



LATVIJAS REPUBLIKAS FISKĀLĀS DISCIPLĪNAS PADOME

Reģ.nr. 90010248231; Smilšu ielā 1-512, Rīgā, LV-1919
tālrunis: (+371) 29178183; e-pasts: info@fdp.gov.lv; mājaslapa: <http://fdp.gov.lv>

Minutes of the meeting of the Council No. 8 (83)

Riga

4th of December 2025

The meeting is chaired by:

Chairwoman of the Fiscal Discipline Council - I.Šteinbuka

Participants of the meeting:

Vice-Chairman of the Fiscal Discipline Council	J.Priede
Member of the Fiscal Discipline Council	I.Golsts
Member of the Fiscal Discipline Council	A.Jakobsons
Member of the Fiscal Discipline Council	Ū.Kaasik
<i>Secretariat –</i>	
Fiscal Discipline Council secretary	N.Malnačs
Fiscal Discipline Council macroeconomics expert	V.Zaremba
Fiscal Discipline Council fiscal risk expert	I.Verpakovska
Fiscal Discipline Council lawyer	I.Jansone

Invited participant:

EU Technical Assistance Consultant	S.Cameron
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Taking minutes:

Fiscal Discipline Council lawyer

I.Jansone

4th of December 2025 meeting starts at 14:30

Opening of the meeting – I.Šteinbuka

The Chair of the Fiscal Discipline Council (hereinafter – the Council), I.Šteinbuka, opens the meeting and announces the agenda.

The Council works in a partially remote format, and the agenda items for the Council meeting are discussed via the MS Teams online videoconferencing platform.

1. Within the framework of EU technical assistance for the development of the Council's strategy

The Chair of the Council, I. Šteinbuka, introduces the EU technical assistance consultant, Mr Scott Cameron. Mr Cameron has kindly agreed to meet with the Council to discuss proposals for the Council's strategy. Our consultant is a former expert of the Organisation for Economic Co-operation and Development (OECD), and he will prepare a report on the proposals for the Council's strategy.

N.Malnačs introduces the main regular reports prepared by the Council and suggests incorporating them into the Council's strategy. He notes that the current Council reports play

a significant role in the Council's work and emphasizes the need to add elements of international best practices to ensure the strategy is developed in a high-quality and relatively coherent manner.

N.Malnačs explains that the Council prepares and submits Surveillance Reports on the national budget and the medium-term budget framework in autumn, as well as on the Fiscal Structural Plan Progress Report in spring. The main purpose of these reports is to assess whether fiscal objectives are consistent with national and European Union requirements. He highlights that a major challenge is the limited timeframe, as data are often received only a few days before the Council meeting. While it is possible to conduct a more in-depth analysis in the next Surveillance Report, there is a risk that the analysis could lose relevance and public interest.

N.Malnačs points out the need to improve the structure of the Surveillance Reports. He also recalls that the Council approves macroeconomic forecasts for medium-term budget preparation at least twice a year, monitors Cabinet of Ministers decisions and identifies potential breaches under the Fiscal Discipline Law (FDL), and, if necessary, prepares non-compliance reports. In addition, the Council evaluates the Fiscal Risk Declaration and the adequacy of fiscal buffer reserve. The Council also reviews the Ministry of Finance's calculations for Adjustment of Minimum Planned Structural Balance to ensure compliance with Article 11 of the FDL.

He further explains that, although several activities are not legally mandated, the Council monitors monthly tax revenues and budget balances and prepares short reports. On a quarterly basis, the Council produces macroeconomic reviews, visualizations of the macroeconomic environment – economic cycle heat maps, quarterly summaries of public debt developments, reports on the use of the state budget program "Contingency Funds", and analyses of progress in the absorption of EU funds. Regular meetings are held with international institutions, rating agencies, and other partners, and support is provided to Council members for media communications. One of the planned initiatives is to start an analysis of the largest state-owned enterprises using the International Monetary Fund's analytical tool.

N.Malnačs emphasizes that the Council maintains a strong and consistent presence in the media, has good access to information, and a constructive cooperation with the Ministry of Finance. He notes that the Council's communications are often oriented toward messages that are understandable to the public, rather than overly technical reports. He adds that, given the increase in defence spending, no additional funding for the Council's activities is expected, so its capacity will remain at the current level.

S.Cameron shares his experience with fiscal institutions in the international context, emphasizing that independent fiscal institutions (IFIs) differ significantly across countries in terms of institutional capacity, functions, and reporting formats. Some IFIs work with complex econometric models and produce long-term forecasts, while others take a different approach, leveraging the Council's expertise to provide concise and easily understandable messages to the public about national fiscal policy and the state of public finances. He notes that this diversity offers valuable opportunities for comparison and expresses support for the Council's intention to incorporate elements of international best practices into the Council's own strategy.

S.Cameron informs that he has begun developing an integrated tool for assessing numerical fiscal rules and, in this context, is interested in the practices applied in Latvia, including the evaluation of the structural primary deficit. He points out that the parallel application of Latvian and EU fiscal rules creates specific methodological challenges, which should be accurately reflected in the Council's strategic documents.

He emphasizes that both EU and national fiscal rules are important and that harmonization between the two systems is necessary. He also notes that he has considered the comments made during the meeting and will use them in the further preparation of the strategy.

I.Šteinbuka thanks for the provided information and suggests that Council members begin a discussion on the matter in relation to the development of the strategy. She also congratulates Council member Ü.Kaasik on his election as Governor of Eesti Pank.

Ü.Kaasik informs the meeting participants that his new position will take effect in six months – in June. He thanks his colleagues for their good wishes. Regarding the strategy, Ü.Kaasik notes that its importance becomes particularly significant during periods when the Council's work is subject to more critical public scrutiny – both in times of political tension and during the pre-election period. At such times, it is essential that the Council's activities are consistently guided by a clear, pre-established strategic framework that reflects international best practices and ensures the institution's professional stability and independence of opinion.

I.Šteinbuka agrees that the strategy should serve as the basis for the Council's decisions and communications, as this strengthens trust in the institution and allows for more effective responses during periods of political tension.

A.Jakobsons inquires about the strategies used by other IFIs to communicate with the public during politically sensitive periods.

S.Cameron replies that he will ensure this aspect is included in the strategy report.

J.Priede congratulates his colleague Ü.Kaasik on his new professional challenges. Regarding the Council's strategy, J.Priede notes that most of the key issues have already been raised in previous discussions, and he currently has no significant additional comments. At the same time, J.Priede emphasizes that there is a clear legal framework governing the Council's communications and functions, which defines its activities.

He adds that IFIs in European countries have very diverse institutional structures and capacities. Therefore, it would be useful to consider evaluating international best practices to identify possible improvements in the Council's work.

I.Golsts generally agrees with the views of his colleagues and notes that it would be useful to broaden the Council's perspective from a narrow technical analysis to a wider assessment of economic and fiscal aspects. He emphasizes that, until now, the Council has operated precisely within the scope of its mandate; however, the Fiscal Discipline Law grants the Council the right to express opinions on other fiscal policy and macroeconomic development issues if it considers them relevant for ensuring compliance with the law. I.Golsts emphasizes that strengthening this approach would allow the Council to more effectively fulfil its mission and make a strategic contribution to discussions on national public finance policy.

I.Šteinbuka expresses gratitude to all Council members for the opinions they shared during the discussion.

Based on the above, the Council **d e c i d e s**:

- 1.1.To take note of the information provided regarding the preparation of the Council's strategy and review the first draft of the strategy as soon as it becomes available.
- 1.2.To instruct the Council and the Secretariat to actively participate in the preparation of the Council's strategy.

I.Šteinbuka – votes for;

A.Jakobsons – votes for;

J.Priede – votes for;

I.Golsts – votes for;

U.Kāsiķs – votes for.

The meeting closed at 16:30, 4th of December 2025.

Chairwoman of the Fiscal Discipline Council

I.Šteinbuka

Secretary of the meeting

I.Jansone

Fiscal Discipline Council secretary *visa*:

N.Malnačs

I.Jansone
+(371) 29495878
Inga.Jansone@fdp.gov.lv