



**Fourteenth Meeting of the  
Network of Public Finance Economists in Public Administration  
Brussels, 10 March 2020**

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**INDICATIVE TOPICS**

**Session I: "Fiscal policy and climate goals"**

The European Green Deal steps up the EU targets for reducing greenhouse gas emissions by 2030 and aims to make Europe the first climate-neutral continent by 2050.<sup>1</sup> Fiscal policy will play a key role in supporting this ambitious green transition and stimulating significant investment needed to reach the climate-neutrality. At national level, green budgeting practices and tax reforms will help redirect public investment, consumption and taxation to green priorities. At supra-national level, EU fiscal rules could incentivise green investment by Member States. The European Fiscal Board recently recommended introducing a limited “golden rule” to protect targeted public investment in a downturn.<sup>2</sup> By extension, a “green golden rule” could promote national investment into green priorities by exempting it from the deficit calculation.

Against this background, this session will reflect on the possible interrelations between fiscal policy, green spending, and the Stability and Growth Pact. Have “golden rules” been successful in supporting investment at national level? Should the EU increase the flexibility of its fiscal rules to encourage investment in climate and environmental projects? How to reconcile this additional complexity with ambitions to simplify and streamline EU fiscal rules? How to safeguard against the creative accounting and risks to debt sustainability?

**Session II: "Fiscal policy in an era of low-for-long interest rates"**

Interest rates are ultra-low globally, and are unlikely to rebound any time soon. With nominal GDP growth exceeding interest rates, negative interest rate-growth differentials prevail in most advanced economies. According to the Commission’s Autumn 2019 forecast, the differential is expected to remain in negative territory for all almost euro area Member States. What is the appropriate macroeconomic policy mix in times of persistently negative interest rate—growth rate differentials? This session will focus on fiscal policy, in particular the balance between debt sustainability and cyclical stabilisation, output/debt trade-off, and the optimal level of public investment. The role of structural reforms will also be examined.

**Format:** Presentations followed by open discussion, with presentations by other participants on each topic.

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<sup>1</sup> [https://ec.europa.eu/info/sites/info/files/european-green-deal-communication\\_en.pdf](https://ec.europa.eu/info/sites/info/files/european-green-deal-communication_en.pdf)

<sup>2</sup> [https://ec.europa.eu/info/sites/info/files/2019-09-10-assessment-of-eu-fiscal-rules\\_en.pdf](https://ec.europa.eu/info/sites/info/files/2019-09-10-assessment-of-eu-fiscal-rules_en.pdf)