Application of the Protocol on the excessive deficit procedure annexed to the EC Treaty. Codification

2008/0053(CNS) - 09/03/2017 - Follow-up document

In accordance with Council Regulation (EC) No 479/2009 on the application of the Protocol on the excessive deficit procedure (EDP), the Commission presented a report on the quality of the budgetary data reported in 2016 by the Member States.

As a reminder, Member States send their actual and planned EDP data to Eurostat twice a year as part of the '**EDP notification tables**', the 'Questionnaire relating to the EDP notification tables', the 'Supplementary table on government interventions to support financial institutions' and also via bilateral clarifications.

Eurostat also maintains **contact** with Member States by making regular EDP dialogue visits.

Overall, Eurostat has observed a **continuous overall improvement in the consistency and completeness of the reported data**. In 2016, Member States provided better and more comprehensive information, both in the EDP notification tables and in the other relevant statistical returns. Nevertheless, the **quality of fiscal data still needs to be improved**.

Timeliness, reliability and completeness: the report noted that the **reporting deadlines** have been very well respected. In 2016, all Member States reported their actual data before the legal deadline for both EDP notifications.

Revisions to past notifications mainly concerned updates of source data, mainly working balances and tax data, as well as reclassifications. The largest upward revisions of 2015 debt levels were made in Finland, Sweden and Luxembourg, while in Romania the level of debt was revised downward.

All Member States provided Eurostat with all the EDP notification tables in both the April and the October EDP notifications of 2016. However, complete coverage of all government subsectors as well as inside the subsectors was achieved for around half of the Member States. **The completeness of the EDP tables can therefore be further improved**. There is also room for improvement as some countries have not provided all the information requested in the questionnaire on the EDP notification tables.

Compliance with accounting rules and consistency of statistical data: Eurostat intensified the **bilateral clarifications** during the assessment of the EDP notifications. It also strengthened contacts and consultations with Member States between notifications.

In this context, Eurostat has asked certain Member States to provide revised 'EDP notification tables' to support the public accounts (i.e. the annual expenditure and revenue accounts, and quarterly financial and non-financial accounts).

The frequency of EDP dialogue visits has increased. In 2016, Eurostat made EDP dialogue visits to Belgium, Hungary, Greece, Germany, Bulgaria, Luxembourg, Lithuania, Malta, Denmark, Portugal and the Czech Republic.

The publication of all Eurostat's methodological **letters of advice** has improved knowledge sharing and transparency.

The report noted some **consistency problems with quarterly financial accounts** persist for some Member States, in particular Greece. In that context, Eurostat has amended the figures for Greece used for the euro area and EU-28 aggregates. It is working with the Bank of Greece and the ECB to address the problem.

Reservations: in 2016, Eurostat expressed reservations about the quality of data reported by **four Member States**. They concerned Belgium, France and Hungary for the April EDP notification and Cyprus for the October EDP notification. It withdrew its reservations on Austria (April 2016) and France (October 2016) and maintained them concerning Belgium and Hungary (October 2016).

Publications: Eurostat published the government deficit and debt data on its website on 21 April and 21 October, together with all reporting tables notified by the Member States.

Most Member States have informed Eurostat that they publish all their EDP tables. Five Member States, Bulgaria, Italy, Luxembourg, Poland and Slovakia, publish only some of the tables in the declaration. One Member State, France, does not publish any of the EDP tables at national level.