

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