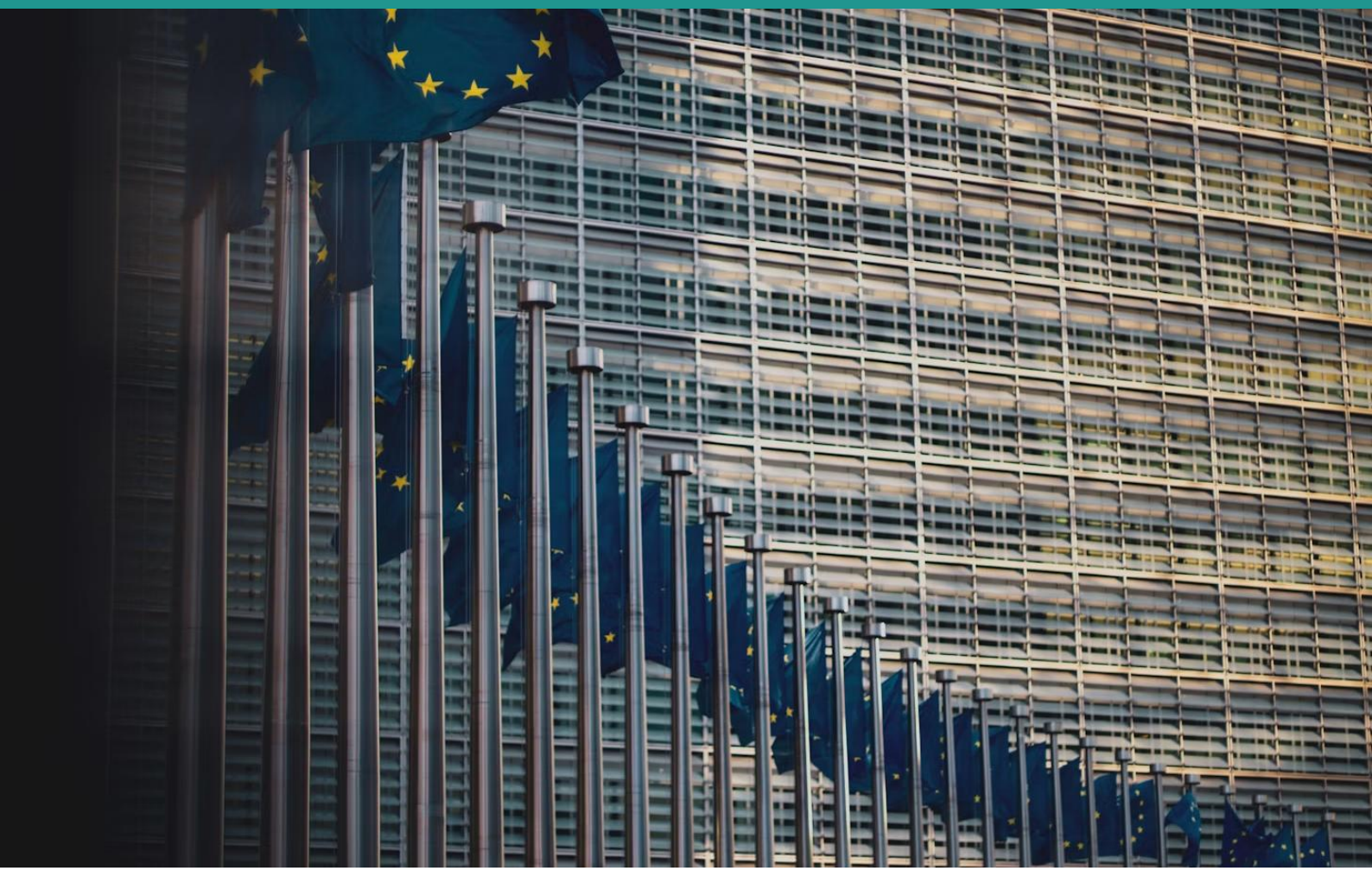
Strengthening the Capacity of Independent Fiscal Institutions

Deliverable 3B: Template for compliance with fiscal rules (FISCO)

Technical Support Instrument

Supporting reforms in 27 Member States



Funded by the European Union

This document was produced with the financial assistance of the European Union. Its content is the sole responsibility of the author(s). The views expressed herein can in no way be taken to reflect the official opinion of the European Union.

The project is funded by the European Union via the Technical Support Instrument, managed by the European Commission Reform and Investment Task Force (SG REFORM).

This report has been delivered in August 2026, under the EC Contract No. REFORM/2023/OP/0010. It has been delivered as part of the project Strengthening the capacity of Independent Fiscal Institutions.

© European Union, 2026



The Commission's reuse policy is implemented by Commission Decision 2011/833/EU of 12 December 2011 on the reuse of Commission documents (OJ L 330, 14.12.2011, p. 39 – https://eur-lex.europa.eu/eli/dec/2011/833/oj).

Unless otherwise noted, the reuse of this document is authorised under the Creative Commons Attribution 4.0 International (CC BY 4.0) licence (https://creativecommons.org/licenses/by/4.0/). This means that reuse is allowed, provided that appropriate credit is given and any changes are indicated.

Reform and Investment Task Force
+32 2 299 11 11 (Commission switchboard)
European Commission
Rue de la Loi 170 / Wetstraat 170
1049 Brussels, Belgium

CONTENTS

Executive Summary 1
1. FISCO: design and features 5
1.1. Design 5
1.2. Features 5
Automated outturn data updates 5
Escape clause logic 6
Automated narrative generation 6
Export and reporting tools 6
2. Delivery of the terms of reference 7
2.1. Timeline 7
2.2. Engagement 7
Latvia (Fiscal Discipline Council) 7
Greece (Hellenic Fiscal Council) 7
2.3. Version history 8
2.4. Documentation and capacity-building 8
2.5. Dissemination and sustainability 9
3. Conclusions 11
Annex A – User guide and indicator guide 12

EXECUTIVE SUMMARY

The reform of the EU fiscal governance framework in April 2024[1] created a practical need for Independent Fiscal Institutions (IFIs) for a systematic, replicable method for assessing Member State compliance with the new rules. The Fiscal Compliance Observatory (FISCO) responds to that need. It was developed under contract REFORM/2023/OP/0010 funded by the European Commission's Technical Support Instrument through SG REFORM[2].

FISCO is a structured, low-code compliance assessment tool implemented in Microsoft Excel. It operationalises the reformed EU fiscal governance framework established by Council Regulation (EU) 2024/1263, providing IFIs with a transparent, replicable methodology for evaluating Member State compliance with net expenditure paths, control account thresholds, and the qualitative requirements of medium-term fiscal-structural plans (MTPs). The tool covers 17 compliance indicators organised into two assessment ladders:

- "M" indicators assessing a new or revised MTP when submitted for endorsement, and
- "P" indicators tracking implementation (performance) against the Council-endorsed plan.

Country-specific implementations for the Latvian Fiscal Discipline Council and Hellenic Fiscal Council were developed and refined through three rounds of engagement with each beneficiary authority between January and June 2026, incorporating feedback on indicator logic, data sourcing, narrative outputs, and practical usability. FISCO was presented to the EU IFI Network at a steering group meeting on 23 June 2026.

The template has been delivered over several versions: an initial draft (v1.0, November 2025) implementing the full indicator logic and narrative generation; a substantially simplified rebuild (FISCO Lite, March 2026) incorporating first-round consultation feedback and becoming the basis for the first public release (v1.1.0); four iterative updates between April and June 2026 adding macOS compatibility, data-management controls, test scenarios, and a custom scenario tool; and a further release (v1.2) to address requests raised at the June 2026 steering group meeting.

FISCO is accompanied by a user guide, an indicator reference guide, and is hosted on the website fiscal-compliance.org. It has been accepted by both beneficiary authorities as fulfilling the terms of reference and handed off for their independent use and maintenance.

Introduction

The EU's fiscal governance framework was comprehensively reformed in April 2024. Regulation (EU) 2024/1263 replaced the preventive arm of the Stability and Growth Pact as the central instrument governing fiscal surveillance, shifting the operational anchor from structural balance targets to Member State-specific net expenditure paths derived from the Commission's debt sustainability analysis. Alongside the Regulation, the Commission published implementing guidance (C/2024/3975) and the ECOFIN Code of Conduct (ECOFIN 16230/25) specifying operational details.

[1] https://economy-finance.ec.europa.eu/economic-governance-framework/what-economic-governance-framework/evolution-eu-economic-governance/new-economic-governance-framework_en

[2] In fulfilment of Deliverable 3B of REFORM/2023/OP/0010, 'Strengthening the Capacity of Independent Fiscal Institutions (IFIs)': a draft template for assessing compliance with fiscal rules, with country-specific implementations for the Hellenic Fiscal Council in Greece and the Latvian Fiscal Discipline Council in Latvia.

Under the reforms, IFIs are expected to monitor and comment publicly on Member State compliance. To do so effectively, they need analytical tools capable of systematically applying the new framework's logic, handling its country-specific dimensions, and producing transparent, replicable assessments.

Deliverable 3B of Contract REFORM/2023/OP/0010 responded to this need by specifying the development of a draft compliance template implemented in Excel that could be used to assess compliance with the reformed fiscal rules, with a particular focus on quantifiable requirements such as the calculation of expenditure ceilings. The template was to be tested through consultation with the beneficiary authorities and delivered in a finalised form with accompanying documentation.

This report documents the fulfilment of the tasks under Deliverable 3B. It describes the interpretation of the terms of reference, the design and features of FISCO, the country-specific implementations for Latvia and Greece, the consultation process through which the tool was refined, and the documentation produced. It also notes the wider dissemination activities undertaken, such as the development of a hosting website and the presentation of FISCO to the EU IFI Network in June 2026.

Interpretation of terms of reference

The terms of reference for Deliverable 3B specified a draft template for detecting and/or measuring compliance with fiscal rules, incorporating most of the fiscal requirements under the new EU fiscal governance framework, particularly those that can be quantified. The language "draft template" was understood to imply that the tool would be subject to iterative refinement through consultation, with Member States ultimately taking the product forward, rather than delivered as a single finalised output.

There were three specific tasks required by the terms of reference:

1. Develop a draft compliance template that can be used as input when assessing compliance with the reformed fiscal rules, in a known format such as an Excel file. The end user would then enter fiscal and macroeconomic variables, on the basis of which fiscal compliance can be assessed automatically.
2. Test the draft version of the compliance template through a consultation to receive feedback and customise it based on the feedback received.
3. Deliver a finalised version of the compliance template and the accompanying technical documentation.

Three design principles shaped the project team's approach to fulfilling the terms of reference from the outset:

1. The tool should be 'low-code' and implementable in standard enterprise environments without local administrator rights, relying on Excel rather than proprietary software. This was essential for institutions such as the Hellenic Fiscal Council and the Latvian Fiscal Discipline Council, which operate on managed IT infrastructure where external software installations are not routinely permitted. Latvia also emphasised during stakeholder engagement that its small team has limited capacity for developing and maintaining technical solutions, making ease of use, transparency, and minimal technical overhead important design requirements.
2. The tool should be general in architecture but country-configurable in application: the same underlying assessment engine should be adaptable to Greece and Latvia (and by natural extension any EU Member State) by adjusting a small number of country-level parameters, rather than a bespoke tool for each jurisdiction.

3. The tool must accommodate every configuration a Member State might choose or have determined for it, for example, adjustment periods of four or seven years, medium-term frameworks of four or five years, and MTP submissions made before full-year outturn data for year T−1 are available.

Regulation (EU) 2024/1263's structure helps in establishing the shape of the compliance template. The TFEU reference values that determine the assessment track (either receiving a reference trajectory or technical information) are fixed thresholds; the net expenditure path is a quantitative anchor; the control account has rigid accounting identities; and the conditions for safeguards, escape clauses, and adjustment period extensions are specified with sufficient precision to permit systematic assessment. The tool was therefore designed to automate as much of this logic as possible, reducing the reliance on manual judgement to those areas where it is genuinely required: principally the qualitative assessment of the fulfilment of MTP information requirements (indicator M4), and fulfilment of investment and reform criteria for an extension of the adjustment period (indicator M5).

In addition to Council Regulation (EU) 2024/1263, the following instruments of the reformed EU fiscal governance framework were operationalised in FISCO's framework:

- Commission Guidance C/2024/3975;
- Code of Conduct (ECOFIN 16230/25, adopted in January 2026);
- Debt Sustainability Monitor 2023;[3]
- Control account details from the 2026 European Semester: Spring Package Communication.

Regulation (EU) 2024/1263 distinguishes between two tracks for Member States, depending on their fiscal position in the year before submitting their MTP:

- Member States whose gross debt exceeded 60 per cent of GDP or whose deficit exceeded 3 per cent of GDP receive a 'reference trajectory' from the Commission; their MTP must not exceed that trajectory (or must provide a satisfactory explanation).
- Member States with both debt below 60 per cent of GDP and a deficit below 3 per cent of GDP receive 'technical information' under Article 9(3); their MTP must include a net expenditure path consistent with the Treaty's deficit and debt requirements, with a structural primary balance at the end of the adjustment period meeting the minimum specified in that technical information.

FISCO automatically determines which track applies to a given Member State based on outturn data for gross government debt and the general government deficit in year T-1 (or T-2 if T-1 data is not yet published). An internal routing flag then conditions the behaviour of all downstream indicators depending on whether the Member State is a receives a reference trajectory or technical information.

FISCO then performs 17 compliance checks organised into two stepwise reasoning frameworks which mirror the hierarchy of Regulation (EU) 2024/1263 and ensure that subsequent assessments build correctly on earlier findings. The user selects a framework depending on whether they are assessing a new or revised MTP or the implementation of an existing one.

[3] Debt Sustainability Monitor 2023 (European Commission Institutional Paper 199), Chapter II.1 contributed to the methodological basis of the DSA-based reference trajectory framework under Regulation (EU) 2024/1263. Prior guidance prepared under subsequent DSA vintages such as the Debt Sustainability Monitor 2025 are accepted as user input.

For a new or revised MTP, the M (Medium-Term Plan) ladder contains twelve indicators (M1–M12) assessing a submitted MTP against the requirements of the fiscal framework, grouped into three thematic clusters, with an overall compliance verdict rounding out the assessment.

1. The first cluster, plan plausibility and completeness (M1–M3), establishes whether the plan's macroeconomic assumptions are reasonable, its information requirements under Article 13 are met, and – where applicable – whether the criteria for an extension of the adjustment period under Article 14 are fulfilled.
2. The second cluster, net expenditure path compliance (M4–M9), assesses consistency with the Commission's prior guidance, the annual and average net expenditure growth path, TFEU debt and deficit requirements, the no-backloading condition, and consistency with any excessive deficit procedure.
3. The third cluster, debt and deficit sustainability (M10–M12), covers the debt sustainability safeguard under Article 7, the deficit resilience safeguard under Article 8, and a supportive diagnostic on structural primary balance progress over the adjustment period.

For the implementation of an MTP, the P (Performance) ladder contains five indicators (P1–P5) assessing the implementation of a Council-endorsed MTP against the path set in that plan, followed by an overall implementation verdict.

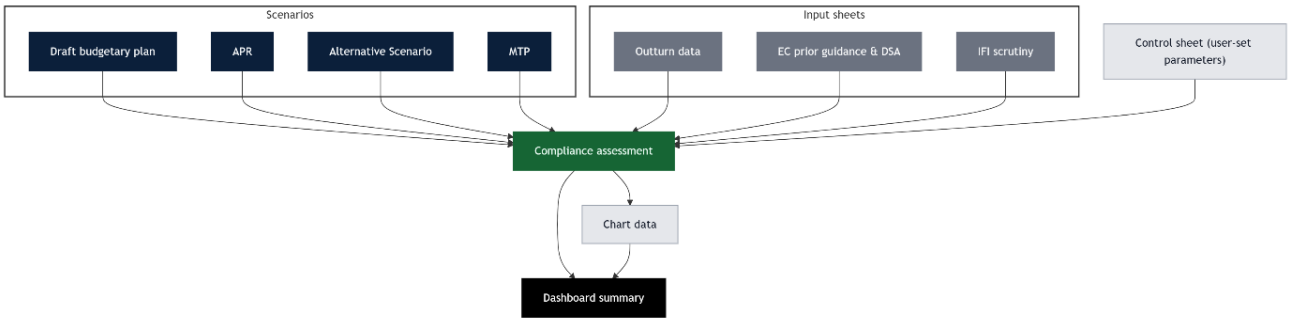
- P1 checks compliance with the agreed net expenditure path (the single operational anchor during implementation).
- P2 tracks the control account and assesses whether the annual (0.3 percentage points of GDP) and cumulative (0.6 percentage points of GDP) deviation thresholds have been breached. These two indicators are the binding implementation checks: the overall verdict is determined solely by their findings.
- P3, P4, and P5 are diagnostic only. They assess whether the debt sustainability safeguard is being respected, whether the deficit resilience safeguard is being respected, and whether structural primary balance progress is on track. Findings from these indicators inform the narrative but do not by themselves determine the headline verdict.

1. FISCO: DESIGN AND FEATURES

1.1. Design

FISCO was initially structured as a 13-worksheet Excel workbook organised into six functional groups to provide a clear separation between the user-facing interface, the raw data inputs, the assessment logic, and the reference materials.

Figure 1 – FISCO's design



Following engagement with the beneficiary authorities, the design was restructured as two step-by-step workflows: one for assessing a new or revised MTP and one for assessing its implementation. Both workflows share the same two initial steps.

- Step 1 requires the user to set the global parameters (country name, IFI name, escape clause years and basis, base year, submission year, planning horizon, and adjustment period) in accordance with Commission Guidance C/2024/3975.
- Step 2 requires the user to update the outturn data via automated pulls from the Eurostat and AMECO databases.

The workflows then diverge. The MTP assessment path requires the user to enter the new or revised plan and the Commission's prior guidance (automatic import tools are provided) and to complete a qualitative scrutiny checklist. The implementation assessment path requires the user to enter an implementation outlook (via an automatic importing tool), for example an annual progress, for assessment against the endorsed plan. Each path concludes with a dedicated results dashboard displaying the relevant compliance indicators.

1.2. Features

Automated outturn data updates

Eurostat outturn data is retrieved via a VBA script that connects to three Eurostat API tables: *gov_10a_main* (government deficit and debt data), *gov_10dd_edpt1* (detailed deficit and debt data), and *nama_10_gdp* (national accounts and GDP data), as well as the Commission's AMECO tables via the third-party DBnomics database. Users initiate the update by clicking a button in the Control worksheet.

Some components of net expenditure that appear in the AMECO database remain unobservable, such as EU-matched expenditure, one-off revenues and expenditures, and discretionary revenue measures. As these tend to evolve quickly and are frequently disputed, an additional tool allows users to override their values in the outturn data.

Escape clause logic

FISCO implements a layered escape clause logic covering general escape clauses, country-specific escape clauses, and the defence-related escape clause mechanism introduced in 2025. Where defence-related escape clause years are flagged in the Control worksheet, increases in defence expenditure are excluded from control account debits and an augmented control account is tracked alongside the standard control account. This design reflects the regulatory hierarchy established by the 2025 framework, which treats the defence exclusion as a distinct mechanism rather than a variant of the general clause.

In years where an escape clause is active, deviations from the net expenditure path are recorded in the control account only where the deviation exceeds a specified cap. Escape clause years are clearly flagged in the dashboard's text sectionsand in the control account figure so that users can immediately understand why a deviation in a particular year does not generate a control account debit.

Automated narrative generation

Each of the 17 compliance indicators produces a structured natural-language narrative that explains the assessment outcome, states the specific values that led to the conclusion, references the applicable article of Regulation (EU) 2024/1263, and notes any contextual factors such as escape clause activation or EDP status. These narratives are generated by formula and update automatically when input data changes. They are designed to be copied directly into IFI publications, briefing notes, or press releases with minimal editing.

The narrative logic was developed iteratively through consultation with both beneficiary authorities, who provided feedback on the assessment language and its readability for different audiences. In particular, the Hellenic Fiscal Council requested clearer differentiation between findings of outright breach and findings of 'caution' (the status used for diagnostic indicators that do not directly determine the headline compliance verdict), which led to a revision of the narrative templates for P3, P4, and P5 in the v1.1 release.

Export and reporting tools

FISCO includes built-in export capabilities. Users can export the Dashboard summary to a Microsoft Word document with pre-formatted narrative text and charts and can generate an HTML file suitable for hosting on an institutional website or sharing as a standalone web-based dashboard. A PDF export is also available.

2. DELIVERY OF THE TERMS OF REFERENCE

2.1. Timeline

The project was first discussed with the Latvian Fiscal Discipline Council on 21 May 2025, with fulfilment initially planned for the fourth quarter of 2025. However, a series of changes by the Commission to the assessment framework made it clear that adhering to the original timeline would have rendered the template rapidly obsolete. Further, key guidance was delayed: the Code of Conduct detailing the treatment of defence-related expenditure in the control account did not appear until January 2026. In addition, the Annual Progress Reports under the new framework – which serve as tests for comparing plans against outturn data for the first full year of implementation under the reformed rules - were not published until April 2026. The final version of FISCO was presented on 23 June 2026.

The Commission recently announced a further adjustment to the control account mechanism related to energy expenditure. This has not been incorporated into the current version of FISCO but will be added as the technical details are finalised.

2.2. Engagement

Latvia (Fiscal Discipline Council)

Three structured engagement sessions were held with the Latvian Fiscal Discipline Council between January and June 2026:

Table 1 – Engagement sessions with the Latvia Fiscal Discipline Council

Dates	Purpose and key outcomes
15 January 2026	Initial walkthrough of FISCO v1.0. Focus on the Control worksheet, the Core Compliance Table, and the Latvia-specific configuration for the technical information pathway. The feedback was largely related to requesting a simplification of the framework and automated data updates.
13 April 2026	Review of "FISCO Lite", a simplified version of the template that ultimately became the sole version.
16 June 2026	Final model walkthrough.

Greece (Hellenic Fiscal Council)

Three structured engagement sessions were held with the Hellenic Fiscal Council between November 2025 and June 2026:

Table 2 – Engagement sessions with the Hellenic Fiscal Council

Dates	Purpose and key outcomes
3 November 2025	Initial framework for FISCO. Feedback included to downplay any direct comparison to prior guidance (particularly charts and tables) and to have all imported outlook tables, prior guidance, and medium-term plans be imported with the push of a button.
20 April 2026	Presentation of FISCO Lite version of model. Feedback included a desire to be able to adjust numbers and scenarios directly in tables and to have alternative test scenarios that could show whether the indicators were working. Greece also requested macOS compatibility.
19 June 2026	Final model walkthrough.

A series of technical clarifications was also submitted to the Commission, with the response received in January 2026 and incorporated.

2.3. Version history

FISCO has been through two substantive releases during the project period. Version 1.0, released in November 2025, constituted the initial draft compliance template delivered for first-round consultation with both beneficiary authorities. It implemented the full M and P indicators' logic for both the reference trajectory and technical information tracks, the control account mechanism including the 2025 defence escape clause, and the automated narrative generation.

FISCO Lite, released in March 2026, incorporated the feedback from the first consultation round with both beneficiary authorities, substantially simplifying the tool and ensuring that tables and outturn data could be automatically imported or updated at the press of a button. FISCO Lite was rebadged as the main product and the first public release was under v1.1.0.

The initial public release of FISCO was followed by four iterative updates between April and June 2026, each responding to feedback from testing and consultation. Version 1.1.1 (28 April 2026) added macOS compatibility for the Eurostat data-fetch macro, introduced the ability to load a scenario directly from Step 3 of the implementation workflow, and began writing a run timestamp to the outturn sheet on each data fetch. It also corrected the treatment of historical net expenditure growth, which had previously deferred to the imputed implementation outlook by default; following EC guidance and the Code of Conduct (ECOFIN 16230/25), the model now draws exclusively from the latest Eurostat outturn as the sole source of truth.

Version 1.1.2 (8 June 2026) introduced a suite of data-management controls: a "Clear all data" button on Step 1, a "Clear outturn data" button on Step 2 and dedicated clear buttons on each of the Step 3 tabs. A "Select country" placeholder was also added as the default state of the country dropdown to make it unambiguous when no country has yet been selected. This release further included test scenario files for Latvia and Greece covering the 2024–2028 MTP, for use in demonstrating the MTP assessment workflow, and a new Instructions page on the accompanying website with an end-to-end tutorial video using the Latvia APR 2026 as the worked example.

Version 1.1.3 (15 June 2026) reversed a structural change made during consultation: MTP parameters that had been relocated to Step 3 on the basis of early feedback were consolidated back into Step 1 following test feedback indicating that the relocation disrupted the logical flow of the setup workflow.

Version 1.1.4 (21 June 2026) added the custom scenario tool, which allows users to construct and assess alternative fiscal scenarios outside the main assessment workflows, together with a matching button to clear the custom scenario inputs.

A further release, v1.2 is being uploaded to the website and will address feedback from the presentation of the tool to the EU IFI Network at the June 2026 steering group meeting, including the addition of Poland and the Polish Fiscal Council and an updating of the control account presentation to reflect the additional guidance published in the 2026 European Semester Spring package.

2.4. Documentation and capacity-building

A comprehensive user guide was produced alongside FISCO and updated to reflect the various rounds of feedback. The guide is structured in ten chapters: an introduction covering purpose, scope, and the reformed EU fiscal framework; system requirements and installation; workbook structure and navigation, which describes the step-based tab layout and the branching design of the two assessment workflows; a quick-start guide presenting the shared setup steps and then separate paths for the MTP assessment and implementation assessment workflows; a description of each compliance indicator and its assessment logic across both the implementation ladder (P1–P5) and the MTP ladder (M1–M12);

data management procedures including the Eurostat update workflow; result interpretation guidance covering the traffic-light system, auto-generated narratives, and chart interpretation; configuration guidance for advanced features including PDF and Word export, web dashboard export, and vintage management; SharePoint considerations; and contact and support information. The guide is designed to enable a new user with familiarity with the EU fiscal framework to conduct a complete assessment independently without additional support.

A dedicated indicator reference guide was produced as a standalone companion document. It provides a comprehensive technical description of each of the 17 indicators, the status options and their definitions, and the narrative output scheme. The guide is organised by indicator family (M indicators and P indicators) and thematic cluster, enabling users to navigate directly to the indicator relevant to their assessment question. The guide also includes a quick reference table summarising all indicators and their applicability across the two regulatory tracks.

In addition to the standalone documentation, the template itself contains instructions and tutorial links, and is self-documenting.

2.5. Dissemination and sustainability

EU IFI Network Presentation

FISCO was presented to the EU IFI Network at a meeting convened on 23 June 2026, alongside one of the Network's regular conferences. The meeting was attended by representatives from a broad cross-section of EU member IFIs. The presentation covered the tool's design rationale, the compliance ladder structure, the key features, and the country implementations for Latvia and Greece.

The reception was strongly positive. Several Network members indicated that they would explore adopting FISCO for their own countries.

Two specific outcomes arose from the meeting. First, the Network requested that Poland and its IFI (Rada Fiskalna) be incorporated in the IFI-list, an omission resulting from the recent nature of the IFI. Second, the Network called on the European Commission to provide ongoing institutional support for FISCO, noting the risk that tools of this kind fall into disuse once the project period ends.

Website

A dedicated website was developed to support dissemination and ongoing use of FISCO, accessible at fiscal-compliance.org. The site provides access to the latest release of the workbook alongside six sections: a home page summarising FISCO's purpose and capabilities; a download page hosting the current release; an instructions page with step-by-step video tutorials covering both the implementation monitoring workflow and the MTP assessment workflow, with worked examples using Latvia and Greece; a resources page collating the principal EU fiscal rules source documents underpinning the assessment logic; a changelog recording all updates since the initial public release; and a feedback page through which IFIs can submit comments and report issues. The website is designed to allow any IFI to download, configure, and begin using FISCO without requiring direct contact with the consultant.

Sustainability

FISCO requires adjustment only when the EU fiscal framework itself changes (recently illustrated by the defence and energy-related modifications to the control account mechanism, both of which have been incorporated into FISCO as documentation has been published). Such updates are within the capacity of IFI staff familiar with the EU fiscal framework and Excel. Where an IFI develops a modification in

response to a regulatory change, this could be shared with peer institutions at the annual EU IFI Network meetings, allowing the network to benefit collectively from individual effort. Alternatively, updates could be coordinated or performed centrally by the network's secretariat, currently hosted by CEPS, drawing on shared resources to maintain a common release that all member institutions can adopt.

3. CONCLUSIONS

FISCO fulfils the requirements of Deliverable 3B as set out in the terms of reference for Contract REFORM/2023/OP/0010.

- It provides a template for assessing Member State compliance with Council Regulation (EU) 2024/1263 and other components of the revised fiscal framework;
- It is implemented in an accessible, familiar format (Excel);
- Its 17-indicator architecture covers the full scope of the quantifiable requirements of the new fiscal framework, from the TFEU reference values through to the control account mechanism.

Country-specific implementations have been developed, validated, and accepted for both beneficiary authorities: the Hellenic Fiscal Council in Greece, covering the reference trajectory track and the Article 7(4) debt sustainability safeguard exclusion; and the Latvian Fiscal Discipline Council in Latvia, covering the Article 9(3) technical information track. Each implementation has been populated with actual MTP and outturn data and alternative scenarios. The two beneficiary authorities proved to be a fortuitous pairing: taken together, they provided comprehensive coverage of both assessment tracks of Regulation (EU) 2024/1263 and exercised all of the potential configurations and edge cases of the 'M' and 'P' indicators.

The iterative development process, involving at least three engagement sessions with each beneficiary authority, produced improvements to the tool's accuracy, clarity, and usability. Various simplifications and the step-by-step architecture arose directly from beneficiary feedback. The tool is largely future proof, except for the control account, which is the greatest ongoing maintenance burden if the framework is adjusted again. The legislation establishes the control account's general parameters but leaves significant room for Commission discretion in the practical calculation and expansion of exclusions. The gap between the statutory text and the Commission's applied methodology has widened with each guidance update. Each new carve-out, such as the defence escape clause in 2025 and the 2026 energy adjustment, requires a ground-up reworking of the control account logic, because the sequencing and interaction of exclusions affects the bottom line in ways that cannot be anticipated in advance. Adapting the tool to each such development requires a full rebuild of that section of the model.

The presentation of FISCO to the EU IFI Network in June 2026 demonstrated acceptance and demand for the tool, including beyond the two beneficiary authorities. The groundwork is in place for FISCO to become a shared analytical resource for the European IFI community as the new fiscal framework matures and as IFIs' monitoring roles expand.

Table 3 - Summary of terms of reference fulfilment

Task 1	Compliance template in an Excel file where the user can feed-in fiscal-macro variables and fiscal compliance can be automatically assessed.	Two Excel files of the FISCO model, one for each beneficiary authority, available here.
Task 2	Test the draft version of the compliance template through a consultation to receive feedback and customise it based on the feedback received.	3+ rounds of feedback have been incorporated into the final FISCO template.
Task 3	Deliver a finalised version of the compliance template and the accompanying technical documentation.	Final version of the compliance template hosted here, with technical documentation and tutorials here.

ANNEX A – USER GUIDE AND INDICATOR GUIDE

CONTENTS

About....13
1. System requirements and installation....14
1.1. Software requirements....14
1.2. VBA macro security configuration....14
2. Workbook structure, worksheets and navigation....15
2.1. Shared steps....15
2.2. MTP assessment workflow....15
2.3. Implementation assessment workflow....16
2.4. Supporting sheets....16
3. Quick start guide....17
Step 1: Set global parameters....17
Step 2: Update outturn data....17
Step 3 (MTP): Enter plan and prior guidance....17
Step 4 (MTP): Complete IFI scrutiny....18
Step 5 (MTP): View results....18
Step 3 (IMPL): Enter fiscal outlook....18
Step 4 (IMPL): View results....18
4. Data updating and management....19
4.1. The Core Compliance Table....19
4.2. Eurostat data updates....19
5. Interpreting results and reports....20
5.1. Reading auto-generated narratives....20
5.2. Chart interpretation....20
6. Advanced features....25
6.1. Export to PDF or Word....25
6.2. Web dashboard export....25
7. SharePoint considerations....26
Support and contact....27

ABOUT

FISCO (Fiscal Compliance Observatory) is a low-code tool that helps Independent Fiscal Institutions assess Member States' compliance with the reformed EU fiscal governance framework introduced under Council Regulation (EU) 2024/1263 and related acts and guidance. It was produced as part of the project "Strengthening the capacity of Independent Fiscal Institutions (IFIs)" funded by the European Union via the Technical Support Instrument.

What FISCO does:

- Verifies medium-term fiscal-structural plans (hereafter medium-term plans) against the requirements of Council Regulation (EU) 2024/1263.
- Checks the implementation of net expenditure paths against Council-endorsed medium-term plans.
- Tracks deviations in a control account (and an augmented control account where 2025 defence-related escape clauses apply).
- Generates automatic narrative reports and visualisations.
- Supports three assessment events of the European Semester: (1) Draft Budgetary Plans, (2) Annual Progress Reports, and (3) Revised medium-term plans, as well as alternative scenarios such as an IFI's in-house forecast or an average of non-government forecasts.
- Country-specific versions of FISCO may also support monitoring of national fiscal rules if requested.

Key Features:

- A generalised assessment environment adaptable to all Member States.
- Figures and tables automatically adjust to alternative medium-term plan submission years, durations (four or five years) and adjustment period lengths (four or seven years).
- A traffic-light status dashboard presents compliance indicators organised into two stepwise assessment ladders, covering both the assessment of a medium-term fiscal-structural plan and its implementation.
- Automated narrative generation translates assessment logic into clear, natural-language explanations.
- Outturn EUROSTAT and AMECO data is retrieved automatically via VBA macro.
- Results can be exported to PDF, Microsoft Word and web-based dashboards via built-in tools.

FISCO is implemented in Excel to ensure compatibility with enterprise software environments using managed PCs without local administrator access. While some advanced modules such as the PDF and Microsoft Word export and web application export tools require VBA macros to be enabled, the core functionality has been designed to work without macros, in line with common network security restrictions.

This guide provides step-by-step instructions for configuration, data input, and interpretation of compliance results.

1. SYSTEM REQUIREMENTS AND INSTALLATION

FISCO is implemented entirely in Microsoft Excel to ensure compatibility with standard corporate IT environments, without the need for administrative privileges or external installations. However, the workbook makes extensive use of modern Excel functionality and therefore requires a reasonably up-to-date system configuration.

1.1. Software requirements

Component	Requirement
Excel Version	Microsoft Excel 2021 or Microsoft 365 (desktop version). Dynamic array formulas (SEQUENCE, FILTER, SORT, UNIQUE, LET, CHOOSECOLS) are required.
Operating System	Windows 10 or later (not validated for macOS; however, macOS functionality has been added and is being continually improved)
Optional Features	VBA macros for data population, Word export and web dashboard generation

1.2. VBA macro security configuration

While core FISCO functionality works without macros, optional features such as the PDF/Word export and web dashboard export require VBA macros to be enabled. Follow these steps if your institution permits:

1. Go to File → Options → Trust Center → Trust Center Settings
2. Select 'Macro Settings' and choose 'Enable VBA macros'
3. (Optional) Add a trusted location for the FISCO folder under 'Trusted Locations'
4. When opening FISCO, click 'Enable Content' if prompted

Note: *If macros cannot be enabled due to IT policies, FISCO will still function for all compliance assessments. You will only lose the ability to populate data automatically from external databases, to export results to Word, and to generate web dashboard files*.

2. WORKBOOK STRUCTURE, WORKSHEETS AND NAVIGATION

FISCO's worksheets are organised as numbered steps, accessible via the tabs at the bottom of the workbook. The first two tabs are shared across both assessment workflows. After completing them, users follow either the MTP assessment workflow (to assess a new or revised medium-term fiscal-structural plan) or the implementation assessment workflow (to assess the implementation of a Council-endorsed MTP).

FISCO evaluates 17 compliance tests organised into two categories: (1) Medium-Term Fiscal-Structural Plan (MTP) assessments and (2) Implementation assessments. Each category is structured as a stepwise reasoning framework, or compliance ladder, in which each step builds on the previous one, so subsequent assessments depend on the outcomes of earlier tests. Relevant exceptions and safeguards are considered before a final, global assessment of compliance with Regulation (EU) 2024/1263 and associated guidance is reached. This structure mirrors the hierarchy of the regulation and helps users see how individual results contribute to the overall assessment. A separate "Indicator guide" describes each test in detail.

2.1. Shared steps

'Step 1 – Set global parameters' is the parameter management centre for setting the country and IFI, scenario type and names, MTP years, escape clause flags, and other user-defined variables. It also contains buttons for clearing inputs, scenarios, and parameters of the template.

'Step 2 – Update outturn data' contains the historical fiscal and macroeconomic data sourced from Eurostat and the Commission's AMECO database. It is updated via the 'Update Eurostat Data' button and 'Update AMECO data' buttons, using the country data entered in Step 1.

2.2. MTP assessment workflow

Use this workflow to assess a new or revised medium-term fiscal-structural plan.

'Step 3 (MTP) – Plan and prior' contains the Core Compliance Table for the MTP scenario and the Commission's prior guidance (reference trajectory or technical information), including net expenditure paths, main fiscal variables, and debt sustainability analysis outputs. These are obtained from the European Commission's country surveillance pages, or from information exchanges prior to publication, and can be imported automatically via VBA.

'Step 4 (MTP) – IFI scrutiny' contains the IFI's qualitative assessment checklist covering scrutiny of assumptions, information requirements, and reform and investment commitments under Articles 13 and 14 of Regulation (EU) 2024/1263.

'Step 5 (MTP) – View results' displays the MTP assessment ladder (M1–M12) with traffic-light compliance indicators (colour-coded check boxes) and auto-generated narrative text for each assessment. An overall MTP compliance indicator is also provided.

2.3. Implementation assessment workflow

Use this workflow to assess the implementation of a Council-endorsed MTP.

'Step 3 (IMPL) – Enter outlook' contains the Core Compliance Table for the current-year or forward-looking fiscal outlook of the user's choice, including outturn data and forward plans used to assess implementation against the Council-endorsed net expenditure path. Plans can be imported automatically via VBA.

'Step 4 (IMPL) – View results' displays the implementation assessment ladder (P1–P5) with traffic-light (colour-coded check box) compliance indicators, auto-generated narrative text, and dynamic fiscal trajectory charts.

2.4. Supporting sheets

'Custom scenario tool' - allows users to construct and compare alternative fiscal scenarios outside the main assessment workflows.

'Assessment' - the analytical core that pulls data from the selected scenario, applies all compliance tests, calculates deviations, and generates results. All formulas in the 'View results' worksheets reference this sheet.

'Chart data' - formatted data series for all dashboard visualisations, structured to work with dynamic named ranges that adjust to user-specified and automatically determined time windows.

'Validation' - lists for constraining user input variables.

'About FISCO' - version information, glossary of fiscal concepts and variable definitions, and contact details.

3. QUICK START GUIDE

This section walks you through your first FISCO assessment. Complete the two shared steps first, then follow the path for the type of assessment you are conducting. Detailed explanations of the compliance assessments appear in Section 3, and each individual test is described in the separate Indicator guide.

Step 1: Set global parameters

1. Navigate to the '**Step 1 – Set global parameters**' tab.
2. Select your country from the dropdown (cell B2).
3. Select your IFI from the dropdown (cell B3).
4. Choose the assessment round: either "New or revised MTP" or "Implementation of an endorsed MTP" (cell B6). Enter a name for your scenario in B7 (this will be used to generate narratives and label tables and visuals).
5. Configure MTP plan time parameters and other information (cells B10 to B16).
6. Confirm whether escape clauses are in effect and their type: general, country-specific, defence-related, or energy-related (table beginning in B21 and automatically extended based on MTP parameters). Also enter any deviation caps, if applicable. If defence-related, enter the base year and the % of GDP of defence spending in the base year in cells B26 and B27.
7. Confirm if any excessive debt procedures are in effect and their correction deadlines (cells B30 to B33).

Step 2: Update outturn data

1. In the **'Step 2 – Update outturn data'** tab, set the last year of outturn data in cell E2.
2. Click the "Update Eurostat data" button and "Update AMECO data" button (either Windows or macOS depending on your operating system) or enter data directly in the "Full historical data inputs" table, rows 34 to 99.
3. Verify the data has been imported correctly.

Note: *If your network blocks external data connections, you can manually enter outturn data in the **'Outturn data'** worksheet.*

Under the Commission's guidance, the Eurostat and AMECO databases are considered the definitive source for ex post compliance assessments. However, several variables are frequently disputed - namely cyclical unemployment expenditure, expenditure funded by transfers from the EU, one-off expenditure (levels, excl. EU funded), discretionary revenue measures (excl. one-off revenue, incremental impact), and defence expenditure. A utility for overriding these values is provided in the region beginning at cell R6.

After completing Steps 1 and 2, follow the appropriate workflow below.

➔ If assessing a new or revised MTP, continue with the MTP workflow (Steps MTP 3–5).
➔ If assessing the annual implementation of an endorsed MTP, continue with the implementation workflow (Steps IMPL 3–4).

Step 3 (MTP): Enter plan and prior guidance

1. Navigate to the '**Step 3 (MTP) – Plan and prior**' tab.
2. Fill in the Core Compliance Table with data from the country's medium-term fiscal-structural plan. By this step, FISCO will have automatically assessed the outturn data and highlighted in green the cells required by the specific assessment track (reference-trajectory or technical-information receiving). The MTP can also be imported via the "Import MTP from file" button and utility after filling out the parameters of the source workbook in cells AB3 to AB15.

3. Download the latest prior guidance (reference trajectory or technical information) from the European Commission's country page. Enter the net expenditure paths, main fiscal variables, and DSA outputs into the prior guidance section of the same tab or use the "Import prior guidance from file" button and utility after filling out the parameters of the source workbook.
4. Confirm all required cells have been completed.

Step 4 (MTP): Complete IFI scrutiny

1. Navigate to the '**Step 4 (MTP) – IFI scrutiny**' tab.
2. Complete the qualitative assessment checklist on net expenditure path assumptions, the compulsory elements checklist (mostly Article 13) information requirements (completeness of MTP content) and, if applicable, Article 14 criteria for an extension of the adjustment period.

Step 5 (MTP): View results

1. Navigate to the '**Step 5 (MTP) – View results**' tab.
2. Review the 13 MTP compliance indicators (M1–M12) and overall compliance indicator:

   ☑ **Green** = Compliant

   ⚠ **Yellow** = Conditional or borderline

   ☒ **Red** = Non-compliant or breach

   ☐ **Grey** = Not applicable
3. Read the automatically generated narrative texts.
4. Copy relevant sections into your institutional reports or use the "Export executive summary" tool to create an executive summary or "Export to web (JSON file)" for presentation on the web.

Step 3 (IMPL): Enter fiscal outlook

1. Navigate to the 'Step 3 (IMPL) – Enter outlook' tab.
2. Enter the final year of the outlook you wish to assess in cell G3. If you want to only assess the framework *ex post*, set this to the last year of outturn data.
3. Fill in the budgetary developments and macroeconomic developments tables with the latest outturn data and forward-looking fiscal plans, including estimates for the current year and any available projections. Alternatively, use the "Import plan from file" utility by filling out the parameters in cells P7 to P13, or use the "Import plan from custom scenario tool" to import from the scenario worksheet where variables can be adjusted manually preserving accounting identities.

Step 4 (IMPL): View results

1. Navigate to the 'Step 4 (IMPL) – View results' tab.
2. Review the 6 implementation compliance indicators (P1–P6):

   ☑ **Green** = Compliant

   ⚠ **Yellow** = Conditional or borderline

   ☒ **Red** = Non-compliant or breach

   ☐ **Grey** = Not applicable
3. Read the automatically generated narrative texts.
4. Examine the charts showing fiscal trajectories, control account deviations, and other informational figures.
5. Copy relevant sections into your institutional reports or use the "Export executive summary" tool to create an executive summary or "export to JSON file" for presentation on the web.

4. DATA UPDATING AND MANAGEMENT

4.1. The Core Compliance Table

The assessment relies on a "Core Compliance Table" that standardises and focuses the variables required to assess the new fiscal framework. It appears in the outturn, outlook, and plan and prior worksheets and allows the logic of the assessments to be adjusted by the circumstances, path and time periods imposed by the framework or selected by the user. It contains the minimum dataset required for all compliance tests.

Fiscal Aggregates:

- Net expenditure growth (growth rate and cumulative growth rate)
- Net lending/borrowing (General government balance)
- Structural balance
- Structural primary balance
- Gross debt
- Change in gross debt

Expenditure Components:

- Total expenditure
- Interest expenditure
- Cyclical unemployment expenditure
- Expenditure funded by transfers from the EU
- Of which: Investments (GFCF)
- National co-financing of EU programmes
- One-off expenditure (levels, excl. EU funded)
- Net nationally financed primary expenditure (before DRM)
- Discretionary revenue measures, DRM (excl. one-off revenue, incremental impact)

Macroeconomic Variables:

- Real GDP growth (%)
- GDP deflator growth (%)
- Nominal GDP growth (%)
- Potential GDP growth (%)
- Output gap (% of potential GDP)
- Nominal GDP (level, millions of national currency)

4.2. Eurostat data updates

The '**Outturn data'** sheet is updated by copying and pasting from a table created by a Python script that connects to three Eurostat API tables:

- gov_10a_main: Government deficit and debt data
- gov_10dd_edpt1: Detailed deficit and debt data
- nama_10_gdp: National accounts and GDP data

Clicking 'Update Eurostat Data' in the '**Control'** worksheet provides the relevant script and instructions.

> **Note:** *Eurostat updates are typically released in April (spring forecast) and October (autumn forecast). Always check the 'Last updated' date in the '**Outturn data'** sheet header.*

5. INTERPRETING RESULTS AND REPORTS

5.1. Reading auto-generated narratives

Beside each compliance indicator, FISCO generates natural language text explaining:

- The assessment outcome (compliant, non-compliant).
- The specific values that led to this conclusion.
- Relevant context such as escape clause application or EDP status.
- Regulatory references to applicable articles in Regulation 2024/1263.

This text is designed to be copied directly into institutional reports, briefing notes, or public communications. You can customise the language by editing the formulas in the **'Compliance assessment'** worksheet if your institution prefers different phrasing.

The text strings can be linked via XML to external documents. A structured XML export tool is also available.

5.2. Chart interpretation

The dashboard includes dynamic charts that update depending on the user variables in the **'Control'** worksheet. For example, the dynamic named ranges expand/contract based on the parameters setting the assessment window and adjustment period.

[Note: the below figures appeared in earlier version of the dashboards and are still organised as such in "Chart data"; however, several of the figures have been removed or re-ordered reflecting the final preferences of beneficiary institutions. The data and descriptions have been preserved if other institutions wish to make use of them.]

Figure 1: Performance of net expenditure growth compared to the endorsed plan

This figure shows how observed and planned net expenditure growth compares with the net expenditure path endorsed by the Council in the Member State's Medium-Term Fiscal-Structural Plan. The endorsed path represents the single operational anchor of the EU fiscal framework. Observed outturns are shown where available and are classified as compliant or breach depending on whether they remain within the endorsed limits. Planned values illustrate the authorities' intended trajectory where outturn data are not yet available.

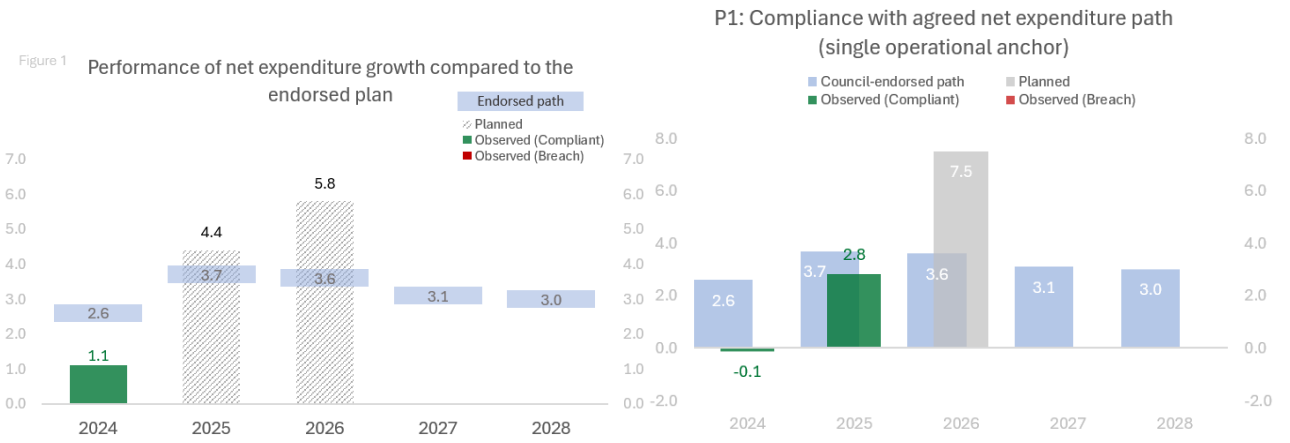
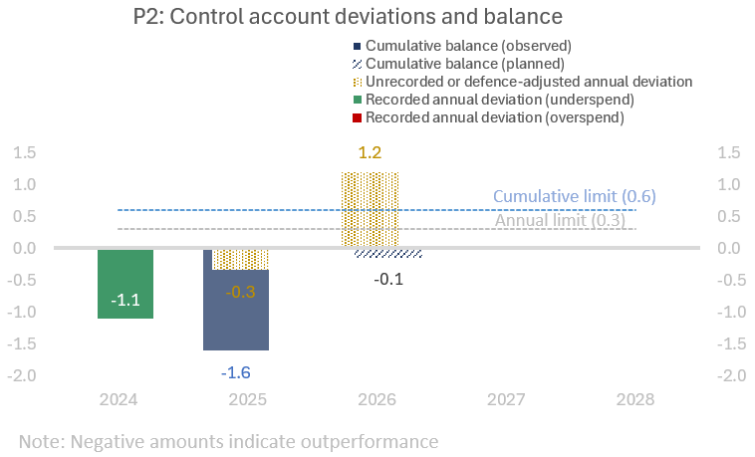


Figure 2: Control account deviations and cumulative balance

This figure tracks annual deviations from the endorsed net expenditure path and their accumulation in the control account. Annual deviations are split between recorded deviations (underspends or overspends counted toward the control account) and unrecorded deviations arising under an escape clause. Horizontal reference lines show the annual and cumulative deviation limits set out in the fiscal framework. The figure supports assessment of whether deviations remain within tolerable margins and whether corrective action may be required.



Note: Negative amounts indicate outperformance

Figure 3: Performance of general government debt compared to the endorsed plan

This figure compares observed, planned, and endorsed paths for general government gross debt expressed as a percentage of GDP. The Council-endorsed debt trajectory provides the benchmark, while observed values indicate actual developments. The 60% Treaty reference value is shown for context. Although debt is not a direct operational anchor, this figure provides an important consistency check between the expenditure path and debt sustainability outcomes.

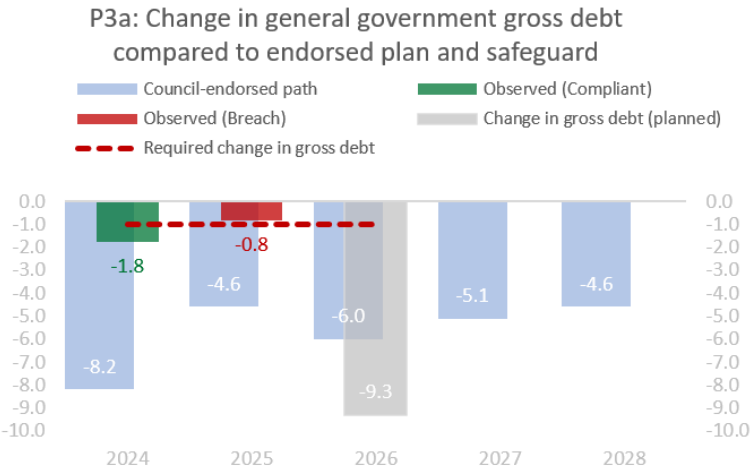


Figure 4: Performance of general government deficit compared to the endorsed plan

This figure presents developments in the general government balance relative to the endorsed plan and the 3% Treaty deficit reference value. Observed, planned, and endorsed balances are shown where available. For ease of interpretation, labels may display deficits as positive values while preserving the underlying sign convention. The figure provides contextual information on deficit developments alongside the primary expenditure-based assessment.

Figure 4

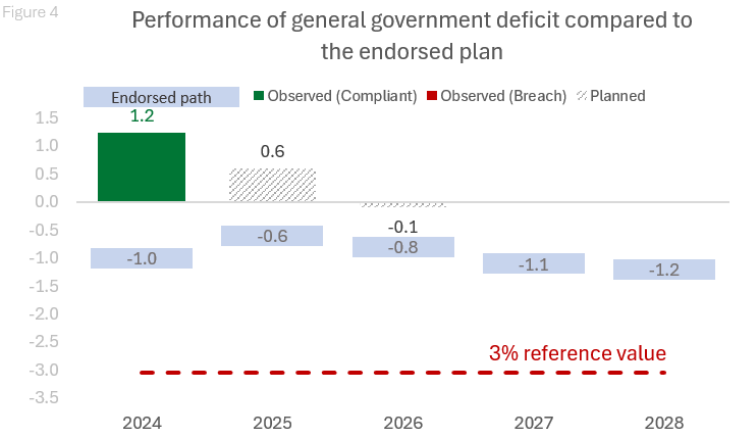


Figure 5: Performance of structural primary balance compared to the endorsed plan

This figure compares the structural primary balance implied by the endorsed plan with observed and planned outcomes. The SPB is not an operational target under the revised framework but remains relevant for assessing the underlying fiscal effort and the plausibility of the expenditure path.

Figure 5

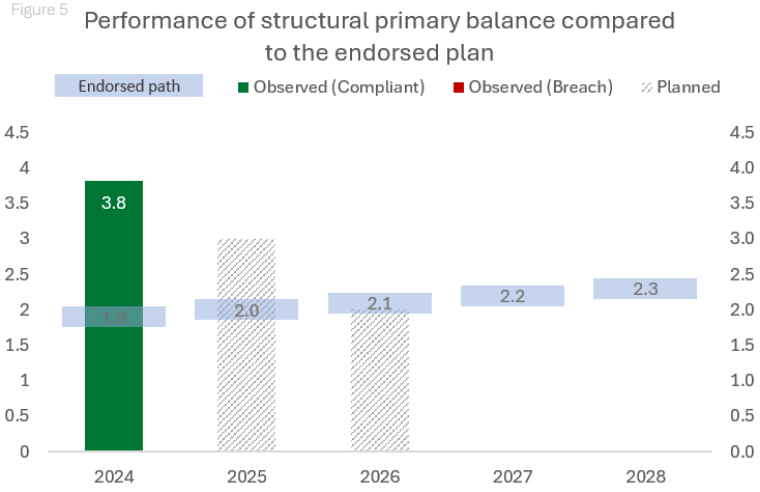


Figure 6: Change in general government gross debt compared to endorsed plan and safeguard

This figure shows annual changes in the general government gross debt ratio and compares observed and planned changes with those implied by the endorsed plan. It also displays the required change in debt associated with the debt safeguard. The figure is used diagnostically to assess whether debt dynamics are consistent with the safeguard, particularly in years where net expenditure exceeds the endorsed path.

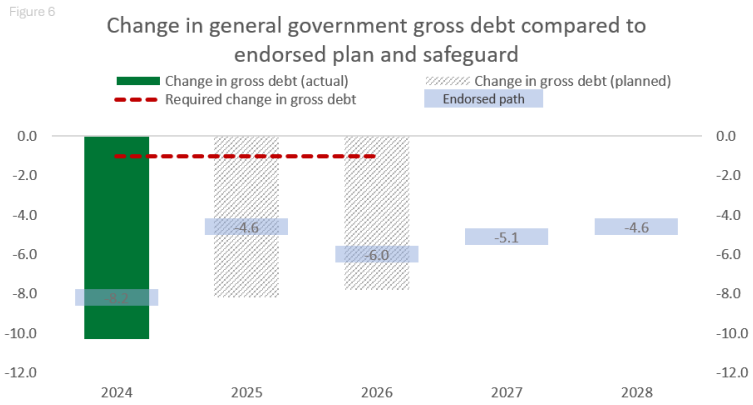


Figure 7: Time profile of the fiscal adjustment (change in the structural primary balance) compared to the endorsed plan

This figure illustrates the annual change in the structural primary balance relative to the linear adjustment profile embedded in the endorsed plan. Observed and planned changes are shown where available. The figure helps assess whether fiscal adjustment is front-loaded, backloaded, or uneven over time, which may be relevant for credibility and implementation risks even though the expenditure path remains the binding constraint.

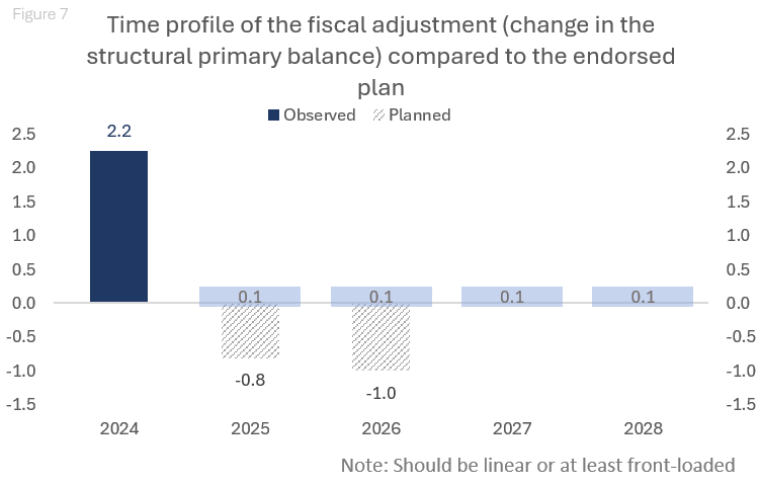


Figure 8: Performance of general government balance compared to the endorsed plan (in context of planned fiscal path DSA)

This figure shows developments in the general government balance in the context of the debt sustainability analysis underpinning the planned fiscal path. It mirrors Figure 4 but is explicitly linked to the assumptions used in the DSA. The figure supports a longer-term view of whether the overall fiscal stance is consistent with the debt trajectory implied by the plan.

Figure 8

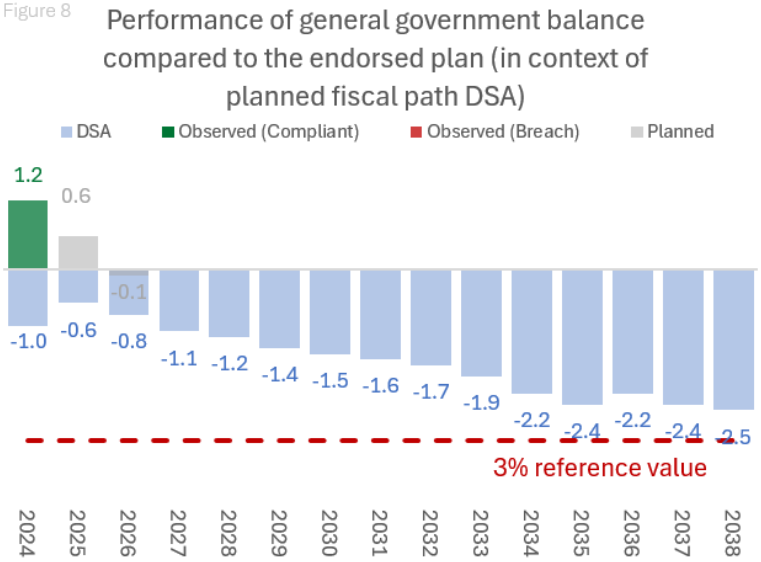
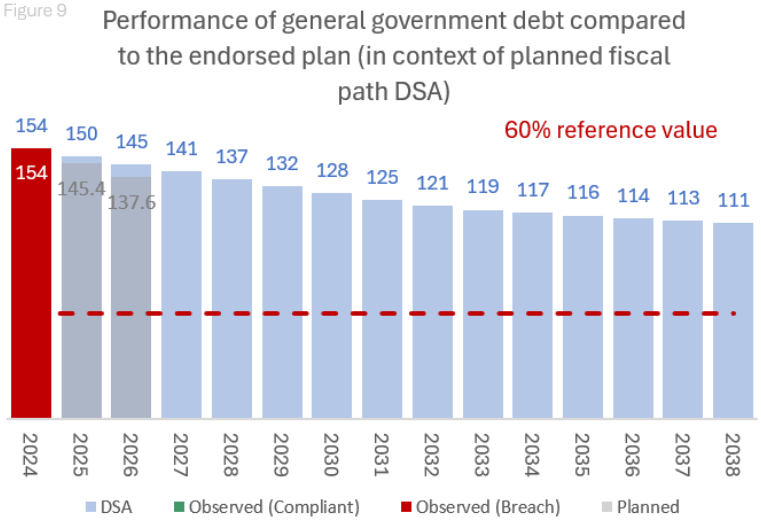


Figure 9: Performance of general government debt compared to the endorsed plan (in context of planned fiscal path DSA)

This figure presents the evolution of general government gross debt under observed and planned outcomes alongside the debt path assumed in the debt sustainability analysis. It allows users to assess whether actual debt developments remain aligned with the assumptions underpinning the fiscal plan and whether deviations could undermine debt sustainability over the medium term.

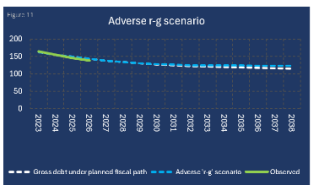
Figure 9

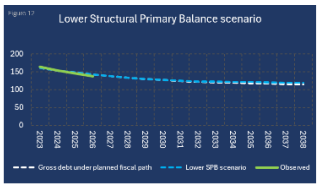


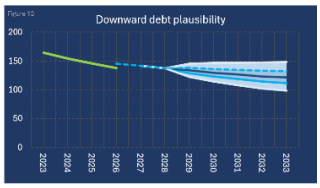
Figures 10–13: Downward debt plausibility

These figures show the progress of debt against the Commission's prior-guidance DSA. They provide broad medium-term historical context (from the time the prior guidance was issued) and are not part of the compliance assessment.









6. ADVANCED FEATURES

6.1. Export to PDF or Word

FISCO can generate a formatted Executive Summary in PDF or MS Word format, containing all compliance assessments and narrative text (exporting of figures will be added in future versions). This feature requires VBA macros.

To use:

1. In either "View results" tabs, click the "Export executive summary" button.
2. Choose a save location

A macro has also been developed that generates XML data bindings if the user wishes to auto-update other standardised publications. This has been deprecated at the request of the beneficiary institutions to preserve simplicity but can be reactivated on request.

6.2. Web dashboard export

For institutions that maintain a public web presence, FISCO can export data in JSON format. An example of how this may be integrated into a Next.js web dashboard application has been provided to beneficiary institutions and is available by request.

To use:

1. Click 'Export to web (JSON file)' in the '**Control**' sheet
2. Choose where to save the dashboard_data.json file.
3. Upload this file through your web dashboard's admin interface or test with the "FISCO web dashboard" html file available by request.

7. SHAREPOINT CONSIDERATIONS

When using FISCO on SharePoint:

- Charts will not render correctly in browser view. Download for full visualisation.
- VBA macros do not work in Excel Online. Download to desktop for macros.

For consistent results, use 'Save As' to create local working copies rather than editing directly on SharePoint.

SUPPORT AND CONTACT

For technical support, questions, or to report bugs:

Email: cameronscottd@gmail.com

Visit our website:

AARC

Funded by
the European Union

Find out more
about the Technical
Support Instrument: