



Conselho das Finanças Públicas
Portuguese Public Finance Council

Speech upon taking office

Teodora Cardoso

2012

Teodora Cardoso's speech upon taking office as Chair of the Portuguese Public Finance Council

16 February 2012

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Ms. President of the Assembly of the Republic,

First of all, on my behalf and on behalf of my colleagues on the Senior Board of the Fiscal Policy Council, I would like to express our gratitude for the honour of being appointed to this important new fiscal body in Portugal. I would also like to thank the President of Tribunal de Contas and the Governor of Banco de Portugal, who, under this Council's Statutes, have a key role in the establishment and operation of this body. We thank you all for the trust you have shown in giving us this great responsibility, whose significance we fully acknowledge.

The Council shall cooperate with Parliament and the Government in promoting decision-making mechanisms and monitoring fiscal policy, in order to ensure their consistency with a medium-term, transparent and comprehensive strategy for the public sector. These requirements are fundamental if we are to put an end to fiscal policy as a factor of economic instability and, on the contrary, make it play its proper role as a stabilization mechanism.

I would like to stress that, since early 2011, very important decisions have been taken towards that goal, by the previous and current legislatures. Such decisions were approved by large parliamentary majorities. The fifth amendment to the budget framework law approved in May paved the way for these developments. It included the decision to create the Council on Public Finance, a process that involved several stages and now reaches its conclusion. The first stage took place during the first quarter of 2011, and consisted in the preparation of the Council's draft Statutes by a working group jointly appointed by the Government then in power and the Social Democratic Party. The working group, coordinated by Professor António Pinto Barbosa, and of which Professor João Loureiro and myself were members, submitted, in early April, a draft that was adopted with a few amendments by the current legislature.

It is important to stress these developments, as they show the consensus that exists at national level as regards the need for an independent technical body, comprising national and EU experts, which can supply to policy

decision-making bodies a support that is nonpartisan, transparent and based on sound technical foundations.

We hereby declare our commitment to perform the tasks assigned to us with the utmost independence, to the best of our ability and that of the staff we shall recruit, with a view to supporting Parliament and the Government in the complex decisions ahead, so that fiscal policy follows a sustainable path. The only way to restore credibility is by strengthening our capacity to evaluate the impact of fiscal policy transparently, taking a comprehensive and forward-looking approach. This will allow us to build one of the essential pillars of a stable macroeconomic environment and thereby create the platform for growth that our country's economy needs.

Teodora Cardoso

Lisboa, 16 February 2012