IMF Surveillance in Europe

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Overview

1. The independence of IMF policy advice
2. The scope of analysis
3. The traction of policy advice
4. The continuity of policy dialogue
5. Recommendations
Independent policy advice

• Politically-sensitive policy advice

• Identifying flaws in public accounts

• Time horizons and policy effectiveness

• Fiscal sustainability and transparency
The scope of IMF analysis

• Level of analysis problems
  Bilateral ↔ Sub-regional ↔ Regional ↔ Global

• Division of labour with EU institutions

• External stability and financial stability

• Multi-level risk assessment
The traction of policy advice

• The impact of IMF surveillance:
  - EU-wide institutions
  - Euro-area institutions
  - National policy communities
  - Public discourse
Continuity of dialogue

- Follow-up across surveillance periods
- Monitoring implementation and ‘lessons learned’
- Analyzing the spillover effects of advice
- Enhanced surveillance where the traction of policy advice is weak
Recommendations

• Expanded use of surveillance ‘action plans’ to identify governance priorities

• Interim reporting on implementation

• Precautionary surveillance exercises

• Selective increased use of confidential policy dialogue mechanisms