J.Platais opens the meeting and announces the agenda.

**1 Approval of the minutes of the previous meeting.**

**Reporter:** J.Platais

**Decision:**

1.1 Approve 17 May 2017 meeting minutes of the Fiscal Risks Working Group.

J.Platais – votes for;

I.Eriņš – votes for;  
A.Ūbelis – votes for.

## **2 Discussion on Fiscal rules calculations and Fiscal risk statement**

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**Reporters:** N.Sakss, J.Platais

*Participants' discussion on the Fiscal rules calculations and Fiscal risk statement (hereafter – FRS).*

N.Sakss reports that, like in previous periods, for calculations of the fiscal rules of the Medium-Term Budget Framework for 2018, 2019 and 2020 (hereinafter – MTBFL) were used both – national (according to the Fiscal Discipline Law (hereinafter – FDL) and European (according to the Stability and Growth Pact (hereinafter – SIP)) methodologies, choosing the strictest one. When working on Latvian Stability Programme for 2018-2021 (hereinafter – Stability Programme) no innovations are planned. N.Sakss notes that any methodological disagreement in calculations will be solved before the development of the Stability Program.

J.Platais reports that it is necessary to continue methodological transparency in order to have a common approach, for example, to incorporate the tax reform fiscal impacts.

### **Decision:**

2.1 Take note of the Ministry of Finance information on the fiscal rules calculation and impact assessment.

2.2 Ask Council secretariat continue discussion on expenditure benchmark calculations.

J.Platais – votes for;  
I.Eriņš – votes for;  
A.Ūbelis – votes for.

## **5 The Public-private partnership project risk in the Fiscal risk statement**

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**Reporter:** I.Brezaucka, A.Ūbelis, I.Eriņš

*Participants' discussion on Public-private partnership (hereinafter – PPP) project risk in the Fiscal risk statement.*

I.Brezaucka reports that extensive comparative analysis on PPP projects has been conducted, which in general shows the growing popularity of this type of public investment, as well as the importance of providing transparent information on PPP projects. I.Brezaucka notes that a letter was sent to the MoF and the Central Finance and Contracting Agency (hereinafter – CFLA) on 11 January 2018 with information request.

A.Ūbelis notes that specific information on PPP projects is needed in order to assess their fiscal risk. It is inadequate to maintain a qualitative approach, bearing in mind that international experience requires careful attention to this type of investment before problems have been identified.

I.Eriņš notes that it might be useful to discuss the Treasury's experience with the quantitative assessment of state guarantees and loans included in the Fiscal risk statement.

### **Decision:**

3.1 Ask the Council secretariat and I.Brezaucka to organise an experience exchange with Treasury colleagues.

3.2 Identify publicly available information in other countries on PPP project fiscal risk assessment methods.

3.3 When receiving a response from the MoF and CFLA, develop proposals for the impact assessment of PPP projects in the Fiscal risk statement.

J.Platais – votes for;

I.Eriņš – votes for;

A.Ūbelis – votes for.

#### **4 Health reform progress indicators**

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**Reporter:** J.Platais, N.Sakss

*Participants' discussion on health reform deviation and progress indicators.*

J.Platais reports that the information received from the Ministry of Health on progress in the first half of 2017 and the plans for reform in 2018 is sufficient to welcome progress on this issue.

N.Sakss reports that already in the process of elaboration of the MTBFL the Cabinet of Ministers passed an important decision on the future funding of health reform measures in 2020.

#### **Decision:**

4.1 Take note of the information on the health reform deviation.

J.Platais – votes for;

I.Eriņš – votes for;

A.Ūbelis – votes for.

#### **5 Political party fiscal responsibility survey**

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**Reporter:** J.Platais

*Participants' discussion on the proposals for a political party's fiscal responsibility survey.*

J.Platais reports that, according to the practice of some of the European Union Independent Fiscal institutions, for example, the Netherlands, to assess the fiscal impact of measures taken by political parties in pre-election programs, there is the proposal to organise a survey of the 13th Saeima political parties.

A.Ūbelis notes it is important to ensure both transparency and complete non-interference from the Council in this survey, i.e. to offer all parties a uniform data entry platform that would be made public accurately according to the information provided.

#### **Decisions:**

5.1 Taking note of information on political party fiscal responsibility survey proposals.

5.2 Ask the Council to submit comments and suggestions on the questionnaire draft and organizational timetable by 9 February 2018.

J.Platais – votes for;  
I.Eriņš – votes for;  
A.Ūbelis – votes for.

## **6 Timetable for the interim report of the Stability program**

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*Participants' discussion on timetable for the interim report of the Stability program.*

### **Decision:**

6.1 Take note on timetable for the interim report of the Stability program.

J.Platais – votes for;  
I.Eriņš – votes for;  
A.Ūbelis – votes for.

Meeting ends at 16:00.

Council chairman

J.Platais

Meeting secretary

E.Lucka

31.01.2018. 16:09  
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