



**Three studies on public finances in the wake of covid-19 prepared in the context of the [network of EU independent fiscal institutions](#), of which the HCFP is a member, were presented at the European Fiscal Board conference the 26 February 2021**

*The permanent secretariat of the High Council of Public Finance led the production of the first paper.*

### **The public debt outlook in the EMU post Covid: A key challenge for the EU fiscal framework**

The Covid-19 pandemic triggered an unprecedented global economic and health crisis that will have a long-lasting impact on public finances. This paper takes stock of the emerging public finance landscape in the (post-)crisis environment. It explores 10-year scenarios for economic growth and public finances in several EU countries, and discusses their implications for fiscal sustainability. It takes up key challenges for the EU fiscal framework moving forward, especially the future of the so-called debt rule.

The paper can be read [here](#)

### **How to strengthen fiscal surveillance towards a medium-term focus?**

All EU member states have frameworks with a horizon for fiscal policy making beyond the annual budgetary calendar. These medium-term frameworks differ across countries both in terms of their set-up and stringency. Against this background, the main objective of this paper is to identify best practices for medium-term targets and binding nature.

This paper will assess the characteristics and pre-conditions of the effective medium-term frameworks in the EU, drawing from national experiences. This contribution is particularly relevant in the context of the Recovery and Resilience Facility since its implementation is expected to result in a significant increase in investment projects over the next three years. Moreover, special attention will be given in the contribution of the Independent Fiscal Institutions (IFIs) to fiscal discipline. Finally, the paper will come up with preliminary findings on how to strengthen the medium-term orientation of the budgetary frameworks.

The paper can be read [here](#)

### **The role of the Independent Fiscal Institutions in assessing the sustainability of high public debt in the post-Covid era**

Weakened growth along with automatic stabilisers and additional fiscal stimulus are leading to higher public debt levels as a result of the Covid-19 pandemic.

Against this background, this paper aims to assess the role of Independent Fiscal Institutions (IFIs), focusing on their public debt modelling. The paper draws on new data from a review of debt sustainability analysis (DSA) practices in the EU and a survey of members of the Network. More specifically, it explores the main challenges for IFIs in modelling public debt in times of greater unpredictability, higher public debt and low interest rates.

Drawing on the experiences of various IFIs, the paper comes up with preliminary insights into how to address these challenges.

The paper can be read [here](#)

The papers and the presentations of the conference « *High Debt, Low Rates and Tail Events: Rules-Based Fiscal Frameworks under Stress* » organised by the European Fiscal Board the 26 February 2021 are available [here](#)