



LATVIJAS REPUBLIKAS FISKĀLĀS DISCIPLĪNAS PADOME

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**Council meeting minutes Nr. 6 (67)**

Rīga

23 October 2023

**Chairwoman:**

Chairwoman of Fiscal Discipline Council – I.Šteinbuka

**Participants of the meeting:**

Vice-Chairman of the Fiscal Discipline Council	M.Āboliņš
Member of the Fiscal Discipline Council	J.Priede
Member of the Fiscal Discipline Council	A.Jakobsons
Member of the Fiscal Discipline Council	U.Kāsiks
Member of the Fiscal Discipline Council	I.Golsts
<i>Secretariat –</i>	
Fiscal Discipline Council secretary	N.Malnačs
Fiscal Discipline Council macroeconomics expert	V.Zaremba
Fiscal Discipline Council lawyer	I.Jansone

**Taking minutes:**

Fiscal Discipline Council lawyer

I.Jansone

The meeting starts at 8.00 PM on 23 Oct. 2023

**Introduction to meeting – I.Šteinbuka**

The chairwoman of the Fiscal Discipline Council (hereinafter the Council) I. Šteinbuka opens the meeting and announces the meeting's agenda.

I. Šteinbuka informs that the Fiscal Discipline Council has received the explanations and numerical calculations in Excel files on the financial figures in draft law "On the state budget for 2024 and the budget framework for 2024, 2025 and 2026" from the Ministry of Finance. The received information is a basis for preparing the Fiscal Discipline Surveillance Report on the state budget for 2024 and MTBF 2024-2026 in accordance with the provisions of Article 28, Part Six of the Fiscal Discipline Law.

Considering the fact that the Council should prepare and submit the Surveillance report by the end of the working day of October 25, the work of the Council is organized in writing format and the the subject of the meeting will be discussed in the written consultation.

Referring to mentioned above, the Council Secretariat, using the guidelines given by the Council members, has prepared a draft of the Fiscal Discipline Surveillance Report and the Council's macroeconomic expert Viktorija Zaremba will send an e-mail to the Council members, asking them to express comments, additions, opinions on the prepared draft of the Report.

The meeting of October 23, 2023, is closed at 08:30 and the Council meeting is adjourned until October 24, 2023, at 16:30.

On October 24, 2023, The Council meeting of October 23, 2023, is resumed at 16:30.

## **1. Fiscal Discipline Surveillance Report**

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I. Šteinbuka thanks all the members of the Council for the opinion expressed in the written consultation and explains that the comments of the Council members will be collected and incorporated in the Fiscal Discipline Surveillance Report on the state budget for 2024 and MTBF 2024-2026.

Summarising the opinions of the Council, it is concluded that in accordance with the mandate given to the Council and assessing the compliance of the budget project with the norms of the Fiscal Discipline Law, the fiscal numerical rules have been partially met, because the MoF has not performed the calculations of the expenditure growth rule and the heritability rule.

The differences between the structural and nominal deficit, which for 2024 are (-0.5%) and (-2.8%), respectively, indicate a significant impact of the one-off discretionary measures in the structural balance target. The current budget plan creates an incorrect image of an almost structurally balanced budget. The Council emphasizes that continued spending increases must be matched by additional sources of revenue or lower relative spending in other areas.

The Council agrees that the "one-off expenditures" defined in the budget project, is not in line with the definition of such expenses, according to the SGP Vademecum methodology.

The Council believes that additional defence and internal security expenses above the 2022 level and one-time investments (expenditures) for national defence and internal security should not be considered as one-off expenses.

### **On the basis on mentioned above Council decided:**

1.1. To take note of the information on the proposals for the content of the Fiscal Discipline Surveillance Report and to authorize the Chair of the Council I. Šteinbuka together with the staff of the Secretariat of the Fiscal Discipline Council to complete the preparation of the Report and submit its final version on October 25, 2023, to the Saeima of the Republic of Latvia, the Cabinet of Ministers, the Saeima Budget and finance (tax) committee and the Ministry of Finance.

I.Šteinbuka – votes for;  
 J.Priede – votes for;  
 I.Golsts – votes for;  
 A.Jakobsons – votes for;  
 M.Āboliņš – votes for;  
 U.Kāsiks – votes for.

The meeting was closed at 17.00, on 24 oct., 2023.

Council Chairwoman I.Šteinbuka

Meeting Secretary I.Jansone

Fiscal Discipline Council secretary *visa*: N.Malnačs

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