



ACTIVITY REPORT
2013 - 2015

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EDITORIAL

Didier Migaud

Premier président de la Cour des comptes
Président du Haut Conseil des finances publiques

Un peu plus de deux ans après sa mise en place, le Haut Conseil des finances publiques, organisme indépendant placé auprès de la Cour des comptes, joue déjà un rôle de premier plan dans notre nouvelle gouvernance budgétaire.

La loi organique du 17 décembre 2012 confie au Haut Conseil une double mission : apprécier le réalisme des prévisions macroéconomiques associées aux textes financiers et examiner la cohérence de la trajectoire de finances publiques (État, sécurité sociale et collectivités locales) avec la programmation pluriannuelle et les engagements européens de la France.

Contrairement à plusieurs de ses homologues, le Haut Conseil ne produit pas et n'intervient pas dans la production des prévisions macroéconomiques et de finances publiques, qui demeure de la seule compétence du Gouvernement. Il rend des avis consultatifs qui s'appuient sur l'ensemble des informations disponibles – publiques ou communiquées par le ministère des finances – et sur l'audition de personnalités qualifiées.

S'il est encore trop tôt pour dresser un bilan des premières années d'activité du Haut Conseil, force est de constater que la création, en France, d'une institution budgétaire indépendante a permis de réduire les biais optimistes qui, par le passé, ont affecté les prévisions macroéconomiques et de finances publiques présentées par le Gouvernement.

À quelques mois de son premier renouvellement qui interviendra en septembre 2015, le Haut Conseil reste

toutefois confronté à de nombreux enjeux. Sa création est intervenue dans un contexte économique difficile. La situation préoccupante de nos finances publiques lui donne une responsabilité particulière pour s'assurer du respect des engagements européens de la France. Les concepts qu'il utilise et sur lesquels il doit se prononcer – la croissance potentielle et le solde structurel notamment – sont fragiles et particulièrement difficiles à manier en période de crise. Enfin, le temps dont dispose le Haut Conseil pour se prononcer sur les textes qui lui sont soumis – sept jours à peine en moyenne – est particulièrement court.

Malgré ces difficultés, nous nous efforçons, avec les dix membres qui m'entourent et le secrétariat léger qui nous accompagne, de livrer des avis aussi explicites et aussi intelligibles que possible qui, je le crois, contribuent à la bonne gouvernance budgétaire de notre pays.

Je forme le vœu que, comme la Cour des comptes auprès de laquelle il est placé et en cohérence avec cette dernière, le Haut Conseil puisse, avec ses avis, éclairer le Parlement et contribuer au débat citoyen sur les finances publiques.

Tel est également l'objet de ce premier rapport d'activité pour les années 2013 à 2015.

Didier Migaud

FOREWORD

Didier Migaud

First President of the *Cour des comptes*
President of the High Council of Public Finance

A little more than two years after its implementation, The High Council of Public Finance, the French independent fiscal institution attached to the *Cour des comptes*, already plays a major role in our new fiscal governance.

The High Council is entrusted with a double task by the Constitutional Bylaw of December 17th 2012: assessing the realism of macroeconomic forecasts associated with financial texts and checking the consistency of the public finance trajectory (State, Social Security and local administrations) with the multi-year structural balance targets and France's European commitments.

Contrary to several of its counterparts, the High Council neither produces nor intervenes in the macroeconomic and public finance forecasting process, which lies entirely with the government. It delivers advisory opinions based on available information - either public or transmitted by the Ministry of Finance - and on experts' hearings.

Although it is still too early for an overall assessment of the High Council's first years of existence, the setting up of an independent fiscal institution in France may have reduced the optimistic biases which used to affect both macroeconomic and public finance forecasts presented by the government.

A few months before the first renewal of its members, which will occur in September 2015, the High Council is still facing several issues. It was set up under difficult economic circumstances. The current position of French public finance grants the High Council a particular responsibility in monitoring compliance with European commitments. The concepts it has to deal with and deliver opinions on - i.e. potential growth and structural budget balance - are fragile and particularly difficult to use in crises. Finally, the time granted to the High Council to prepare its opinion - seven days on average - is peculiarly short.

Despite these difficulties, the eleven members and the small staff of the High Council do their best to deliver opinions that are as explicit and intelligible as possible and which definitely contribute to sound fiscal governance.

Like the *Cour des comptes* to which it has been attached and in accordance with it, I wish the High Council were able to inform parliament and contribute to the debate on public finance.

Same is the purpose of this first activity report for the years 2013 to 2015.



KEY FIGURES

11 MEMBERS

11 OPINIONS DELIVERED

148h OF DELIBERATION

34 SESSIONS

56 HEARINGS

7 DAYS (AVERAGE REVIEW TIME)

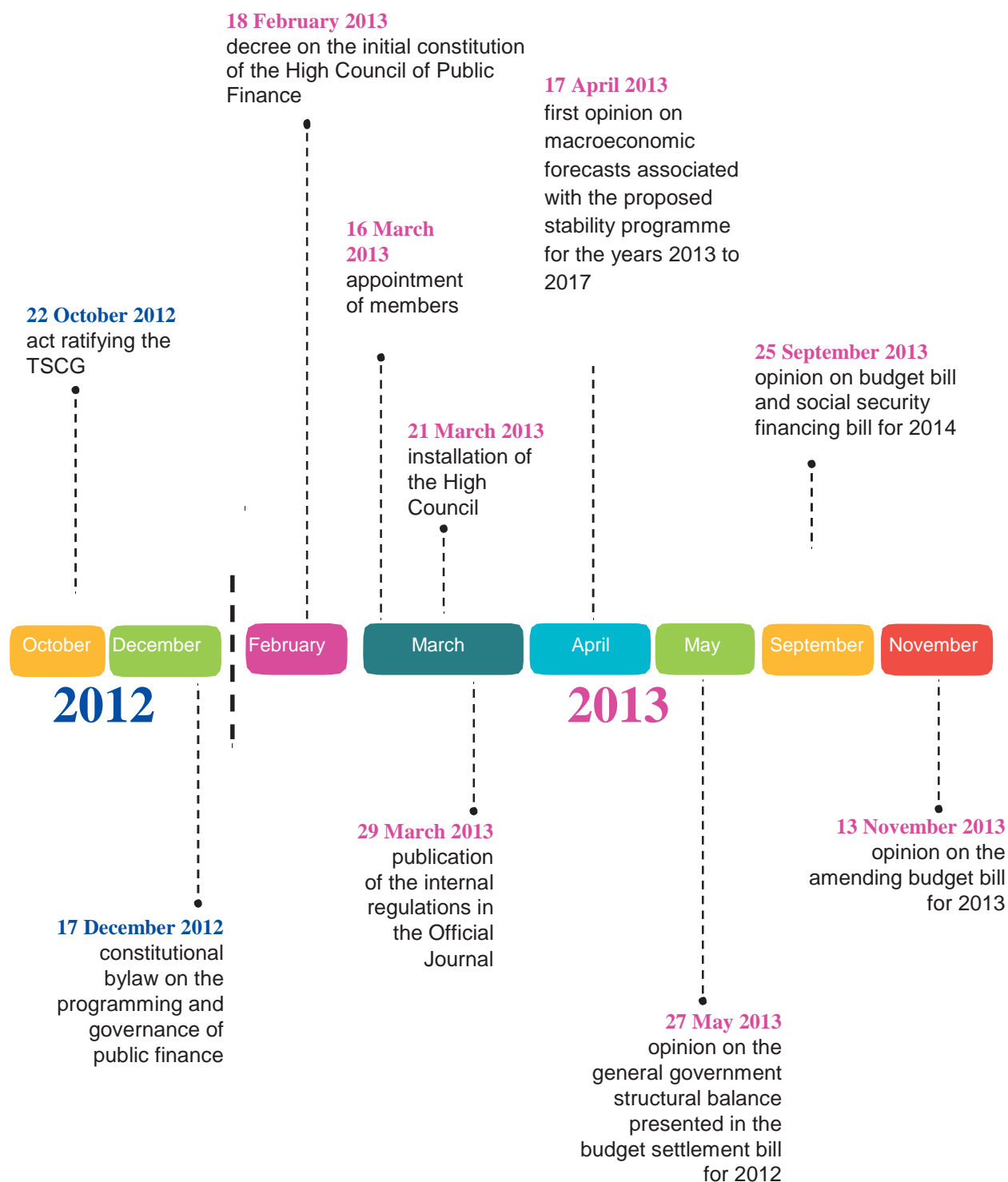
13 HEARINGS IN PARLIAMENT.

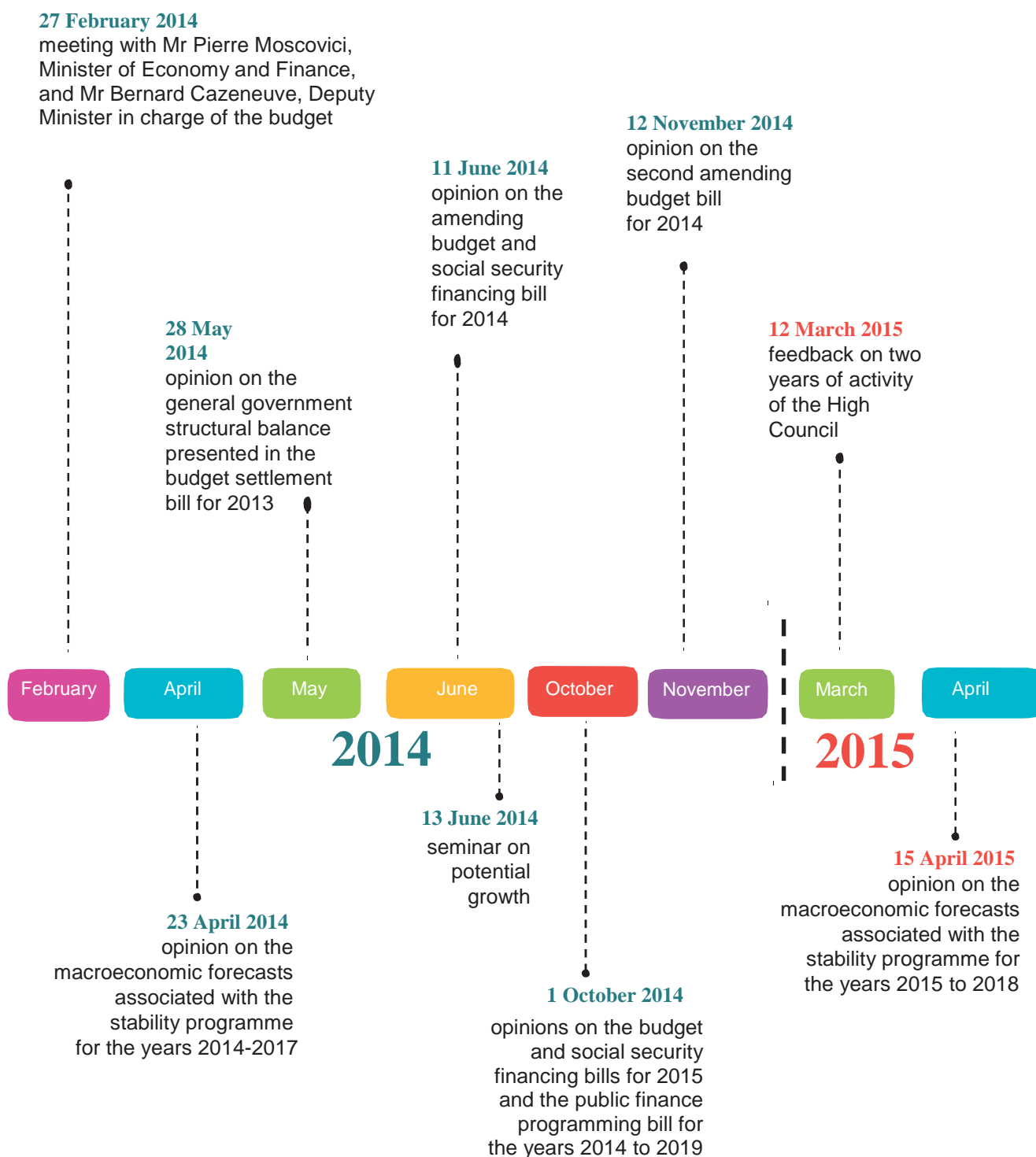
8 IN THE NATIONAL ASSEMBLY AND 5 IN THE SENATE

478 PRESS PUBLICATIONS

30,000 WEBSITE VISITORS

KEY DATES





RAPID IMPLEMENTATION

The establishment of an independent fiscal institution (IFI) is part of the commitments that France has made vis-à-vis its European partners in matters of governance of public finance. The Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (TSCG), ratified by Parliament on 22 October 2012, states that the Member States shall create independent institutions in charge of ensuring the proper application of budgetary rules.

These commitments have been translated into French law by the constitutional bylaw of 17 December 2012 on the programming and governance of public finance, which creates the High Council of Public Finance, an independent body attached to the *Cour des comptes* (French supreme audit institution) and chaired by its First President (Didier Migaud).

The High Council comprises four magistrates in the *Cour des comptes* (Raoul Briet, Catherine Démier, François Écalle, Martine Latere), **five qualified individuals** (Michel Aglietta, Marguerite Bérard-Andrieu, François Bourguignon, Philippe Dessertine, Mathilde Lemoine) appointed by the Parliament and the President of the Economic, Social and Environmental Council (ESEC) **as well as the Director General of the National Institute of Statistics and Economic Studies (INSEE)** (Jean-Luc Tavernier).

The list of members of the High Council was published in the Official Journal on 16 March 2013.

Barely three months after the promulgation of this law and one month after the publication of the implementing decree, the High Council was set up at its meeting of 21 March 2013, during which members exercising a term of thirty months (instead of five years) were randomly selected.

It also adopted its internal regulations, which determine, in particular, the terms of deliberation.

François Bourguignon was appointed on 16 May 2013 by the President of the National Assembly, replacing Jean Pisani-Ferry, appointed Chief Commissioner of the General Commission for Strategy and Economic Foresight, a body placed under the authority of the Prime Minister.

The permanent secretariat, originally comprising a general rapporteur and two assistant general rapporteurs, has been expanded with the recruitment of two rapporteurs and an assistant.

Following the departure of Jean-Philippe Cotis, who was assigned to other duties, the President of the High Council appointed François Monier as General Rapporteur, after obtaining the opinion of the members.

The terms of appointment of the HCFP members

The four magistrates of the *Cour des comptes* are appointed by the First President. There are equal numbers of men and women.

The five qualified individuals are appointed respectively by the President of the National Assembly, the President of the Senate, the Chairman of the Committee on Finance, General Economy and Budgetary Control of the National Assembly, the Chairman of the Senate Finance Committee and the President of the Economic, Social and Environmental Council (ESEC).

The qualified individuals appointed by the parliamentary authorities must include equal numbers of men and women. A random draw was initially used to determine for each authority the gender of the person it is entitled to appoint.

The term of the HCFP members is five years. This term is renewable once for the magistrates of the Court. It is not renewable for qualified individuals.

The panel is renewed every thirty months. In order to allow a first renewal in September 2015, four members initially appointed by the drawing of lots when the HCFP was set up will exercise a term of thirty months instead of five years.

MANDATE OF THE HCFP

The High Council of Public Finance shall ensure the consistency of the return trajectory to balanced public finances with France's European commitments. To do this, it shall assess the realism of the Government's macroeconomic forecasts and estimates of potential growth and determine the consistency of financial texts (budget bills, social security financing bills, etc.) with multi-year targets for public finance.

	Macroeconomic forecasts	Potential growth estimate	Public finance
PLPFP (September of even years since 2008)	✓	✓	✓
PLF/PLFSS (September)	✓	-	✓
PLFR (as per referral)	✓	-	✓
PLR (May)	-	-	✓
PSTAB (April)	✓	-	-

PLPFP: public finance programming bill

PLF/PLFSS: budget and social security financing bill

PLFR amending budget bill

PSTAB: stability programme

MACROECONOMIC FORECASTS

The HCFP is responsible for delivering an opinion on the macroeconomic assumptions - particularly growth forecasts - used by the Government to prepare the main legislation governing public finance, before they are submitted to the Parliament: public finance programming bills, budget bills, social security financing bills, amending budget bills and stability programmes submitted annually to the European Commission and the Council of the European Union.

If the Government is led to modify its forecasts during the parliamentary debates, it informs the HCFP of this modification, which must also issue an opinion.

PUBLIC FINANCE

▪ The consistency of the structural balance trajectory

The HCFP shall ensure that the return trajectory to structural balanced public finances (General government: State, local authorities, social security) defined by the public finance programming bill is consistent with France's European commitments, and will also ensure the consistency of all financial bills with this trajectory.

According to the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (TSCG), this trajectory concerns the structural balance, after considering the effects of fluctuations in the economic environment on public deficits, net of one-off and temporary measures.

The HCFP is provided with all texts related to public finance. Its opinions intervene before the presentation of these texts to the Parliament. They pertain to the future (the next fiscal year or the next multi-year programming for public finance) and the past (the past fiscal year).

When the Government presents, in practice every two years, a multi-year public finance programming bill, the HCFP delivers an opinion in September on the consistency between the targets set by the programming bill and France's commitment to ensure the return to structural balanced public finances in the medium term.

Similarly, the HCFP determines the consistency of budget and social security financing bills with the multi-year programming.

It is then led to examine whether the revenue and expenditure forecasts presented by the Government are consistent with the return trajectory to structural balanced public finances in the medium term.

▪ The correction mechanism

The HCFP also retrospectively determines, before the introduction in May of the budget settlement bill that concludes the public administration accounts of the previous year, **any possible deviation from the trajectory observed in execution relative to the trajectory defined by the programming law.**

It identifies, in particular, whether there are “significant deviations”, that is to say, differences representing more than 0.5 points of the gross domestic product (GDP) over one year or 0.25 points on average over two consecutive years.

If this is the case, the Government must present correction measures to get back on the trajectory to structural balance of public accounts.

These measures must be taken in the first budget or social security financing bill following the triggering of the correction mechanism. When delivering its opinions on these texts, the HCFP carries out an assessment of the corrective measures and, if necessary, on the deviation from the structural balance trajectory.

The mandate of the independent fiscal institutions in the countries of the European Union

In most European countries, independent fiscal institutions (IFIs) are, like the High Council, responsible for approving or providing macroeconomic forecasts and ensuring compliance with the correction mechanism.

As regards the economic forecasts, the main cleavage lies between IFIs that “produce” the economic forecasts, and those that “endorse” them. Five of the twenty four existing IFIs, provide macroeconomic forecasts.

Among the other institutions, a distinction can be made between:

- the institutions that provide an approval or an express rejection of the government scenario, through an opinion, a report or a letter to the Minister (for example Spain, Ireland, Italy and Portugal);
- those that, like the HCFP, publish a comment without formally endorsing the assumptions (for example Germany and Estonia).

In the area of public finance, the mandates of the IFIs are, in almost all countries, broader than that of the HCFP.

All the IFIs whose governments have signed the Treaty on Stability, Coordination and Governance must verify the implementation of EU budgetary rules, and monitor fulfilment of the commitments made, including compliance with the trajectory leading to the medium-term objective (MTO). However, this task is usually less strictly regulated than that of the HCFP, which is centred on the examination of the structural balance and its consistency with the guidelines of a public finance programming law. The mandate of the other IFIs also focuses on the analysis of the actual balance in relation to the 3% rule, on compliance with the MTO and on the structural adjustment (or effort). The debt situation is also often the subject of developments.

All of the IFIs also play a role in triggering or monitoring a correction mechanism and assessing any exceptional circumstances, as well as prescribing common principles defined by the European Commission and approved by the “Economic and Financial Affairs” Council of 21 June 2012.

Some IFIs have responsibilities that go far beyond these functions, including:

- Provision of public finance projections (United Kingdom) and the assessment of long-term sustainability of public finances (Austria, Belgium, Spain, Italy, Netherlands, Portugal, Slovakia, Sweden);
- Calculation of costs or budgetary performance of measures and the evaluation of their macroeconomic impact (Austria, Italy, Netherlands, United Kingdom, Slovakia, Slovenia);
- Provision of recommendations on the trajectories (balance or expenditure) or on budgetary measures (Austria, Portugal).

SCOPE OF OPINIONS OF THE HIGH COUNCIL

Although the opinions of the High Council of Public Finance are not binding on the Government, the fact that they are public in nature and are publicised by the media gives them a distinctive scope. They also help contribute to the parliamentary debate on public finance issues. As emphasised by the European Commission and the International Monetary Fund, the very existence of the HCFP has allowed a moderation of macroeconomic forecasts.

The HCFP plays an advisory role. The Government and the Parliament are naturally sovereign when defining the country's budgetary policy.

The Constitutional Council refers¹ to the opinion of the High Council to examine the sincerity of the budget and social security financing bills, particularly with regard to the macroeconomic forecasts. On this issue, the Constitutional Council directly refers to the opinion of the High Council. A good example of this is its decision relating to the budget bill for 2015. Referring to the observations of the HCFP on the forecasts associated with this text, the Council considered that *"it is [was] not apparent either from the opinion of the High Council of Public Finance or from other elements submitted [to it] that the economic assumptions on which the budget law is based [were] marred by an intention to distort the general outlines of the balance of the referred act"*.

A CONTRIBUTION TO THE PARLIAMENTARY DEBATE ON PUBLIC FINANCE

Article 20 of the constitutional bylaw of 17 December 2012 provides that *"the President of the*

High Council of Public Finance is heard at any moment at the request of the committees of the National Assembly and the Senate".

In practice, the president of the HCFP is almost routinely heard by the finance committees of the National Assembly and the Senate on the opinions delivered by the High Council. Such opinions are communicated to the national representation immediately after their adoption in order to enable the national representatives to become acquainted with them within a reasonable time frame. They give rise to exchanges with parliamentarians who use them during debates on finance bills. The President of the HCFP was heard thirteen times by the finance committees of the two Houses. These hearings are broadcast live on the websites of the National Assembly and the Senate.

OPINIONS MADE PUBLIC

In accordance with the constitutional bylaw, **the HCFP makes all its opinions public.** It does so through its website - **www.hcfp.fr** - commissioned on 23 September 2013, which has plenty of information on the missions of the High Council, its functioning and its organisation.



Gilles Carrez,
Chairman of the
Finance Committee of
the National Assembly



The opinions delivered by the High Council, like the hearings before the Finance Committee which resulted from the opinions, have become a requisite step in budget debates. Their role in the parliamentary procedure is all the more legitimate in that it supports the national representation in its role of monitoring the Government in respects of macroeconomic forecasts.



¹ As stated in its Decision 2012-653 DC of 9 August 2012 on the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union.



Michèle André,
Chairman of the Senate
Finance Committee



By way of its independence, the High Council of Public Finance strengthens the objectivity of the debates concerning the economic scenarios put forward by the Government and the compliance with the public finance trajectory, thus contributing to focusing the political debate on substantive issues rather than on numbers. The legitimacy acquired by the High Council strongly demonstrates the relevance of the efforts made to achieve parity between women and men in our institutions and more particularly the method of appointment of its members which was originally used, and unfortunately, is still the only one today.



All opinions and interventions of the President of the HCFP presented before the finance committees of the National Assembly and the Senate are published on the HCFP site.

The website has numerous visitors who wish to know more about the HCFP's missions and opinions. Since its commissioning, it has had nearly 30,000 visitors.

On average, each opinion is consulted by around 1,000 visitors.

Since September 2014, summaries in English have also been made available to the public and journalists. An English version of the website will soon be available.

STATISTICS SINCE THE CREATION OF THE SITE



ASSESSMENT OF INTERNATIONAL ORGANISATIONS ON THE ROLE OF THE HCFP

International Monetary Fund

Conclusions of the 2013 consultation mission

"The first two opinions issued by the newly created budget council demonstrate its independence and professionalism."

Conclusions of the 2014 consultation mission

"The 2014 budget was prepared on the basis of prudent macroeconomic forecasts, thus illustrating the moderating role of the budget council."

European Commission

Evaluation of France's stability programme of April 2014

"The impact on the budget forecasts of the newly established High Council of Public Finance has been positive."

"The opinions issued so far by the High Council have clarified the feasibility of government forecasts and probably played a role in the fact that the budget bill for 2014 is based on realistic macroeconomic assumptions, which was not always the case in previous years."

OPINIONS WIDELY CONSIDERED IN THE PUBLIC DEBATE

The public nature of all opinions of the High Council of Public Finance gives them a distinctive scope, especially since they are widely relayed by international organisations and the media.

■ By international organisations

The European Commission refers to the opinions of the High Council of Public Finance in the various multilateral monitoring exercises that it undertakes on the budgetary situation of the Member States. In May 2013, in its analysis of the Government's macroeconomic scenario associated with the stability programme, the Commission referred to the work of the High Council which estimated "optimistic" the forecasts for 2014.

Since then, the opinions of the High Council have been consistently mentioned in the working documents of the Commission and even in the recommendations of the Council of the European Union. The same applies to the work carried out by other international organisations such as the Organisation for Economic Co-operation and Development (OECD) and the International Monetary Fund (IMF).

■ By the media

The publications of the High Council of Public Finance are regularly covered in the national

and regional press, radio, television and on the Internet. The opinions generating the most significant media coverage, which is growing year by year, are those relating to the macroeconomic forecasts associated with the proposed stability programme. These are followed by opinions relating to the budget and social security financing bills. On average, every opinion of the High Council has about 45 media fallout.

LesEchos

LE PROJET DE LOI DE FINANCES POUR 2015

La bataille s'engage sur un budget 2015 déjà contesté

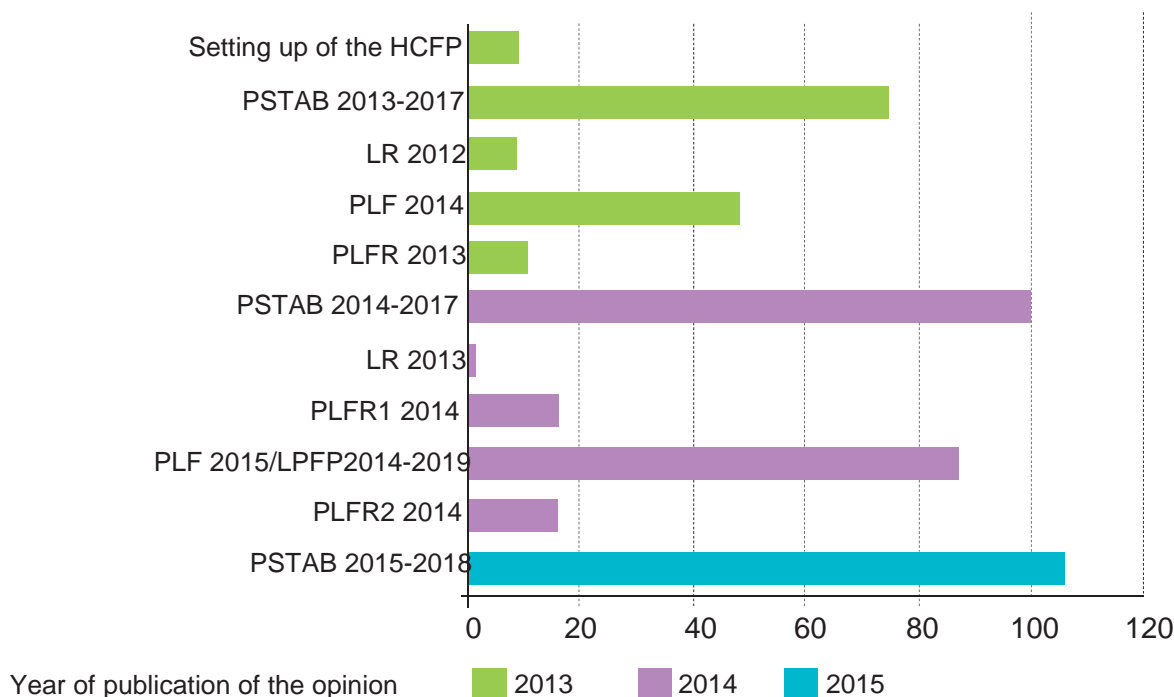
● Le Haut Conseil des finances publiques juge « optimiste » la prévision de croissance de l'exécutif.
● Les discussions s'annoncent serrées avec Bruxelles.

*Pierre-Alain Furbury
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Frédéric Schaeffer
fschaeffer@lesechos.fr*

*L'Etat cédera au moins 4 milliards d'euros d'actifs publics pour réduire la dette en 2015 (lire page 3).
C'est justement sur le plan de 50 milliards d'euros d'économies*

L'effort que l'on retrouve aujourd'hui », a défendu le ministre des Finances. Les discussions promettront aussi d'être tendues à l'Assemblée, où l'examen du budget débutera mi-octobre. Le maintien du gel du point d'indice des fonctionnaires, la hausse de la taxe sur le gaspillage ou la baisse des dotations versées aux collectivités locales risquent de « faire riller », dit un haut responsable, comme c'est déjà le cas des économies réalisées dans la branche famille. « Il faut qu'on arrive à trouver une solution la plus économisée

NUMBER OF MEDIA FALLOUT



PREPARATION OF OPINIONS

Although the quality of the information transmitted to it by the Government has continuously improved since its creation, the time frames in which the High Council has to make decisions are highly constrained. Without waiting for the information communicated to it officially, it meets regularly to hear numerous qualified individuals who bring an outside view.

VERY SHORT REVIEW PERIODS

The High Council is subjected to tight schedule constraints established by the constitutional bylaw and the Government. This law provides that, in respect of budget and social security financing bills (PLF/PLFSS) and the public finance programming bills (LPFP), the matter is referred to the HCFP no later than one week before these bills are submitted to the *Conseil d'Etat* (Council of State), that is to say, a few days before their presentation to the Council of Ministers.

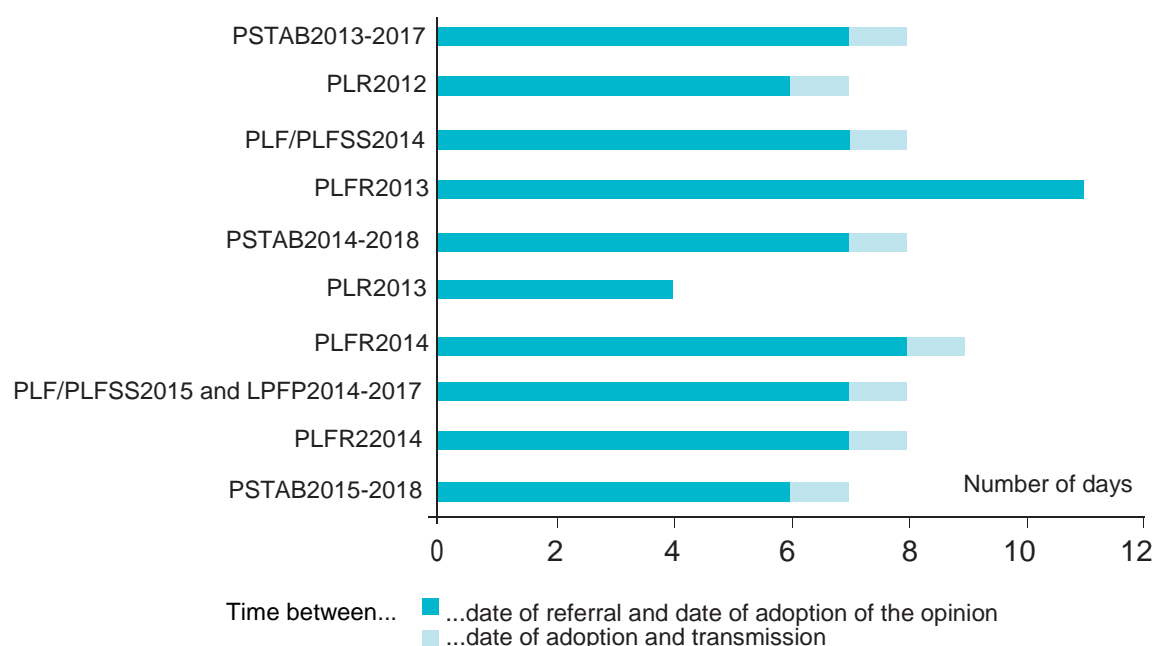
In practice, the Government applies this “seven-day” rule for most other texts².

Regarding the preparation of opinions relating to the PLF/PLFSS, very useful preliminary exchanges between the Government and the High Council were held in July 2013 on the macroeconomic framework and public finance elements, but could not be renewed in 2014. The High Council thus had to take a decision on three bills in September 2014 (PLF, PLFSS and LPFP bill) without having any prior information.

The High Council thus has an average of seven calendar days to provide an opinion. This is a particularly constrained time frame compared to those given to the HCFP’s European counterparts to perform similar work.

Without waiting for referral from the Government, the High Council begins its work well ahead of time by holding hearings of external individuals and using all of the information that is already available.

REVIEW TIME GIVEN TO THE HIGH COUNCIL



Note: the most significant time frames given for the PLFR 2013 can be explained by a shift in the registration schedule of the bill in the agenda of the Council of Ministers.

² The time frames are even shorter for the budget settlement bill.

IMPROVING QUALITY OF INFORMATION

The relationship between the Government and independent fiscal institutions is generally characterised by lack of cohesion in the provision of information. Information, public or otherwise, about macroeconomic finance is easily accessible. However, this is not the case with public finance.

The content of the information transmitted has gradually become enriched owing to the observations formulated by the High Council in its opinions. On several occasions, it has formulated additional requests to the relevant authorities, in particular concerning public finance.

Similarly, in order to prevent important information from being excluded in the official referral, the High Council expressed, in its opinion dated 20 September 2013, “the desire that the referral to the HCFP by the Prime Minister, which is made no later than one week

before the Council of State received the PLF, is accompanied by all the information that would enable it to comprehensively assess not only the macroeconomic forecasts but also the consistency of the introductory article with the multi-year structural budget balance guidelines”. As the referral to the HCFP is often belated, the High Council thus hopes to have, at the time of referral, all the information useful to it for deliberation.

A working protocol between the High Council and the Government is being prepared to clarify the content and terms of the exchanges with the administration.

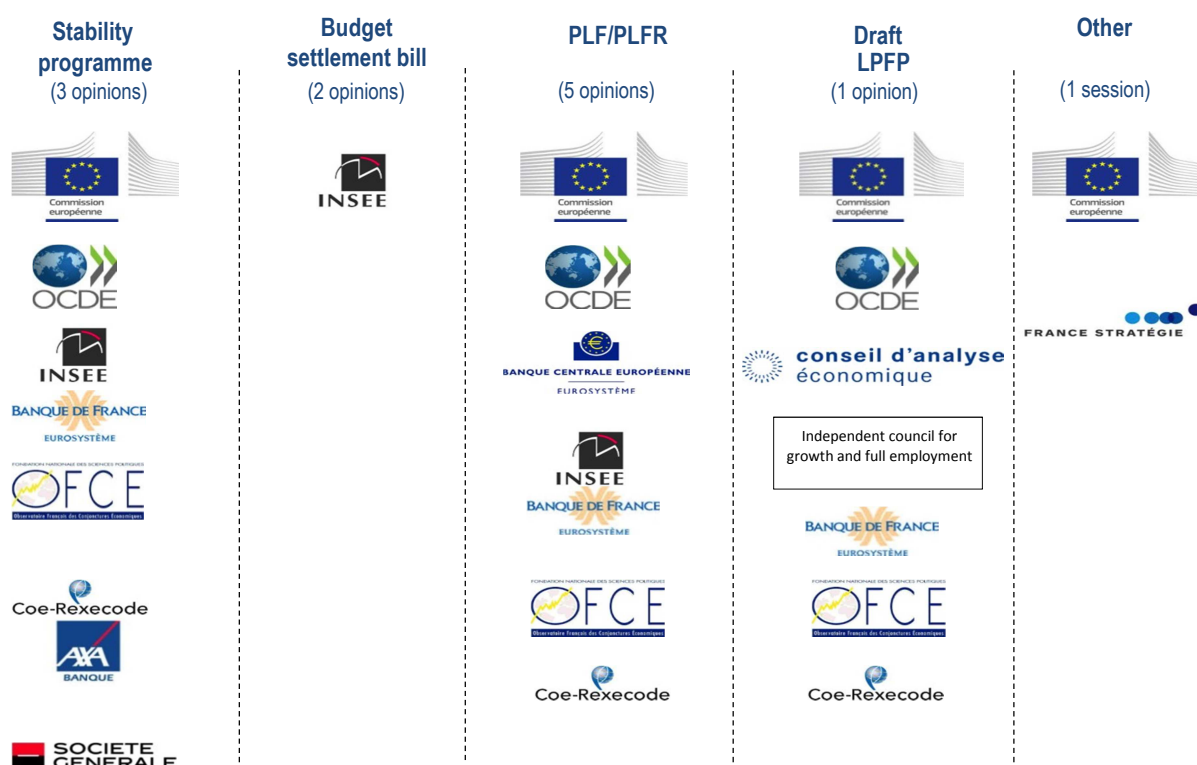
NUMEROUS HEARINGS

As part of the preparation of its opinions, the High Council hears the representatives of the administration as well as qualified individuals. It consistently mentions these hearings in its opinions.

Hearings were regularly carried out, during which the HCFP could receive insights from the **the departments of the Ministry of Economy and Finance**, which are responsible for developing macroeconomic and public finance forecasts and more particularly the General Directorate of the Treasury and the Budget Directorate. As part of the opinions pertaining to budget and social security financing laws, the HCFP jointly heard the departments of the Ministry of Economy and Finance, the Directorate of Social Security and the General Directorate of Local Authorities.

The HCFP also conducts hearings of qualified individuals from public, private, national, European and international institutions. The High Council has thus conducted several hearings of representatives of the European Commission, the INSEE, the Banque de France, the OFCE (French Economic Observatory) and Coe-Rexecode, as well as the OECD and the European Central Bank.

ORGANISATIONS HEARD SINCE 2013



OPINIONS OF THE HIGH COUNCIL

As part of the mandate assigned to it by the constitutional bylaw of 17 December 2012, the High Council of Public Finance delivers opinions on macroeconomic forecasts, potential growth estimates and the trajectory of public finance.

THE GOVERNMENT'S PREVIOUS GROWTH FORECASTS HAVE OFTEN BEEN OPTIMISTIC

The graph below compares the Government's growth forecasts made in September for the following year with, on the one hand, the results observed *a posteriori* and, on the other hand, the average forecast of the "technical group" of the National Economic Commission (CEN) which brings together a majority of the forecasters. For data availability reasons, this comparison could be made only from 2006.

The differences in the Government's forecast for the following year appear to be positive on average, which means that the growth forecasts were generally higher than the achievements. These differences are especially visible in the period 2000-2004 and, more recently, in the years 2012-2014. The average difference is 0.8 point over the period 2000-2014.

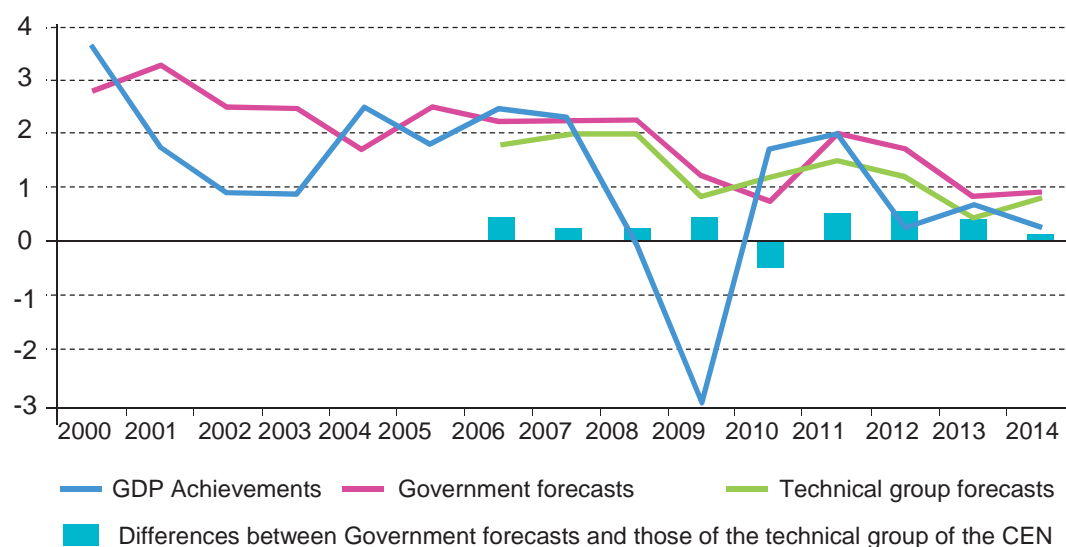
With the exception of 2010, the Government forecasts for the following year are consistently higher than the average of the forecasts collected on the same date for the technical group. The differences between these average forecasts and the achievements are, from 2006 to 2014, lower than those between the Government forecasts and the achievements (0.6 points for the technical group compared to 0.9 points for the Government). This optimistic bias in the Government forecasts nevertheless seems to have reduced in 2014.

MACROECONOMIC FORECASTS

The mandate of the High Council as regards macroeconomic forecasts consists of **examining the realism of underlying forecasts in the financial acts, the multi-year programming and the stability programme**. These short- and medium-term forecasts are developed by the Government.

The High Council does not directly produce forecasts and uses the existing forecasts in its analyses, including those of international organisations and INSEE, and, more generally, all economic information available when it reviews the Government forecasts.

FORECASTS OF THE GOVERNMENT AND THE AVERAGE OF FORECASTERS
Percentage, coming year (N+1)



Source: Economic, social and financial report (forecasts made in September of each year for the following year) and INSEE.

The task entrusted to the High Council is primarily **to ensure that the Government adopts plausible macroeconomic forecasts on which to base its fiscal scenario.**

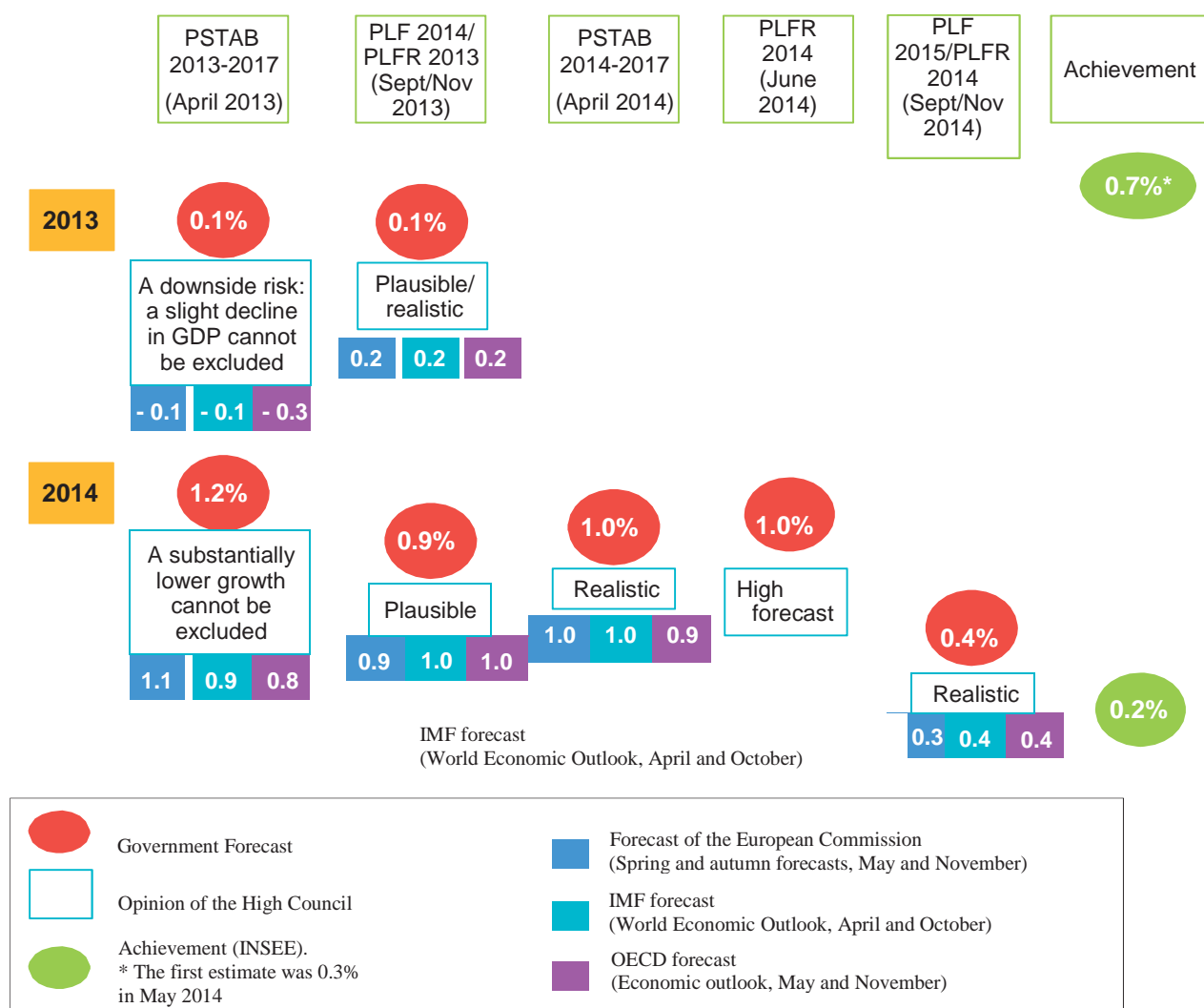
Predicting changes in revenue is highly dependent on assumptions made for business activity (consumption for VAT, for instance), employment and payroll (for social security contributions). On the expenditure side, the inflation forecast determines the estimate of changes in expenditure and the measures to be taken in order to achieve targets. **The optimistic bias observed in the past in Government forecasts is reflected in the fiscal scenarios and largely explains the difficulties in meeting the trajectories.**

To fulfill this task, **the High Council examines whether**, in the economic context as it is known and understood at the time the forecast is prepared, **the Government forecast can be considered central, optimistic or prudent given the information available and the forecasts of other institutions that carry out a similar exercise.**

The opinions of the High Council during its first two years of operation (three in 2013 and six in 2014) are to be put into perspective with, on the one hand, the other forecasts made on similar dates (those of international organisations in the diagram below) and, on the other hand, the results seen later in the annual accounts of INSEE. For example, the High Council deemed a growth forecast of 1.0% for 2014 associated with the stability programme in April 2014 as "realistic".

This forecast was the same as that adopted by the European Commission, the IMF and the OECD. Furthermore, the first months of 2014 and the economic outlook suggested an annual growth rate of close to 1%. However, in June, the High Council deemed that this forecast had become a bit "high" given the disappointing figures of the 1st quarter for world trade and the euro zone. This degradation was confirmed in the summer by the lack of growth in the first six months in France, justifying the downward revision of the Government forecast in September in the PLF for 2015 (0.4%). The forecast was also revised by international organisations. The national accounts (0.2%) confirmed this stagnation in 2014.

SUMMARY OF THE GROWTH FORECASTS FOR 2013 AND 2014



In the medium term, the growth assumptions adopted by the Government in 2013 and 2014 in the stability programmes and the 2014-2019 programming law were considered “fragile” by the High Council (April 2013), “optimistic because based on favourable assumptions” (April 2014) and “more realistic but continuing to rely on assumptions that are too favourable” (September 2014).

The Government endorsed this assessment by revising its forecast downward in the last stability programme of April 2015. The growth assumption is 1.5% for 2016-2017 instead of 2 to 2¼% in the previous projections. It was deemed prudent by the High Council.

Beyond the growth forecasts, the High Council also highlighted certain weaknesses in the macroeconomic

scenarios. The focus was particularly on the optimism of the employment forecasts and the external environment assumptions as well as the late adjustment of inflation forecasts.

■ Employment and the wage bill

In its opinion of September 2013 on the PLF for 2014, while judging the growth forecasts as plausible, the

MEDIUM-TERM FORECASTS

Opinion on...	Government Forecasts	Opinion of the High Council of Public Finance
PSTAB 2013-2017 (15 April 2013)	2015-2017: 2%	“Uncertain forecast”
PSTAB 2014-2017 (22 April 2014)	2016-2017: 2.25%	“Optimistic forecast”
PLPFP 2014-2019 (26 September 2014)	2016-2019: 1.9%	“Highly favourable assumptions on the external environment and investment”
PSTAB 2015-2018 13 April 2015	2016-2017: 1.5%	“Prudent forecasts”

High Council felt that the employment forecasts for 2014 were optimistic and that “*growth should result in the closure of the productivity gap rather than an increase in employment*”. The increase in employment has been below forecasts (0.2% of total employment instead of the expected 0.6%). This gap, however, is due more to the downward revision of growth (0.2% instead of 0.9%) than to a decrease in its content in terms of employment.

In its opinion of June 2014 on the amending budget bill for 2014, the High Council indicated that “*the creation of market jobs and, consequently, the evolution of the wage bill of the private sector seemed overestimated in the Government forecasts given the information available*”. The increase in the wage bill value was estimated at 2.2% in 2014 in the amending budget bill. Ultimately, it was recorded at 1.6%.

■ World trade

In its opinions on the medium-term projections, the High Council has regularly found that the assumptions used for global demand relating to France were too favourable. Thus, in its opinion of April 2014 on the stability programme from 2014-2017, it considered that the “*macroeconomic scenario of the Government relied on favourable assumptions (...) for the support provided by the international environment...*”. It renewed this judgment, while slightly moderating it, in its opinion of September 2014 on the programming bill for 2014-2019: “*while judging the macroeconomic scenario as more realistic than that of the stability programme, the High Council considers that this scenario continues to rely on overly favourable assumptions of the international environment*”.

These observations of the High Council were verified. The growth in global demand was lower than expected in 2014 (3.3% compared to the expected rate of 4.8% in April 2014 in the 2014-2017 stability programme) and, in April 2015, the Government made a significant downward revision of its assumptions for the following years in its 2015-2018 stability programme (for example 4.5% for 2015 instead of 6.5% one year earlier).

■ Inflation

On several occasions, the High Council has drawn attention to the excessively high inflation forecasts of the Government, since it has long been slow to adjust its assumptions for 2014 and 2015 to the observed deceleration of prices.

In its opinion of April 2014 on the 2014-2017 stability programme, the High Council considered that *"the forecast of an annual average price increase of 1.2% (in 2014) could prove to be slightly high"*. In its opinion of June 2014 on the amended budget bill for 2014, it emphasised more strongly that *"the average inflation of 1.2% over 2014*

is clearly high in view of that seen since autumn 2013 and business expectations".

The price rise for consumption was finally limited to 0.5% in 2014.

POTENTIAL GROWTH ESTIMATES

Potential growth and output gap estimates are traditionally

uncertain and little relayed in the public debate.

However, they **play an essential role in the development of medium-term economic forecasts and the assessment of fiscal policy**, due to their use in estimating the structural budget balance.

Potential growth and output gap play a key role in the evaluation of fiscal policy, particularly within the framework of the new European governance.

Concepts

The potential GDP, its growth (potential growth), the output gap and the structural budget balance have become major economic concepts in the context of fiscal governance, particularly at the European level.

The potential GDP is usually defined as the "sustainable" production, that is to say, production that can be achieved without causing price pressures. It is essentially a concept of supply. The potential GDP depends on the capital stock in place, the available workforce and the efficiency with which these factors are used.

The output gap is the difference between the actual production, measured by gross domestic product, and the potential GDP. It is generally expressed as a percentage of the potential GDP. It is an indicator of an imbalance between supply and demand and cancels itself out in principle over the duration of an economic cycle. It therefore indicates the country's ability to rebound when negative, or the risk of slowdown when positive. It also makes it possible to identify the cyclical component of the deficit, and measure, by difference, the structural budget balance.

Principle and measurement weaknesses

Defined thus, the output gap essentially measures the imbalances between supply and demand in different markets through price pressures. It does not take into account the fiscal and external imbalances. However, the financial crisis has showed that an extended period of

POTENTIAL GROWTH AND OUTPUT GAP

moderate inflation may be accompanied by an accumulation of these imbalances. The output gap is expected to subside quickly. In this regard, the unusually long duration of the current economic cycle calls for consideration to be given to the output gap, with some caution.

The output gap and potential growth are not statistics or accounting data, but the result of a development involving various assumptions and parameters. Their estimation is surrounded by uncertainties. The ex post revisions on the output gaps can be extensive and of the same order of magnitude as the gaps themselves for the euro zone. The uncertainty is reinforced when the economy is undergoing profound changes, as has been the case since the financial crisis. In particular, using the estimation methods makes it difficult to measure the loss of human and physical capital and their effects on potential productivity.

Use in the management of public finance

Uncertainties in the output gap are passed on, by construction, to the measurement of the structural budget balance, which also depends on the sensitivity of growth revenues.

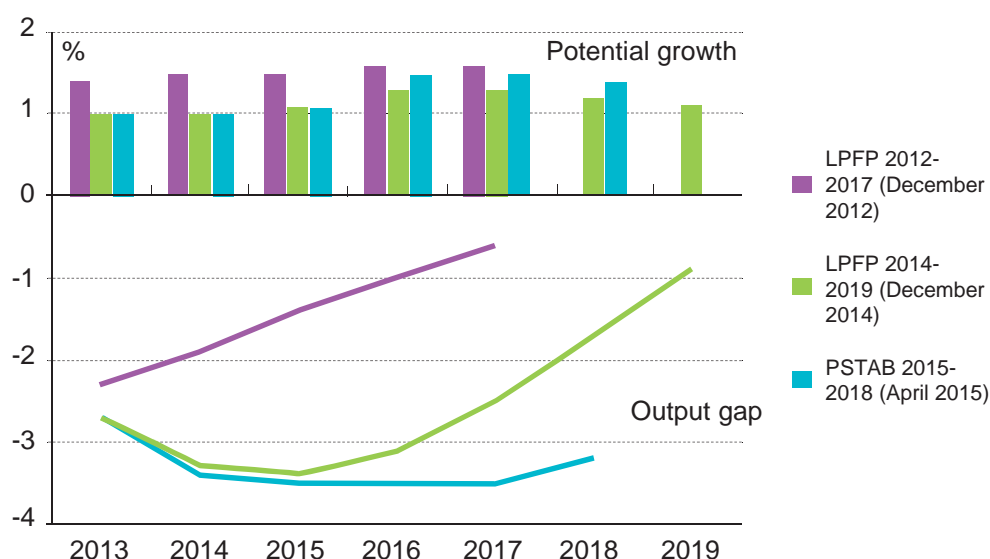
Although uncertain, the calculation of the structural budget balance is nonetheless essential to assess the situation of public finance and the orientation of the fiscal policy. In the current situation, it helps to understand the efforts to be made for the permanent improvement of public balances.

The High Council must deliver an opinion on the estimate of the potential gross domestic product (GDP) on which the public finance programming bill will be based. To date, given the two-year frequency of the programming laws, only a single bill has resulted in such an

opinion, in September 2014. The High Council has taken up the Government's choice to align the estimates of potential GDP with those of the European Commission. It observed that the potential growth assumptions were revised downwards as opposed to those

used in the previous programming law (graph), and that the estimate of 1.0% in 2014-2015 and approximately 1.2% on average for the years 2016-2019 constituted an acceptable assumption.

POTENTIAL GROWTH AND OUTPUT GAP FORECASTS



The High Council also underlined the fragility of the output gap assessments, particularly given the uncertainties concerning the magnitude of final production losses caused by the crisis. It found that although the output gap estimation of -2.7% in 2013 was at the centre of the wide range of available estimates, the assumption of a lower gap and therefore a reduced capacity to rebound of the French economy could not be excluded. The latest estimates from international institutions now suggest that the output gap may not be as wide (-3.4% in 2014 according to the Government compared to -2.3% according to the European Commission, -2.8% according to the IMF and -2.3% according to the OECD). The inclusion of such an assumption would result in a more degraded structural deficit throughout the programming period and could lead to lower growth forecasts for the period 2016-2019. Such an alternative scenario deserves to be studied.

The High Council also gave its views, in its opinion of April 2015 relating to the stability programme, on the upward revision of potential growth compared to the programming law of December 2014, and on the output gap, which plays a key role in the development of medium-term forecasts.

It again questioned the relevance of an output gap that has been very wide for nearly a decade and that would practically not reduce by 2018, which is not in line with the acceleration of investment, inflation and wages retained in the scenario developed by the Government.

It estimated that a lower potential growth assumption would initiate the closing of the output gap. For the same nominal deficit trajectory, it would have led to a lower structural adjustment.

Finally, the High Council also **regretted that the potential**

growth, the estimation of which is surrounded by high uncertainties, **had been reviewed** in the April 2015 stability programme, **just months after the adoption of the programming law of December 2014**. This revision makes the sharing between the cyclical and structural components of the public balance tougher to evaluate and the analysis of the fiscal policy more difficult.



SEMINAR ON POTENTIAL GROWTH 13 JUNE 2014

To assist in familiarisation of the concept and its limitations, the High Council organised a half-day of deliberation on the theme of potential growth and its use in the governance of public finance on 13 June 2014.

The seminar was organised in three stages. First, the main challenges in estimating and using the potential output since the crisis were exposed and analysed. A second session then examined whether there was an alternative to the frequently used methods of economic analysis, which are based on a production function. Finally, the seminar concluded with a discussion on the use of potential growth and output gaps in the management of fiscal policy and on how best to manage the uncertainties surrounding these concepts.

Among the key findings, it was stressed by all participants that the concepts of potential growth and output gap were fragile, with estimates being sharply and regularly revised since the crisis. These uncertainties surrounding their measurements make the use of these concepts difficult for controlling fiscal policy, which requires certain stability. They make defining the structural budget balance of public finance particularly delicate. It would be desirable that governments consider multiple alternative scenarios and their impact on public finances.

A large and varied audience responded to the invitation, allowing for an informal exchange between economists of administrations ((Directorate of the Treasury, INSEE, CAE, CGSP), Banque de France, research institutes and private banks (OFCE, BNP-Paribas), administrators from the National Assembly and the Senate and Members of the *Cour des comptes*. In addition to the British OBR, three European independent fiscal councils participated in the event (Finland, Slovak Republic and Belgium).

Work on these issues should continue to strengthen the robustness of estimates, and the High Council intends to continue to lead the debate. An approach to the sustainability of public finance independent of economic uncertainties is essential in times of economic recovery - where the deficit tends to decrease mechanically - in order to avoid prematurely relaxing the necessary efforts for sustainable rebalancing of public accounts.

PUBLIC FINANCE TRAJECTORY

■ Public finance targets systematically reported

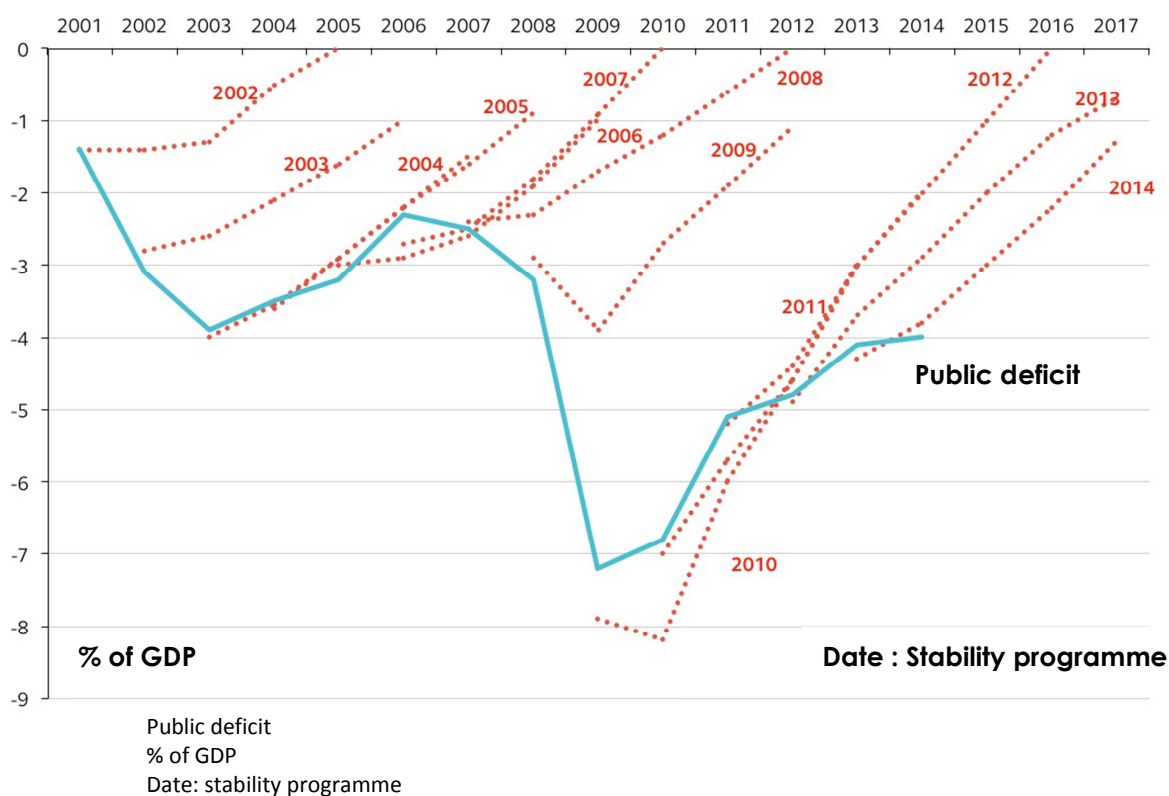
As the High Council has noted in several of its opinions, **the multi-year programming of public finance has been marked in the past by a systematically optimistic bias.**

Successive trajectories of stability programmes have all foreseen an improvement of the public balance, with the objective of achieving balance at the end of the programming period.

This underlines the usefulness of an independent look at the public finance programming and the associated forecasts and measurements. Indeed, in France as well as some other countries, the

permanent postponement of the fiscal consolidation efforts led to a situation where the European commitments were almost never met. Since 2001, the public deficit has exceeded 3% of France's GDP except for three years. Consequently, the debt rose sharply (from 58.1% of the GDP in 2001 to 95.6% in 2014), well beyond the limit of 60% of GDP set by the European treaties.

TRAJECTORIES OF PUBLIC BALANCE IN STABILITY PROGRAMMES



Reading: the dotted public deficit trajectories are those of the successive stability programmes. The solid curve is that of the actual public deficit.

Source: France's stability programmes

European fiscal governance was reformed in 2011-2012 to ensure tighter monitoring of fiscal policy and a sustainable consolidation of public finances following the sharp deterioration after the 2008-2009 crisis. **The Treaty on Stability, Coordination and Governance in the Economic and Monetary**

Union (TSCG) notably entrusted independent national institutions with the task of verifying compliance with the structural budget balance rule for public finance (see box). This role is ensured in France by the High Council of Public Finance.

STRUCTURAL BUDGET BALANCE RULE FOR PUBLIC FINANCE

The TSCG provides that *"the budgetary situation of public administrations is balanced or in surplus"*, that is to say, the structural budget balance must be close to a medium-term objective (MTO), which may not be less than - 0.5% of the GDP. The MTO is a structural budget balance target set by each Member State according to its specific situation in terms of debts and cost of an ageing population, with the objective of ensuring long-term fiscal sustainability.

Under French law, this rule has been implemented in the constitutional bylaw of 17 December 2012 which entrusts the multi-year programming law for public finance (LPFP) with the task of setting the MTO. In the LPFP of 31 December 2012, the MTO was set at the structural balance, with a trajectory that helped to reach it in 2016; in the LPFP of 29 December 2014, the MTO was set at -0.4% of GDP, with a trajectory that helped to reach it in 2019.

The TSCG also stipulates that a *"correction mechanism is triggered automatically if significant*

differences are found in relation to the MTO or the adjustment trajectory used to enable its achievement".

The features of this mechanism are described in the "common principles" adopted by the Member States.

They specifically state that the achievement of the MTO must not be postponed due to a deviation of the trajectory, and that the corrective measures are automatically applied in subsequent budgets. The triggering and monitoring of the correction mechanism are entrusted to an independent national institution, whose opinions must be taken into account by the Government unless the latter publicly explains its reasons not to do so.

The constitutional bylaw of 17 December 2012 entrusted the HCFP with the task of identifying the "significant differences" in the trajectory triggering the correction mechanism. The Government must take into account these differences by taking corrective measures at the latest in the budget for the following year.

■ The analysis of public finance forecasts by the High Council

As regards public finance, the role of the High Council is twofold:

- **ex ante**, it evaluates the consistency of the structural budget balance forecasts associated by the Government with the budget and social security financing acts with the commitments made in the programming law. The consistency is interpreted both as the analysis of any difference between budget forecasts and programming and as the internal consistency of the forecast itself (credibility of assumptions, measures announced and the cost of their impact given the structural balance objective);
- **ex post**, it identifies gaps between implementation and programming. A "significant gap"

triggers the correction mechanism.

In its *ex ante* analysis of the forecasts, the High Council examines the changes in the main variables of the accounts of public administrations both in light of macroeconomic forecasts and taking into account the announcements made by the Government concerning fiscal measures or public expenditure.

The review of the public administration account involves verifying the consistency of public finance forecasts with macroeconomic assumptions: for example, consistency of expenditure and income with inflation forecasts, social security contributions with the wage bill, and interest charges with the ns of changes in rates. The income and expenditure forecasts must also be consistent with their past charges.

On a more detailed level, the High Council also analyses the trajectory of public spending by administration (State, local authorities, social security, etc.) and by type of expenditure (public wage bill, investment, health insurance expenditure, etc.) by examining whether the savings in public spending announced are documented by measures of adequate magnitude³. Finally, it compares the expected evolution of different types of budget revenues depending on that of their determinants ("taxable bases" for the business activity, total payroll, consumption, etc.)⁴.

For this review, the High Council relies, firstly, on the answers provided by the Government to its detailed questionnaires and, secondly, on the forecasts, analyses and infra-annual implementation data from other organisations, such

³ In its opinion on the PLF for 2014, the High Council stressed, for example, that the objective of changes in the public wage bill assumed a strong break in the trend for local authorities and hospitals.

⁴ For example, on several occasions, the High Council considered that the evolution with constant legislation of certain taxes appeared to be overestimated.

as the implementation data published by INSEE, the forecasts and recoveries of ACOSS for social security contributions, the opinions of the alert committee for health insurance expenditure, the forecasts of Unédic, the monthly budget situation of the Government, and the analysis of the *Cour des comptes* and the Commission of social security accounts.

Access to information is a challenge that is particularly crucial for the analysis of public finance. Information is rarely made public and, very few organisations conduct analyses and produce detailed forecasts in this area. The High Council is thus highly dependent on information provided by the Government. Its exhaustiveness and level of detail have improved gradually since the creation of the High Council, but this information is often provided late and is sometimes incomplete.

This is particularly the case when the arbitrations on new measures are provided at the last minute. This makes it more difficult to take an opinion on the costs of the fiscal measures or the assessment of the credibility of savings measures announced⁵.

During its first two years of activity, the High Council reviewed the public finance forecasts for 2013, 2014 and 2015 and the medium-term trajectory for 2014-2019.

With regard to the two years for which the execution is now known (2013 and 2014), the analyses of the High Council led to the following conclusions:

- **for 2013**, the High Council judged the Government forecast of a structural deficit of 2.6% of the GDP in autumn 2013 as "plausible". The data was finally recorded at -3.0% of GDP, but most of the deviation from the forecast can be explained by the revisions of GDP in the national accounts of previous years (2011 and 2012)⁶;

- **for 2014**, the initial objective of the budget bill (a structural balance of -1.7% of GDP) was considered "optimistic" by the High Council in September 2013, a judgment validated by the budget outturn (-2.2%). During 2014, the Government revised its forecast downwards in stages, until, at the end of the year, the High Council judged the forecast of -2.5% as "likely". The better than expected performance is particularly linked to elements that are difficult to predict even at the end of the year (like the sharp decline in local investment)⁷. More specifically, the High Council expressed reservations regarding the evolution of certain expenses and revenues in 2014. These have proved relevant in the case, for example, of the wage bill of local authorities⁸ or the spontaneous evolution of social security contributions⁹.

GOVERNMENT STRUCTURAL BUDGET BALANCE FORECASTS AND OPINION OF THE HIGH COUNCIL (2013-2014)

Text	Date	2013		2014	
		Forecast	Opinion	Forecast	Assessment of the High Council
PLF for 2014	Sept-13	-2.6	-	-1.7	"Optimistic forecast"
PLFR for 2013	Nov-13	-2.6	plausible		-
PLFR for 2014	June-14		-	-2.3	"While relying on more realistic assumptions than the PLF, the structural deficit may be higher"
PLFR for 2014	Nov-14		-	-2.5*	"Likely forecast"
Outturn		-3.0*		-2.2*	

« - »: Not applicable

*Recalculated with the assumptions of the December 2012 LPFP to ensure comparability

⁵ Especially since the Government reports on expenditure savings relative to an underlying trend the calculation assumptions of which are not always explicit.

⁶ The importance of revisions is a recurring problem: in its opinion on the budget settlement bill for 2012, the High Council had, for example, found that the 0.3 point deviation from the structural budget balance trajectory of the LPFP resulted mainly from a revision of the accounts for 2011.

⁷ In February 2015, the European Commission was still predicting a public deficit of -4.3% of GDP, compared with a performance of -4.0% published in late March by INSEE.

⁸ Prediction of a spontaneous increase of 2.2% in the PLFR of June 2014 compared with the 1.8% achieved.

STRUCTURAL BALANCE ESTIMATE

To assess the public finance trajectory, it is customary to consider the structural budget balance, which corresponds to the public balance adjusted for direct effects of the economic cycle as well as exceptional events.

The public balance is thus separated into two components:

- A cyclical component that represents the impact of the economic cycle on the expenditure and revenue of the public administrations;
- A structural component corresponding to what the public balance would be if domestic production was at its potential level.

The identification of cyclical and structural components of the public deficit is based fundamentally on the estimation of potential GDP. Specifically, the identification takes place by first calculating the cyclical components of the public revenue and expenditure:

- On the revenue side, only mandatory contributions are assumed to be cyclical. The cyclical level of the income tax, corporate income tax, social security contributions and other mandatory contributions is calculated separately based on the observed levels, the estimated output gap and the elasticity of each tax category¹⁰;
- On the expenditure side, only the unemployment compensation expenses are considered dependent on economic conditions¹¹. The cyclical share is estimated, as for revenue, based on its elasticity in relation to the output gap and the amount recognised each year.

The calculation of the cyclical component of the balance and, by difference with the actual general government balance, of the structural balance then results directly from these estimates.

A simplified method helps to approach the cyclical balance. Given the fact that the mandatory contributions and expenses sensitive to the economic situation account for about half of GDP and that their average elasticity is close to one, the cyclical balance corresponds, in the case of France, to just over half the output gap.

A final correction is made to the structural balance in order to exclude certain events or actions that, because of their exceptional nature, have no lasting impact on the public balance. However, there is no comprehensive definition of one-off and temporary measures and their identification is partly based on interpretation.

In its opinion on the budget settlement bill for 2012, the High Council regretted that the scope of the one-off and temporary measures had not been established clearly and precisely. In response, the Government published its doctrine in the Appendix to the programming law of 29 December 2014. This did not, however, solve all the difficulties of interpretation. For example, the High Council estimated that the receipt from the sale of radio frequencies in 2012 should have been viewed as a one-off and temporary measure; however, the Government retained a different view in its doctrine.

¹⁰ The elasticities retained are those estimated by the OECD, revised in the summer of 2014. They are used by the European Commission.

¹¹ As regards other expenses, either they are discretionary or no link with the economic conditions can be identified clearly and reliably.

■ The deviations from the trajectory and the correction mechanism

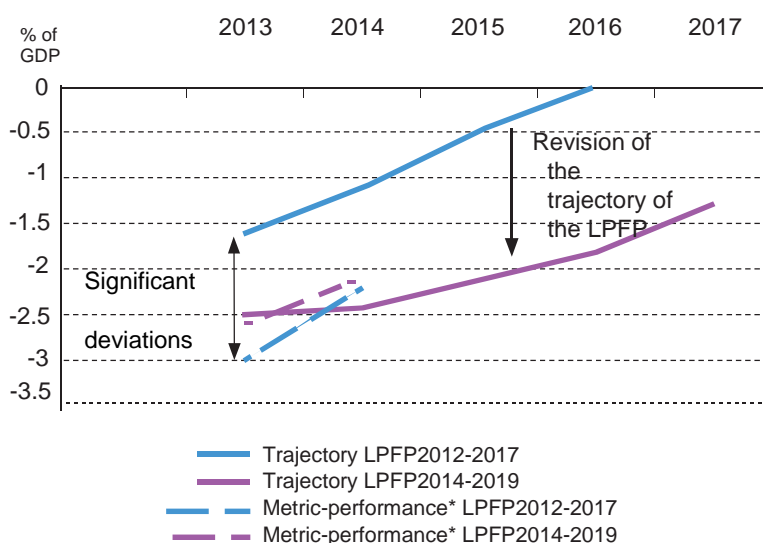
In all of the opinions in which it has given its views on public finance by using as reference the public finance programming law (LPFP) of December 2012 then in force, **the High Council had to anticipate and note unfavourable deviations in relation to structural budget balance trajectory.**

The LPFP of December 2012 soon proved to be inoperative, thus posing a challenge to the High Council, which was required to refer to it while it was in force even though the Government had updated its public finance trajectory as of the summer of 2013. There was thus a gap between the national benchmark and the European commitments which complicated the analysis of the public finance situation.

It is not recommended that the LPFP be revised too frequently, in order to ensure the stability of public finance objectives. It would be more appropriate, as highlighted by the High Council in its opinion on the April 2015 stability programme, **to base the objectives set out in the LPFP on adequately prudent assumptions, so that they do not become obsolete too quickly.**

Failure to follow the trajectory of the LPFP led the High Council, in its opinion on the budget settlement bill for 2013 delivered in May 2014, **to report a “significant deviation of 1.5 points of GDP, between the structural balance calculated retrospectively and the programming. As provided by the constitutional bylaw of 17 December 2012, this “significant” deviation triggered the correction mechanism.** The High Council had repeatedly warned of the risk of a significant difference from September 2013, in its following opinions.

SUCCESSIVE STRUCTURAL BALANCE TRAJECTORIES IN THE PROGRAMMING LAWS



* The structural balance calculation conventions have changed between the two programming laws

The triggering of the mechanism in May 2014 had no effect as the budget bill for 2015, presented in September 2014, which was to be, according to the constitutional bylaw, the vector of additional measures to make up for some of the delay in terms of structural adjustment, did not comprise any “correction measure” for correcting the deviation from the trajectory. The Government **has decided to set a new trajectory** by introducing a new programming law integrating past deviations and determining new targets revised downwards.

This rolling programming of public finance shows that the correction of deviations from the trajectory is not automatic, since a new trajectory can be passed as needed - and for now new programming laws are passed every two years - and does not limit the risk of systematic postponement of the medium-term objective (MTO) over time.

■ Consistency with European commitments

As part of its opinions regarding the programming laws, the High Council must comment on the consistency of the planned programming with the MTO adopted and France's European commitments.

To date, the High Council has reviewed only one programming bill, in September 2014. It noted that **the trajectory proposed for the years 2014 to 2019 was not consistent with the European commitments** made as part of the recommendation of the Council meeting of 21 June 2013. The period of return to an effective deficit below 3% of the GDP, then set at 2015, was not complied with and the improvement of the structural balance was below that required by the Council. **To address this inconsistency, the commitments made by France to its European partners were revised in March 2015,** with a postponement in the time for correction of the excessive deficit (in 2017) and structural adjustment targets revised downwards in 2014 and 2015.

¹² At least 0.5 percentage point of GDP a year or at least 0.25 percentage point of GDP per year on average over two consecutive years.

EUROPEAN AND INTERNATIONAL RELATIONS

The High Council of Public Finance has maintained sustained relations with independent fiscal institutions in other countries, either bilaterally or multilaterally.

NETWORK OF HEADS OF INDEPENDENT FISCAL INSTITUTIONS OF THE OECD



The Organisation for Economic Co-operation and Development (OECD) has organised, since 2009, an annual meeting of budget officials of parliaments and independent fiscal institutions (IFIs) of the thirty-four member countries of the Organisation. These meetings combine the subjects of public finance governance (medium-term programming, management by performance, principles that should apply to independent institutions, etc.), economic issues (potential growth, relation between debt and growth etc.) and practical subjects (access to information, modes of communication, etc.). The geographical scope of these meetings is broader than that of the European Union : it includes in particular the United States, Canada, Japan and European countries not belonging to the Union.

With the creation of new IFIs, the number of participants in these meetings has risen sharply in recent years. Ninety representatives of the member countries participated in the seminar held in Vienna in mid-April 2015.

The secretariat of the High Council participated in the last three of these meetings held in Ottawa in February 2013, in Jerusalem in March 2014 and in Vienna in April 2015. These meetings were an opportunity to present the French model of a light IFI created within a superior control institution (the *Cour des comptes*), to build relationships with counterparts in other countries and to carry out exchanges pertaining to good practices with them.

NETWORK OF HEADS OF INDEPENDENT FISCAL INSTITUTIONS OF THE EUROPEAN UNION



In autumn 2013, the European Commission (Directorate General EC-FIN) took the initiative to invite the IFIs to regular meetings (once a year in the initial project), regarding technical matters and in an informal setting, and fully respecting their independence, to discuss issues of common interest (European fiscal rules, methodology, etc.), as part of a network referred to as EUNIFI (EU Network of Independent Fiscal Institutions).

- The first meeting was held in Brussels on 27 November 2013. Eighteen institutions from sixteen

countries were represented.

Two newly created IFIs (the HCFP and the Irish IFAC) had been asked to prepare a presentation on the stages of development of their institution and the transposition of European texts in their country. These presentations were followed by a discussion on the exercise of the duty to evaluate macroeconomic forecasts and public finance.

- A second meeting was held on 20 November 2014, attended by twenty eight institutions.

Three main topics were on the agenda: the estimation of the structural budget balance and its evaluation by the IFIs, the validation process for economic forecasts, and access to information for IFIs.

The first topic was introduced by a presentation by the Commission, while the other two presentations were made by institutions (Austrian WIFO and Portuguese CPB on the validation of economic assumptions, Irish IFAC on access to information).

The Commission's presentation on the estimation of the structural budget balance was designed to answer questions and criticism of IFIs, which for the most part have encountered difficulties in the application of the TSCG due to major revisions in potential growth or other parameters.

These meetings organised by the Commission are very useful for providing information to independent institutions on European texts and their implementation as well as the calculation methods of the Commission.

They are complemented by annual training seminars organised by the DG ECFIN on the European fiscal framework, intended for experts in finance ministries and members of independent institutions; the European rules and the terms of their application are presented and discussed in detail during these seminars. The secretariat of the High Council participated in these seminars in April 2014 and February 2015.

From 2015, it was decided to increase the frequency of the EUNIFI meetings, which are now biannual.

AN INFORMAL NETWORK

An informal network of IFIs has also been in place since 2013. Set up on the initiative of the Slovak independent institution (Council for Budgetary Responsibility or CBR), it aims to promote exchanges of information between institutions on their practices, the difficulties encountered in the exercise of their missions, their reading of the European texts, etc. This network also helps establish bilateral relations with the counterparts of the High Council.

The informal network held two meetings in Bratislava, in October 2013 and October 2014, and also met briefly on the sidelines of the OECD meetings.

The main topics discussed during these meetings, besides the terms of application of the European Treaty, have been the estimation of the output gap and the structural budget balance, the classification of exceptional and temporary measures and the definition of common principles for the IFIs.

Cooperation between IFIs participating in the informal network and the European committees where economic and financial issues are discussed (Economic and Financial Committee and Economic Policy Committee) has gradually increased. It was born from the initiative collectively taken in early 2015 by the IFIs in two letters addressed to the European Commissioner for Economic and Financial Affairs and the Chairman of the European Economic Policy Committee. The IFIs, for whom this was the main demand, now enjoy quick access to the methodological documentation on the operation of the Stability Pact. Furthermore, an annual meeting

will be organised from 2015 between representatives of the two European committees and the IFIs to discuss issues of common interest.

The network serves as a platform to exchange views, expertise and to compare each other's working methods.

In September 2015, the members of the network decided to establish it as a more formalised structure with a president and a vice president.

BILATERAL RELATIONS

The High Council of Public Finance regularly welcomes visits by foreign delegations. For example, the representatives of the Swedish Ministry of Finance (November) and the Federal Court of Accounts of Brazil (October) were welcomed in 2014.

	Name of the organisation	Number of members	Term of mandate (years)	Workforce of the secretariat or permanent team	Produce (P) ou validate (V) the economic forecasts	Date of publication of the opinion or report on proposed budget
Germany	Unabhängiger Beirat des Stabilitätsrates	9	5	n/a	V	Décember
Austria	Österreichisches Institut für Wirtschaftsforschung (WIFO) (Eco)	16	4	100	P	November
	Fiskalrat (Finances publiques)	15	6	6		
Belgium	Conseil supérieur des Finances - Section "Besoin de financement du secteur public" (Fipu)	12	5	6	P	November
	Institut des comptes nationaux (ICN) (Eco)	7	variable	7		
Spain	Autoridad Independiente de Responsabilidad Fiscal (AIReF)	Président (no council)	6	35	V	October
Finland	National Audit Office	n/a	n/a	7	V	
France	Haut Conseil des finances publiques	11	5	5 (tpart time)	V	September
Ireland	Irish Fiscal Advisory Council (IFAC)	5	4	5 incl. 2 économists	V	November
Italy	Ufficio Parlamentare di Bilancio (UPB)	3	6	30	V	November
Netherlands	Centraal Planbureau (CPB) (Eco)	3	7	120	P	September (economic forecasts)
Portugal	Conselho das Finanças Públicas (CFP)	5	7	16	V	November
UK	Office for Budget Responsibility (OBR)	5	5	7	P	October
Slovak Republic	Council for budget	3	7	13	V	November

RESOURCES

The High Council of Public Finance consists of ten members, not including its President. It is assisted in the performance of its missions by a permanent secretariat headed by a General Rapporteur and two deputy General Rapporteurs.



21 March 2013

Establishment of the High Council of Public Finance

COUNCIL

The college, chaired by the First President of the *Cour des comptes*, comprises four Court magistrates, five qualified individuals and the Director General of the National Institute of Statistics and Economic Studies (INSEE). There is a strict gender balance among the members designated by the First President and the parliamentary authorities. Members are not paid. Their term of office is five years¹³.

The members enjoy strong guarantees of independence. They may not receive or seek any instructions from the Government or any other public or private person.

Excluding magistrates of the *Cour des comptes*, their terms are not renewable. It can only be suspended in case of serious shortcomings or physical incapacity. Finally, although the HCFP is not an independent administrative authority within the meaning of the Act of 11 October 2013 on the transparency of public life, the members fill out a declaration of interests which is made public on the HCFP website.

PERMANENT SECRETARIAT

The council is assisted by a permanent secretariat of six people working part-time and essentially belonging to the first chamber of The *Cour des comptes*, which is competent

¹³ Two and a half years for four members in the initial constitution of the High Council

in economic, budgetary and financial matters. A general rapporteur, assisted by two deputy general rapporteurs, carries out the work of the secretariat, which is also assisted by two specialised rapporteurs and an assistant. Jean-Philippe Cotis served as General Rapporteur until September 2013 before being replaced by Francois Monier.

BUDGET

The HCFP has an autonomous budget program with appropriations from the budget of the *Cour des comptes*, which has not increased on this occasion. The creation of the High Council was therefore neutral for the State budget. This budget covers staff costs and expenses for the current operations of the High Council.

The provisional budget of the High Council for 2014 amounted to €820,000: 45% for staff expenditure and 55% for operating expenditure. In reality, the HCFP only consumed 41% of this amount, approximately €332,000 in 2014.

The HCFP also benefits from material and logistical facilities offered to it by its place of operation within the *Cour des comptes*.

HCFP BUDGET

	2013		2014	
	Forecast	Implementation	Forecast	Implementation
Staff	330,019	196,439	368,675	311,674
Operation	280,000	158,296	450,000	20,723
TOTAL	610,019	354,735	818,675	332,397

Source: annual performance reports provided in the Appendix to the budget settlement bill

Note: the 2013 budget was prepared based on nine months of activity

APPENDICES

BIOGRAPHIES

THE COUNCIL

■ President

Didier Migaud

First President of the *Cour des comptes*, President of the High Council of Public Finance



Didier Migaud took up his functions on 11 March 2010 as the First President of the *Cour des comptes*. He was appointed by the President of the Republic on 23 February 2010 and succeeded Philippe Seguin. A graduate and professor of public law and political science, he was appointed to the office of the President of the Isère General Council, then as Chief of Staff and Secretary General of the departments of the same Council. A local representative from 1986 to 2010 and national representative from 1988 to 2010, Didier Migaud was General Budget Rapporteur and the President of the Finance Committee of the National Assembly.

■ Magistrates of the *Cour des comptes*

Raoul Briet

President of the First Chamber of the *Cour des comptes*, President of the Inter-Chamber Panel

"Implementation of the budget and public accounts"



Raoul Briet is a former student of ENA, and has been President of the First Chamber of the *Cour des comptes*, in charge of the Ministry of Economy, the Budget and Public Accounts as well as the public financial sector, since 2012. Previously, Raoul Briet notably served as Deputy General Commissioner of the Plan Commission, Director of the National Pension Fund for Employees (CNAVTS) and Director of Social Security at the Ministry of Labour and Social Affairs.

Raoul Briet was also President of the Supervisory Board of the *Fonds de Réserve pour les Retraites* (Pension Reserve Fund), member of the board of the *Haute Autorité de santé* (National Authority for Health) and President of the Supervisory Board of the *Assistance publique - Hôpitaux de Paris* AP-HP.

Catherine Démier

Chief Auditor at the *Cour des comptes*, General Secretary of the *Conseil des prélèvements obligatoires* (Council of Mandatory Contributions)



A former student of the *École nationale d'administration* (National School of Administration), **Catherine Démier** is chief auditor at the *Cour des comptes*, of which she was the General Secretary.

Successively Director of Financing and then Regulation at the *Centre national de la cinématographie* (National Centre for Cinematography) (1997-2000), and then Advisor for Audiovisual and Cinema at the office of the Minister of Culture (2000-2002), she was also Director General of the Cannes Film Festival (2005-2007). She is also a member of various boards in the cultural sector: *Théâtre de la ville* (since 2007), CNC (2010-2015), *Festival international d'art lyrique* (since 2013) and the *Institut national de l'audiovisuel* (since 2015).

She has been General Secretary of the *Conseil des prélèvements obligatoires* (Council of Mandatory Contributions) since 2008 and is a member of the Fourth Chamber of the Court, in charge of the foreign affairs sector.

François Ecalle

Chief Auditor at the *Cour des comptes*



Since 2008, **François Ecalle** is responsible for preparing the annual report of the Court on the situation and outlook for public finance. Within the First Chamber, he has also contributed since 2008 to several surveys on macro-fiscal issues (public payroll, fiscal expenditures, tax revenue forecasts etc.) and is responsible for the “tax revenue and taxation management” sector. From 1999 to 2008, he was assigned to the Seventh Chamber, where he was in charge of surveys in the fields of transport, equipment, environment and agriculture. From 1993 to 1999, he was Deputy Director in the forecast directorate of the Finance Ministry and was in charge of public finance and then sectoral policies. Since 2009, François Ecalle is member of the Official Statistics Authority. Since 2005, he is responsible for a course on economic policy at the University Paris 1.

Publication:

“Maîtriser les finances publiques! Pourquoi, comment?” *Economica*, 2005 (awarded by the Académie des sciences morales et politiques in 2005).

Martine Latare

Chief Auditor at the *Cour des comptes*



Martine Latare is a Chief Auditor at the Sixth Chamber of the *Cour des comptes* and General Rapporteur of the certification report for the accounts of the social security scheme. Earlier, she was Deputy Director General in charge of resources at the National Research Agency from 2008 to 2012. Assigned to the Treasury Department upon leaving the ENA in 1984, she served as Financial Attaché at the Embassy of France in Washington from 1988 to 1990 and Financial Advisor to the Embassy of France in Tokyo from 1999 to 2003. She is a former student of the *Ecole Normale Supérieure* and holds an agrégation in mathematics.

■ Qualified individuals

Appointed by the President of the National Assembly

Jean Pisani-Ferry

Director of Bruegel, member of the High Council of Public Finance (March-April 2013)



Jean Pisani-Ferry is the Commissioner General of France Stratégie since May 2013. He is also a professor at the Hertie School of Governance (Berlin).

Previously director of Bruegel (Brussels), a centre for research and debate on economic policies in Europe that he helped establish in 2005, he was also Director of CEPII (1992-1997), advisor to the Minister of Economy, Finance and Industry (1997-2000), and Deputy Chairman of the Economic Analysis Council (2001-2002).

His recent work focuses on European and international issues as well as economic policy.

François Bourguignon

Professor at the *École d'économie de Paris* (Paris School of Economics) (since May 2013)



François Bourguignon holds emeritus professorship at the *École d'économie de Paris*, an institute where he was director from 2007 to 2013. Prior to 2007, he was Chief Economist and Senior Vice President of the World Bank in Washington from 2003 to 2007. He spent the rest of his career at the *École des Hautes Études en Sciences Sociales* (School for Advanced Studies in the Social Sciences) where he was elected as the study director in 1985. His work focuses on the distribution and redistribution of income in developed and developing countries. He has published several books and numerous research articles in leading international journals.

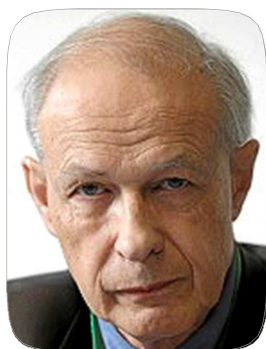
Recent publications:

- Handbook of Income Distribution, Vol.2, Elsevier, (co-edited with A. Atkinson, 2014)
- La mondialisation de l'inégalité (le Seuil, 2012); extended version in English (The globalization of inequality, Princeton University Press, 2015)

Appointed by the President of the Senate

Michel Aglietta

Professor Emeritus of Economics, Scientific Advisor to the Centre for Research in International Economics (CEPII)



Michel Aglietta is a professor emeritus of Economics at the University of Paris X Nanterre. He is scientific advisor to the CEPII and to France Stratégie. Michel Aglietta has been a member of the Economic Analysis Council from 1997 to 2003. He is also an honorary member of *the Institut Universitaire de France*. Michel Aglietta is a macro economist. His areas of research are monetary theory, international monetary economy and the relationship between finance and macroeconomics.

Recent publications:

- Europe: sortir de la crise et inventer l'avenir, Michalon, 2014
- Le dollar et le système monétaire international, with Virginie Coudert, La Découverte, Coll. Repères, 2014
- Un New Deal pour l'Europe, with Thomas Brand, 2013, Odile Jacob
- La voie chinoise; capitalisme et empire, with Guo Bai, 2012, Odile Jacob
- Zone euro. Éclatement ou fédération, Michalon, 2012, January

Appointed by the Chairman of the Finance Committee of the National Assembly

Marguerite Bérard-Andrieu

Deputy Director General in charge of strategy, legal affairs, the general secretariat and compliance, Groupe BPCE



Marguerite Bérard-Andrieu is a graduate of the Institut d'études politiques in Paris, of the University of Princeton (Woodrow Wilson School of International and Public Affairs) and the ENA. She began her career in 2004 at the *Inspection générale des finances* (General Inspectorate of Finance). From 2007 to 2010, she was technical advisor and then advisor to the presidency of the Republic, in charge of employment and social protection issues. Then from November 2010 to May 2012, she was director of cabinet of the Minister of Labour, Employment and Health. Since July 2012, Marguerite Bérard-Andrieu is Deputy Director General and a member of the General Management Committee of the banking and insurance group BPCE, in charge of strategy, the General Secretariat, legal affairs and compliance. She is a member of the Board of SCOR.

Appointed by the Chairman of the Senate Finance Committee

Mathilde Lemoine

Director of Economic Studies and the Market Strategy, HSBC France, an Economics professor at the Institut d'études politiques in Paris



Doctor of Economics, **Mathilde Lemoine** is an economist. She is currently the Director of Economic Studies and the Market Strategy at HSBC France. She is also a professor of Macroeconomics at Sciences Po Paris since 1997 and a professional independent director. She is a macroeconomist and a specialist in public economics and European and international trade issues and a forecaster. She publishes numerous analyses on real estate issues, market strategy and on the economic developments. Other than her regular economic publications, she also contributes in the media and is a columnist for *Agefi Hebdo* and *Enjeux les Echos*. Mathilde Lemoine has also participated in several committees such as the Attali Commission or the Rocard Commission and was a member of the Economic Analysis Council from 2008 to 2012 and the National Economic Commission from 2007 to 2013.

Appointed by the President of the Economic, Social and Environmental Council

Philippe Dessertine

Professor of finance in management sciences, director of the Institut de haute finance, director of master of research in financial sciences



Philippe Dessertine is a university professor at the IAE de Paris (Université Paris 1 Panthéon Sorbonne), where he holds the chair for "Management and Governance of Co-operative Finance", and where he heads the chair for "Agriculture financing". He is also director of the Institut de haute finance since 2004. Previously, he was for twelve years a professor at the Université Paris Ouest Nanterre la Défense, where he headed the CEROS (Centre for Research on Organisations and Strategy). He was a member of the Commission du Grand emprunt in 2009.

He specialises in long-term financing of public or private organisations, focusing on markets or using alternative routes. He has written numerous articles and works on these topics or their extensions particularly in international sphere. He has described the causes of the conditions that led to the crisis that began in mid-2007, which he had mentioned in various publications since the early 2000s.

His last two books were: *En tout espoir de cause, le monde de demain a déjà commencé* (Anne Carrière, May 2014), *Le fantôme de l'Elysée, entretiens de François Hollande avec le baron Necker* (Editions Albin Michel, February 2015).

Jean-Luc Tavernier

Director General of the National Institute of Statistics and Economic Studies



Former student of the École polytechnique and a graduate of the École nationale de la statistique et de l'administration économique (ENSAE), **Jean-Luc Tavernier** has spent most of his career at the Ministry of Economy and Finance.

Jean-Luc Tavernier held several positions in the forecasting directorate of the Ministry of Economy and Finance (1985-1995) : head of research on foreign trade, deputy bureau chief and then bureau chief for economic forecasting and bureau chief for economic policy.

After heading ENSAE in 1995, he was appointed advisor to the Minister of Labour and Social Affairs and was in charge of the social security accounts and financing acts. From 1997 to 2001, he was Deputy Director in the forecasting directorate in charge of public finance and labour market.

Then he joined the INSEE in 2001 as Director of Economic Studies and Analysis to return in 2002 to the Ministry of Economy as Director of Forecasting, and become between 2004 and 2005 director of economic policy in the Directorate General of the Treasury. He was then Director General of the Agence centrale des organismes de sécurité sociale and in parallel the vice-President of the Conseil d'orientation de l'emploi. He was appointed in June 2007 the chief of staff of the budget minister and, in January 2010, deputy General Commissioner for investment.

He became the Director General of INSEE in March 2012.

PERMANENT SECRETARIAT

Jean-Philippe Cotis

Advisor, General Rapporteur (March-October 2013)



A graduate of the ESSEC and ENA, **Jean-Philippe Cotis** began his career in 1982 as a civil servant in the Ministry of Economy and Finance. After holding a post in the International Monetary Fund, he held various positions in the forecasting directorate, including that of director from 1997 to 2002. He then joined the OECD as a chief economist until 2007, before being appointed Director General of INSEE. Appointed chief auditor at the *Cour des comptes* in 2012, he served as General Rapporteur of the High Council of Public Finance from its inception until October 2013.

Francois Monier

Honorary chief auditor, General Rapporteur (since October 2013)



Former student of the École Polytechnique and the École nationale de la statistique et de l'administration économique (ENSAE), **François Monier** began his career in the economic analysis division of the INSEE. After a brief stint at Directorate General of Telecommunications, he was part of the cabinets of Prime Minister Pierre Mauroy (1981-1984) and the Minister of Economy and Finance, Pierre Bérégovoy (1984-1986 and 1988-1992). He was head of the Economic Department of the General Planning Commission (1986-1988) and director of forecasting (1992-1994). Appointed chief auditor at the *Cour des comptes* in 1994, he was successively member of chambers in charge of issues of social security, transport and agriculture and public finance. He served at the same time as the general secretary of the Commission of social security accounts from 2000 to 2014. He joined the High Council of Public Finance in October 2013.

Philippe Ravalet

Senior auditor, deputy general rapporteur (March 2013 - October 2014)



A former student of the Ecole polytechnique and ENSAE, **Philippe Ravalet** began his career in 1994 at the economic analysis department of INSEE and the British Office of Statistics. After a brief return to the INSEE as a research officer in the demographic and social statistics department, he became head of the employment and wages office in the forecasting department of the Ministry of Economy. He was then advisor to the Minister of Social Affairs and then to the Prime Minister in 2002 and 2007 respectively. Appointed senior auditor at the *Cour des comptes* in 2008, he was assigned to the 1st chamber in charge of the Ministry of Economy, the budget and public accounts and the public financial sector, where he participated in the work on the management of public debt and reports on public finance. He held the post of Deputy General Rapporteur of the HCFP since its creation in early 2013 until October 2014. Since then, he serves as advisor to the Presidency of the Senate.

Boris Melmoux-Eude

Senior auditor, deputy general rapporteur



Graduate in Public Affairs from the Institut d'études politiques in Paris in 2009, **Boris Melmoux-Eude** joined the *Cour des comptes* after leaving the ENA in 2012. Assigned to the first chamber as an auditor and then senior auditor, he has participated in the reports on the execution of the State budget and the situation and prospects of public finance. Member of the prefiguration mission of the High Council of Public Finance from September 2012, he was appointed Deputy General Rapporteur in March 2013 and was in charge of the general secretariat. Boris Melmoux-Eude is also general rapporteur of the Conseil des prélèvements obligatoires (CPO).

Annabelle Mourougane

Administrator of INSEE, rapporteur



Annabelle Mourougane is an administrator of INSEE. A graduate of ENSAE, she also holds a master of economic policy from the EHESS-ENSAE-École Polytechnique. Before joining the High Council of Public Finance and the *Cour des comptes*, she worked at the OECD, ECB and INSEE. She is a macroeconomist and has published her works in many international journals, mainly on the themes of labour market, macroeconomic modelling and forecasting, and potential growth.

Nathalie Georges

Administrator of INSEE, rapporteur



Former student of the École normale supérieure and a graduate of ENSAE, **Nathalie Georges** is an administrator of INSEE. She joined the High Council of Public Finance and the *Cour des comptes* as a rapporteur in 2013 after working for several years in the Directorate General of the Treasury in the Ministry of Economy and Finance on matters relating to public finance and European economic policy.

Bérénice Bah

Assistant



Berenice Bah is an assistant at the High Council of Public Finance. After an initial career in the private sector as a scientific attaché in the pharmaceutical industry, she joined the office of the academic director of Seine Saint Denis in 2010. Assigned to the *Cour des comptes* in 2013, she is in charge of the administrative, organisational monitoring of the High Council and the management of the website. She also works for the first Chamber of the Court in inspection support missions, for the certification of government accounts and for the organisation of the annual seminar on public finance.



Several trainees have contributed to the work of the High Council:
Constance Brayé (ENS Ulm), Étienne Sannicolo (IEP de Paris), Antoine Sigwalt (Paris I), Grégoire Martin-Lauzer (ENS Ulm), Arnaud Lemaire (ESSEC), Florian Bon (ESCP Europe/IEP de Paris).



CHRONOLOGICAL LIST OF HCFP OPINIONS

2013

- Opinion no. 2013-01 on macroeconomic forecasts associated with the proposed stability programme for the years 2013 to 2017

<http://www.hcfp.fr/Avis-et-publication/Avis/Avis-n-2013-01-relatif-aux-previsions-macroeconomiques-associees-au-projet-de-programme-de-stabilite-pour-les-annees-2013-a-2017>

- Opinion no. 2013-02 on the structural budget balance of the public administrations presented in the budget settlement bill for 2012

<http://www.hcfp.fr/Avis-et-publication/Avis/Avis-n-2013-02-relatif-au-solde-structurel-des-administrations-publiques-presente-dans-le-projet-de-loi-de-reglement-de-2012>

- Opinion no. 2013-03 on opinion on budget bill and social security financing bill for 2014

<http://www.hcfp.fr/Avis-et-publication/Avis/Avis-n-2013-03-relatif-aux-projets-de-lois-de-finances-et-de-financement-de-la-securite-sociale-pour-2014>

- Opinion No. 2013-04 of the High Council of Public Finance on the amending budget bill for 2013

<http://www.hcfp.fr/Avis-et-publication/Avis/Avis-n-2013-04-du-Haut-Conseil-des-finances-publiques-relatif-au-projet-de-loi-de-finances-rectificative-pour-2013>

2014

- Opinion No. 2014-01 of the High Council of Public Finance on macroeconomic forecasts associated with the proposed stability programme for the years 2014-2017

<http://www.hcfp.fr/Avis-et-publication/Avis/Avis-n-2014-01-du-Haut-Conseil-des-finances-publiques-relatif-aux-previsions-macroeconomiques-associees-au-projet-de-programme-de-stabilite-pour-les-annees-2014-a-2017>

- Opinion no. 2014-02 on the structural budget balance of the public administrations presented in the budget settlement bill for 2013

<http://www.hcfp.fr/Avis-et-publication/Avis/Avis-n-2014-02-relatif-au-solde-structurel-des-administrations-publiques-presente-dans-le-projet-de-loi-de-reglement-de-2013>

- Opinion no. 2014-03 on the amending budget and social security financing bill for 2014

<http://www.hcfp.fr/Avis-et-publication/Avis/Avis-n-2014-03-relatif-aux-projets-de-lois-de-finances-rectificative-et-de-financement-rectificative-de-la-securite-sociale-pour-2014>

- Opinion No. 2014-04 on the public finance programming law for the years 2014 to 2019

<http://www.hcfp.fr/Avis-et-publication/Avis/Avis-n-2014-04-relatif-au-projet-de-loi-de-programmation-des-finances-publiques-pour-les-annees-2014-a-2019>

- Opinion no. 2014-05 on budget bill and social security financing bill for 2015

<http://www.hcfp.fr/Avis-et-publication/Avis/Avis-n-2014-05-relatif-aux-projets-de-lois-de-finances-et-de-financement-de-la-securite-sociale-pour-l-annee-2015>

- Opinion no. 2014-06 on the second amending budget bill for 2014

<http://www.hcfp.fr/Avis-et-publication/Avis/Avis-n-2014-06-relatif-au-deuxieme-projet-de-loi-de-finances-rectificative-pour-2014>

2015

- Opinion no. 2013-01 on macroeconomic forecasts associated with the proposed stability programme for the years 2015 to 2018

<http://www.hcfp.fr/Avis-et-publication/Avis/Avis-n-2015-01-relatif-aux-previsions-macroeconomiques-associees-au-projet-de-programme-de-stabilite-pour-les-annees-2015-a-2018>

GLOSSARY OF ACRONYMS

ACOSS:	Central Agency for Social Security organisations
CAE:	Economic Analysis Council
CGSP:	General commission for strategy and economic foresight
Coe-Rexecode:	Centre for economic observation and research for the expansion of the economy and business development
CPB:	Centraal Planbureau (Netherlands)
DG ECFIN :	Directorate General for Economic and Financial Affairs
EUNIFI :	European Union Network of Independent Fiscal Institutions
IMF :	International Monetary Fund
HCFP:	High Council of Public Finance
IFI:	Independent Fiscal Institution
IFAC:	Irish Fiscal Advisory Council
INSEE:	National Institute of Statistics and Economic Studies
LPFP:	Public finance programming bill
OBR :	Office for Budget Responsibility (United Kingdom)
OECD:	Organisation for Economic Co-operation and Development
OFCE:	Observatoire français des conjonctures économiques
MTO:	Medium-Term Objective
ONDAM:	Objectif national de dépenses d'assurance maladie
GDP:	Gross Domestic Product
PLF/PLFSS:	Budget and social security financing bill
PLFR:	Amending budget bill
PLFR 2:	Second amending budget bill
PLR:	Budget settlement bill
PSTAB:	Stability programme
RESF:	Economic, social and financial report
TSCG:	Treaty on Stability, Coordination and Governance in the Economic and Monetary Union
WIFO:	Österreichisches Institut für Wirtschaftsforschung (Austria)

Haut Conseil des Finances Publiques



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