



## LATVIJAS REPUBLIKAS FISKĀLĀS DISCIPLĪNAS PADOME

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**Council meeting minutes No 2 (41)**  
*draft*

Riga

12 March 2020

**Chairwoman:**

Chairwoman of Fiscal Discipline Council – I.Šteinbuka

**Participants of the meeting:**

Deputy Chairman of Fiscal Discipline Council	M.Hansen
Member of Fiscal Discipline Council (teleconference mode)	A.Ūbelis
Member of Fiscal Discipline Council	A.Jakobsons
Member of Fiscal Discipline Council	M.Āboliņš
<i>Secretariat –</i>	
Fiscal Discipline Council secretary	I.Golsts
Fiscal Discipline Council economist	I.Jansone
Fiscal Discipline Council fiscal risks expert	N.Malnačs
Fiscal Discipline Council macroeconomics expert	V.Zaremba

**Taking minutes:**

Fiscal Discipline Council economist

I.Jansone

Meeting starts at 15:00

**I.Šteinbuka opens the meeting**

Fiscal Discipline Council (Council) chairwoman I.Šteinbuka opens the meeting and announces the agenda (annexed).

I.Šteinbuka reports that in accordance with the provisions of the Law on Fiscal Discipline, two new members of the Council have been approved - Andrejs Jakobsons, Mārtiņš Āboliņš. In view of the above, the Council has a quorum.

**1 Principles and Practices for the Evaluation of Fiscal Discipline Violations****Reporter:** N.Malnačs

N.Malnačs presents the prepared presentation.

A discussion of those present on the legal basis of the Non-conformity Reports, the practice to date, and the recently identified case of the use of own revenue worsens the VVBB.

**Decision:**

- 1.1 Take note of the legal framework and practice of the Non-conformity Reporting.
- 1.2 Communicate with MoF to agree on a common understanding of Non-conformity Reporting application rationale.
- 1.3 Take note of information about practices that aggravate VVBB.

I.Šteinbuka votes for;  
 M.Hansen votes for;  
 A.Ūbelis votes for;  
 A.Jakobsons votes for;  
 M.Āboliņš votes for.

## **2 Council opinion on the justification of the MoF macroeconomic forecasts**

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**Reporter:** V.Zaremba

V.Zaremba introduced the presentation and outlined the procedure for approving macroeconomic forecasts. Introduces identified risks and key theses that were current at the time of reviewing the projections. The rationale for the approval of the macroeconomic forecasts for the Stability Program 2020-2023 shall be set out.

There is a discussion about the rapid changes in the economic environment influenced by COVID-19.

### **Decision:**

- 2.1 Take note of the information and continue to monitor and analyze economic performance.

I.Šteinbuka votes for;  
 M.Hansen votes for;  
 A.Ūbelis votes for;  
 A.Jakobsons votes for;  
 M.Āboliņš votes for.

## **3 Macroeconomic risks of the Latvian economy**

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**Reporter:** V.Zaremba, N.Malnačs

Introduces the major global and domestic risks to economic development in the context of COVID-19. Informs the Council on its ability to respond to the rapidly evolving situation in the context of validated macroeconomic forecasts, including: proposes that the Council supplement its views in the report on the Stability Program if it sees macroeconomic developments diverging from the scenario agreed with the MoF.

There is a discussion among those present on the possibilities of reacting to rapidly changing economic events.

### **Decision:**

- 3.1 It is not appropriate to revise the agreed macroeconomic forecasts at this time until figures for the first quarter of this year are available.
- 3.2 Apply to the Government for an opinion on the Council's assessment of the impact of COVID-19.
- 3.3 Observe the results of achieving the fiscal targets and, if necessary, formulate opinions in accordance with Article 28 (4) FDL.
- 3.4 Prepare a statement to the mass media on the risks and potential impact of COVID-19 on

the Latvian economy and state budget.

I.Šteinbuka votes for;  
 M.Hansen votes for;  
 A.Ūbelis votes for;  
 A.Jakobsons votes for;  
 M.Āboliņš votes for.

#### **4 Establishment of the FDP Expert Panel**

**Reporter:** I.Šteinbuka

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I.Šteinbuka proposes the establishment of an expert panel of social experts. This would help to strengthen the analytical capacity of the Council.

Discussion of the participants on the proposal.

##### **Decision:**

4.1 Develop an expert panel bylaw.

4.2 Ask I.Golsts to invite J.Platais, D.Kalsone, A.Austers and A.Kaktiņš to participate in the panel.

I.Šteinbuka votes for;  
 M.Hansen votes for;  
 A.Ūbelis votes for;  
 A.Jakobsons votes for;  
 M.Āboliņš votes for.

#### **5 Elections of the working groups' members**

**Reporter:** I.Šteinbuka

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I.Šteinbuka reports that the Working Group on Potential and Nominal Gross Domestic Product, as well as the Conformity Assessment Working Group on the Fiscal Reserve Reserve, is working incompletely and invites Mārtiņš Āboliņš and Andrejs Jakobsons, the newly elected members of the Council, to discuss their involvement.

Members of the Council discuss their involvement and nominate their participation in the following working groups:

Fiscal Risks Working Group - A.Ūbelis, A.Jakobsons and M. Āboliņš.

##### **Decision:**

5.1 Approve the new composition of the Fiscal Risks Working group.

I.Šteinbuka votes for;  
 M.Hansen votes for;  
 A.Ūbelis votes for;  
 A.Jakobsons votes for;  
 M.Āboliņš votes for.

#### **6 Administrative issues**

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**Reporter:** I.Golsts

I.Golsts informs about the Council's internal normative documents and organizational issues of the Council's activities.

**Decision:**

6.1 take note of the information provided.

I.Šteinbuka votes for;

M.Hansen votes for;

A.Ūbelis votes for;

A.Jakobsons votes for;

M.Āboliņš votes for.

The meeting was closed at 17:00.

Council Chairwoman

I.Šteinbuka

Meeting Secretary

I.Jansone

Visa: Council Secretary

I.Golsts

I.Jansone

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