IMF POLICY PAPER

2021 COMPREHENSIVE SURVEILLANCE REVIEW—BACKGROUND PAPER ON MAIN FINDINGS FROM THE STAKEHOLDER SURVEYS

IMF staff regularly produces papers proposing new IMF policies, exploring options for reform, or reviewing existing IMF policies and operations. The following documents have been released and are included in this package:

- The Staff Report, prepared by IMF staff and completed on March 19, 2021 for the Executive Board’s consideration on May 10, 2021.

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EXECUTIVE SUMMARY

This note presents key results from the surveys of country authorities, IMF Executive Directors (EDs), and mission chiefs (MCs) to inform the Comprehensive Surveillance Review (CSR). The main survey was conducted in May / June 2019. A short survey update was conducted in August 2020 to determine how the ongoing global COVID-19 crisis impacted the original survey’s findings. Key takeaways and cross-cutting themes that emerge are:

**Trends.** Country authorities, EDs, and MCs universally view subdued productivity growth, demographic trends, and fintech as important.

**Policy challenges.** Achieving sustainable growth, devising and implementing structural policies, and finding fiscal policy space to respond to shocks and address policy trade-offs are top policy challenges across income groups and regions.

**Surveillance priorities.** There is strong support for the four identified priority areas, across income groups and regions: (i) confronting risks and uncertainties; (ii) pre-empting and mitigating spillovers; (iii) fostering economic sustainability; and (iv) a more unified approach to policy advice for a more effective policy mix.

**Surveillance modalities.** On enhancing the approach to surveillance, the surveys reveal broad support for increasing selectivity, flexibility, and for taking deeper dives with regards to issues to be covered in Article IV consultations. In addition, there are strong calls for more discussion of cross-cutting issues at the Board.

**Traction.** Traction of Fund policy advice is stronger in EMs and LICs. The influence on national policymaking and implementation varies across policy areas and is stronger on fiscal, structural and financial sector policies. with extra efforts needed for monetary and external sector advice.
**COVID-19.** The COVID-19 survey update results are in line with the results from the original survey, while providing some nuance. Fintech developments stand out as becoming an even more important trend, while fiscal policy room, sustainable growth, and structural policies have become even more critical policy challenges. The relevance of the identified surveillance priorities is confirmed with the relevance of confronting risks and uncertainties and fostering economic sustainability increasing the most. Use of remote communication technology is identified as especially useful for enhancing the Fund’s surveillance engagement.
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MAIN FINDINGS FROM THE SURVEYS OF STAKEHOLDERS

A. Introduction

1. This note presents key results from the surveys of country authorities, IMF Executive Directors (EDs), and mission chiefs (MCs) to inform the Comprehensive Surveillance Review (CSR). Along with extensive consultations with policymakers and external advisors, these surveys helped elucidate the issues of what stakeholders see as major policy challenges, where the focus of IMF surveillance ought to be, and how the delivery of surveillance could be strengthened. The IMF Executive Board’s preliminary views of the surveillance landscape and priorities taken in an informal meeting in March 2019 guided the survey design. The main survey was conducted in May/June 2019. A short survey update was conducted in August 2020 to determine how the profound economic, financial, and social effects of the ongoing global COVID-19 crisis impacted the original survey’s findings.

2. Key takeaways and cross-cutting themes that emerge are:

- **Trends.** Country authorities, EDs, and MCs universally view subdued productivity growth, demographic trends, and fintech as important. Authorities across the membership also see climate change and waning support for multilateralism and global economic integration as important forces shaping the policy landscape. Notably, demographic trends are especially important to European countries and Advanced Economies (AEs), while productivity growth stands out for Western Hemisphere countries, and Low Income Countries (LICs) mark climate change as especially important.

- **Policy challenges.** Achieving sustainable growth, devising and implementing structural policies, and finding fiscal policy space to respond to shocks and address policy trade-offs are top policy challenges across income groups and regions. Both LICs and Emerging Market economies (EMs) also see managing financial deepening while ensuring financial stability as a critical challenge.

- **Surveillance priorities.** There is strong support for the four identified priority areas, across income groups and regions: (i) confronting risks and uncertainties; (ii) pre-empting and mitigating spillovers; (iii) fostering economic sustainability; and (iv) a more unified approach to policy advice for a more effective policy mix. The relevance of these priorities is seen to be higher after the COVID-19 crisis.

- **Surveillance modalities.** On enhancing the approach to surveillance, the surveys reveal broad support for increasing selectivity, flexibility, and for taking deeper dives with regards to issues to be covered in Article IV consultations. In addition, there are strong calls for more discussion of cross-cutting issues at the Board.
• **Traction.** Traction of Fund policy advice is stronger in EMs and LICs. The influence on national policymaking and implementation varies across policy areas and is stronger on fiscal, structural and financial sector policies. with extra efforts needed for monetary and external sector advice.

• **COVID-19.** The COVID-19 survey update results are in line with the results from the original survey, while providing some nuance. Fintech developments stand out as becoming an even more important trend, while fiscal policy room, sustainable growth, and structural policies have become even more critical policy challenges. The relevance of the identified surveillance priorities is confirmed with the relevance of confronting risks and uncertainties and fostering economic sustainability increasing the most. Naturally, greater use of VTC/remote communication technology is identified as especially useful for enhancing the quality, usefulness, and impact of Fund’s surveillance engagement.

• While responses from member country authorities are not uniformly high, in substance, they resonate very closely with the responses from ED Offices, providing some comfort that results apply broadly to the membership.

3. **The body of this note focuses primarily on the original (i.e., pre-COVID) set of surveys while drawing from the subsequent COVID update surveys (see Annex I) where appropriate.** All charts in the body of the note are from the original survey as are the key takeaways discussed unless indicated clearly otherwise. Where there are differences or notable nuances from the COVID survey update impacting upon the results of the original surveys, they are indicated as such explicitly in the discussion in specific places. The annex provides information on the design of the post-COVID surveys as well as charts breaking down the responses to the various questions contained in that set of surveys. All survey questions and detailed results (for both pre-COVID and post-COVID surveys) are available online ([questionnaires; results](#)).

4. **Next, the note presents coverage and design of the original set of surveys, and then discusses the responses on the four broad areas of the CSR:** (i) key trends and main policy challenges over the next decade; (ii) priorities for Fund surveillance; (iii) surveillance modalities, including how surveillance should be conducted and delivered; and (iv) traction. The discussion is focused on the main questions from the survey, while all multiple-choice survey questions and responses by respondent groups are available online ([questionnaires; results](#)). The comparative analysis mainly focuses on the similarities and differences across respondent groups and income groups among country authorities. Variations across geographical regions, which are large and heterogeneous, are also indicated when relevant.

**B. Coverage, Design, and Interpretation**

5. **The main survey was sent to all member country authorities (central banks and finance ministries), EDs, and MCs.**

• All three versions of the survey covered the same topics, while questions were tailored to the targeted respondent group as needed.
Most questions were of a multiple-choice format, where respondents could indicate whether they agreed “To a great extent”, “To some extent”, “To a limited extent,” or “Not at all.” Most of these questions included an “Other” option, which enabled respondents to present write-in alternatives to the listed answers.

The survey was anonymous to ensure candid responses, though the respondents did provide broad demographic information to enable a breakdown of results between income groups (AEs; EMs; and LICs) and geographic regions (Asia-Pacific/APD; Sub-Saharan Africa/AFR; Europe/EUR; North Africa and Middle East/MCD; and the Americas/WHD).

In addition to the English, Arabic, French, Russian, and Spanish versions prepared as part of the rollout, were available to country authorities on request to maximize accessibility and enhance the quality of the responses.

The EDs and MCs had approximately two-and-a-half weeks to complete the surveys, while the member country authorities received an additional week-and-a-half. The survey to authorities received 108 responses (response rate of 29 percent), the survey to ED offices received 34 responses (response rate of 100 percent), while 93 MCs responded (response rate of 50 percent). These response rates are in line with those of the 2014 Triennial Surveillance Review.

6. **While response rates from country authorities were not uniformly high, the answers from country authorities resonate very closely in substance with other inputs**, including responses from EDs as well as consultations with other policymakers and the external advisory groups. Shares based on income groups and geographical region within responses show significant variations (Table 1). For example, the shares of responses to the authorities’ survey from Sub-Saharan (12 percent) and North African and Middle East (10 percent) countries were low, while the share for Europe is high (44 percent), where it is worth noting that of the European respondents, 35 percent represent an EM or LIC.

7. **In the analysis below of the survey results, we focus on a measure of agreement that is the sum of the responses agreeing “to a great extent” and agreeing “to some extent” to a particular statement.** The conclusions under this approach are generally the same as the alternative of including only “to a great extent” as indicating “agreement”. There are some nuances, which are pointed out in the discussion of the results, but the overall conclusions remain the same.
Table 1. Response Rates and Breakdown Within Respondent Groups (Percent)

<table>
<thead>
<tr>
<th>Respondents*</th>
<th>Authorities</th>
<th>Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td>Response rate**</td>
<td>Percent of respondents</td>
</tr>
<tr>
<td>All</td>
<td>29</td>
<td>100</td>
</tr>
<tr>
<td>by Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advanced Economies</td>
<td>56</td>
<td>36</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>29</td>
<td>51</td>
</tr>
<tr>
<td>Low-Income Countries</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>by Geography</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-Saharan Africa/AFR</td>
<td>14</td>
<td>12</td>
</tr>
<tr>
<td>Asia Pacific/APD</td>
<td>26</td>
<td>17</td>
</tr>
<tr>
<td>Europe/EUR</td>
<td>55</td>
<td>44</td>
</tr>
<tr>
<td>North Africa &amp; Middle</td>
<td>18</td>
<td>10</td>
</tr>
<tr>
<td>Americas/WHD</td>
<td>26</td>
<td>17</td>
</tr>
<tr>
<td>by Function</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Bank</td>
<td>38</td>
<td>66</td>
</tr>
<tr>
<td>Ministry of Finance</td>
<td>19</td>
<td>34</td>
</tr>
</tbody>
</table>

*Executive Directors often have multiple and diverse countries in their constituency, and it is not possible to make a meaningful breakdown of responses by income groups and geography.

**Response rates represent the number of responses received as a fraction of the number of possible responses.

C. Key Trends Over the Next 10 years

8. Trends in demography and productivity, and fintech developments are universally seen as important (Figures 1a and b). Among country authorities there are also widespread concerns about waning support for multilateralism and economic integration. Climate change is number one for MCs and second for EDs, who rank subdued productivity growth at the top.1

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1 Respondents were also given the opportunity to indicate “Other” trends of significance, where a few mission chiefs mentioned governance and corruption as a trend that would affect their country.
9. Differences in authorities’ responses reflect the diverse settings faced by AEs, EMs, and LICs, and different regions.

- A large share of AEs sees waning support for multilateralism and economic integration, demographic trends, and subdued productivity as affecting their countries to a great extent.

- EMs give more weight to fintech and rising income inequality, including from technological change in addition to subdued productivity.

- A very high share of LIC authorities strongly agree that climate change is an important trend, while for AEs and EMs it ranked in the middle or towards the lower end. Change and shifting global economic power also resonate with LIC respondents.

- Results by regions show subdued productivity growth standing out as a concern for the Western Hemisphere, where most respondents strongly agree that it is a key trend. For Sub-Saharan Africa and the Middle East and North Africa fintech developments are unanimously identified as central, while in Asia-Pacific all respondents agree that income inequality is a key trend. Finally, in Europe demographic trends are most prominent.

![Figure 1a. Trends by Income Group](source: 2019 CSR Survey of Authorities (Q5)).
10. **In the COVID-19 survey update, fintech developments stand out as becoming even more important, especially among authorities, but also among EDs and MCs.** Subdued productivity growth and waning support for multilateralism and economic integration are also more important. Among EDs and MCs continued high and rising income inequality is emphasized as well.

D. **Policy Challenges Over the Next 10 Years**

11. **Sustainable growth, structural policies, and fiscal policy room are the top policy challenges across the board (Figures 2a and b).** Asked to indicate to what extent a number of policy challenges would likely affect their country in the next 10 years those areas are at the top for authorities across income groups, EDs, MCs and across regions. For MCs’ and AEs the focus on these top policy challenges is especially pronounced with much less weight given to the other challenges. Among LICs, EDs, and MCs, policies to strengthen sustainable growth stand out even more with a very large share of respondents see them as affecting countries to a great extent. With respect other policy areas, monetary policy flexibility to respond to shocks is more of a priority for AEs than for EMs and LICs, where achieving financial deepening while maintaining financial stability, and external imbalances and capital flows are more of a concern.

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2 The one nuance being that all Middle East and North African respondents put managing financial deepening is a top three policy challenge, although with a lower share agreeing to a great extent.
### Figure 2a. Policy Challenges by Income Group

**To What Extent Are the Following Policy Challenges Likely to Affect Your Country in the Next 10 Years? (Authorities)**

(Percent of respondents)

<table>
<thead>
<tr>
<th>Challenge</th>
<th>AEs</th>
<th>EMs</th>
<th>LICs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal room to respond to shocks and address policy trade-offs</td>
<td><img src="image1.png" alt="Graph" /></td>
<td><img src="image2.png" alt="Graph" /></td>
<td><img src="image3.png" alt="Graph" /></td>
</tr>
<tr>
<td>Policies to strengthen sustainable growth</td>
<td><img src="image4.png" alt="Graph" /></td>
<td><img src="image5.png" alt="Graph" /></td>
<td><img src="image6.png" alt="Graph" /></td>
</tr>
<tr>
<td>Structural policies and their implementation</td>
<td><img src="image7.png" alt="Graph" /></td>
<td><img src="image8.png" alt="Graph" /></td>
<td><img src="image9.png" alt="Graph" /></td>
</tr>
<tr>
<td>Monetary policy flexibility to respond to shocks and address policy trade-offs</td>
<td><img src="image10.png" alt="Graph" /></td>
<td><img src="image11.png" alt="Graph" /></td>
<td><img src="image12.png" alt="Graph" /></td>
</tr>
<tr>
<td>Excess external imbalances</td>
<td><img src="image13.png" alt="Graph" /></td>
<td><img src="image14.png" alt="Graph" /></td>
<td><img src="image15.png" alt="Graph" /></td>
</tr>
<tr>
<td>Capital flow and exchange rate volatility</td>
<td><img src="image16.png" alt="Graph" /></td>
<td><img src="image17.png" alt="Graph" /></td>
<td><img src="image18.png" alt="Graph" /></td>
</tr>
<tr>
<td>Managing financial deepening</td>
<td><img src="image19.png" alt="Graph" /></td>
<td><img src="image20.png" alt="Graph" /></td>
<td><img src="image21.png" alt="Graph" /></td>
</tr>
</tbody>
</table>

Source: 2019 CSR Survey of Authorities (Q4).

### Figure 2b. Policy Challenges by Respondent Group

**To What Extent Are the Following Policy Challenges Likely to Affect Your Country in the Next 10 Years?**

(Percent of respondents)

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Authorities</th>
<th>EDs</th>
<th>MCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policies to strengthen sustainable growth</td>
<td><img src="image22.png" alt="Graph" /></td>
<td><img src="image23.png" alt="Graph" /></td>
<td><img src="image24.png" alt="Graph" /></td>
</tr>
<tr>
<td>Fiscal room to respond to shocks and address policy trade-offs</td>
<td><img src="image25.png" alt="Graph" /></td>
<td><img src="image26.png" alt="Graph" /></td>
<td><img src="image27.png" alt="Graph" /></td>
</tr>
<tr>
<td>Structural policies and their implementation</td>
<td><img src="image28.png" alt="Graph" /></td>
<td><img src="image29.png" alt="Graph" /></td>
<td><img src="image30.png" alt="Graph" /></td>
</tr>
<tr>
<td>Monetary policy flexibility to respond to shocks and address policy trade-offs</td>
<td><img src="image31.png" alt="Graph" /></td>
<td><img src="image32.png" alt="Graph" /></td>
<td><img src="image33.png" alt="Graph" /></td>
</tr>
<tr>
<td>Excess external imbalances</td>
<td><img src="image34.png" alt="Graph" /></td>
<td><img src="image35.png" alt="Graph" /></td>
<td><img src="image36.png" alt="Graph" /></td>
</tr>
<tr>
<td>Capital flow and exchange rate volatility</td>
<td><img src="image37.png" alt="Graph" /></td>
<td><img src="image38.png" alt="Graph" /></td>
<td><img src="image39.png" alt="Graph" /></td>
</tr>
<tr>
<td>Managing financial deepening</td>
<td><img src="image40.png" alt="Graph" /></td>
<td><img src="image41.png" alt="Graph" /></td>
<td><img src="image42.png" alt="Graph" /></td>
</tr>
</tbody>
</table>

Source: 2019 CSR Survey of Authorities (Q4). Survey of Executive Directors (Q3); Survey of Staff (Q3).

The labels on the left x-axis are in descending order based on the sum of the number of respondents in the first column who indicated either “To a great extent” or indicated “To some extent”. For the second and third column, the top three ranked responses based on the combined number of responses of “To a great extent” and “To some extent” are labeled by 1, 2, or 3 in the red circles.
12. **The COVID-19 survey update shows a similar picture.** All respondent groups consistently identify fiscal policy room, sustainable growth, and structural policies as becoming more critical. EDs also indicate monetary policy flexibility to respond to shocks and address policy trade-offs as more critical post COVID-19. In related but separate questions respondents were also asked to indicate policy areas that should be a priority for Fund analysis and policy advice in the immediate aftermath and over a longer horizon (next 5 to 10 years). Durable, inclusive, and sustainable growth, as well as fiscal sustainability and policy room for maneuver and structural policies and their implementation are universally seen as priority areas for Fund analysis and advice both in the near and longer term, which is consistent with the views on policy challenges. Reducing debt vulnerabilities, including private sector debt overhangs also come out strongly across the board as a near-term priority for Fund analysis and advice. ED offices also saw unwinding fiscal and monetary expansion as central.

13. **The importance of fiscal policy and structural reforms as key policy challenges, including their intersection, resurfaces across the various parts of the survey.** As noted, both areas receive strong support as key policy challenges (Figure 3a) across income, geographical, and respondent groups. All groups of respondents stress the importance of better understanding tradeoffs and complementarities between policies, particularly in the intersection of structural and fiscal policies (Figures 3b and d). These two areas are also among those where Fund recommendations are seen as the most influential on policy formulation and debate (Figure 3c).

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**Figure 3. Intersection of Fiscal and Structural**

A. Please indicate which policy challenge should be a priority for Fund analytical work and policy advice? (Authorities)

<table>
<thead>
<tr>
<th>Policy Challenge</th>
<th>Response</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policies to strengthen sustainable growth</td>
<td>90%</td>
<td>60%</td>
</tr>
<tr>
<td>Fiscal policy room for maneuver</td>
<td>80%</td>
<td>50%</td>
</tr>
<tr>
<td>Structural policies and their implementation</td>
<td>70%</td>
<td>40%</td>
</tr>
<tr>
<td>Capital flow and exchange rate volatility</td>
<td>60%</td>
<td>30%</td>
</tr>
<tr>
<td>Managing financial deepening with financial stability</td>
<td>50%</td>
<td>20%</td>
</tr>
<tr>
<td>Monetary policy flexibility</td>
<td>40%</td>
<td>10%</td>
</tr>
<tr>
<td>Excess external imbalances</td>
<td>30%</td>
<td>10%</td>
</tr>
</tbody>
</table>

B. To what extent should more analysis be done on the trade-offs/complementarities between the combinations of policy instruments? Response to “Fiscal and Structural Policies”

<table>
<thead>
<tr>
<th>Policy Instruments</th>
<th>High Priority</th>
<th>Medium Priority</th>
<th>Low Priority</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>MC</td>
<td>100%</td>
<td>90%</td>
<td>60%</td>
<td>0%</td>
</tr>
<tr>
<td>AUS</td>
<td>90%</td>
<td>70%</td>
<td>40%</td>
<td>0%</td>
</tr>
<tr>
<td>ED</td>
<td>80%</td>
<td>60%</td>
<td>30%</td>
<td>0%</td>
</tr>
</tbody>
</table>

C. In which policy area did IMF recommendations influence national policy formulation or debate? (Authorities)

<table>
<thead>
<tr>
<th>Policy Area</th>
<th>Response</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal policy</td>
<td>90%</td>
<td>60%</td>
</tr>
<tr>
<td>Financial sector policies</td>
<td>80%</td>
<td>50%</td>
</tr>
<tr>
<td>Structural reforms</td>
<td>70%</td>
<td>40%</td>
</tr>
<tr>
<td>Monetary policy</td>
<td>60%</td>
<td>30%</td>
</tr>
<tr>
<td>Exchange rate policy</td>
<td>50%</td>
<td>20%</td>
</tr>
<tr>
<td>Policies related to capital flows</td>
<td>40%</td>
<td>10%</td>
</tr>
</tbody>
</table>

D. To what extent should more analysis be done on the trade-offs/complementarities between the following combinations of policy instruments?

<table>
<thead>
<tr>
<th>Policy Instruments</th>
<th>High Priority</th>
<th>Medium Priority</th>
<th>Low Priority</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>AE</td>
<td>100%</td>
<td>90%</td>
<td>60%</td>
<td>0%</td>
</tr>
<tr>
<td>EM</td>
<td>90%</td>
<td>70%</td>
<td>40%</td>
<td>0%</td>
</tr>
<tr>
<td>LIC</td>
<td>80%</td>
<td>60%</td>
<td>30%</td>
<td>0%</td>
</tr>
</tbody>
</table>

E. Surveillance Priorities

14. The overall responses show broad support across the membership for the proposed surveillance priorities. The four priorities identified by the CSR are: Ensuring Sustainability, Confronting Risks and Uncertainty, Preempting and Mitigating Spillovers, and Providing Integrated Policy Advice. There was no question about the overall value-added of focusing on these priorities. Therefore, the responses to the various specific questions about the four priorities are averaged for each of the four main priorities as a measure of how respondents assess the value of each priority as a whole.³

- The results show strong general support for all four priorities, especially among authorities across income groups and regions, and EDs, but also among MCs (Figures 4a and b).⁴ Integrated Policy Advice has the most favorable responses, closely followed by Confronting Risks and Uncertainty. Preempting and Mitigating Spillovers are overall seen as more important than Ensuring Sustainability by both authorities and EDs, while MCs see “Spillovers” as the least important priority.

- There is some interesting variation across authorities by income and geographic groups. For example, issues related to mitigating spillovers are an especially high priority for EMs and for countries in the Americas and Northern Africa and Middle East. LICs as well as Sub-Saharan Africa—economies that are likely to be faced with limited policy space in specific policy areas—have strong support for a more unified approach to policy advice.

³ Specific questions about each priority are discussed below and detailed results are available online.

⁴ Responses from authorities and EDs were very similar and only the results for the authorities are displayed in Figure 5A.
15. In the COVID-19 survey update Confronting risks and uncertainties and Fostering economic sustainability are identified by a large majority of responding authorities across income groups as more or much more relevant as a result of COVID-19. A majority also indicate Preempting and mitigating spillovers as more or much more relevant. Adopting a more unified approach to policy advice gets continued strong support from LICs, with 75 percent identifying it as more or much more relevant following the COVID outbreak. Among other income groups it is still seen as equally, more, or much more important by a large majority, confirming the strong support in the original survey.

Confronting Risks and Uncertainty

16. An approach with more risk analysis and policy advice directed toward risks is overall seen as improving Fund advice (Figure 5a and b). A large share of authorities and EDs see a greater focus on individual country risk identification and assessments, as well as identifying policies to reduce the likelihood or impact of the identified risks as improving Fund advice to a great extent. By contrast, support for increased attention to the distribution of outcomes of key macroeconomic indicators is lower, particularly among MCs.

17. Among authorities, there are subtle differences between AEs, EMs, and LICs. AEs and EMs see more value in identifying policies to reduce or respond to risks. EMs and LICs indicate very strong support for greater focus on country risk identification and assessments, to improve the quality and value-added of the Fund’s policy advice. LICs also see significant benefits from attention to distribution of outcomes and tradeoffs among policies to mitigate risks.

![Figure 5a. Confronting Risks and Uncertainty by Income Group](Source: 2019 CSR Survey of Authorities (Q8)).
Mitigating Spillovers

18. There is broad agreement that country-specific analysis and advice to preempt and mitigate spillovers improve the value-added of surveillance, while the views on the extent of coverage of outward spillovers in Article IVs differ between MCs and other respondents. Authorities, EDs, and MCs support strengthening spillover surveillance, but MCs differ over how to do so (Figure 6a and b). EDs see spillover coverage in multilateral surveillance as a top priority and strongly agree that analysis of spillovers and policy implications is important, with MCs agreeing as well. MCs also find that more candid discussions about alternative policy options in spillover-producing countries is necessary, but that greater coverage of outward spillovers should take place in multilateral surveillance products, rather than in Article IVs. By contrast, authorities and EDs tend to want greater coverage of outward spillovers in staff reports. Meanwhile, engagement on inward spillovers continues to be strong, with the flagships identified as the most useful channel for advancing understanding of spillovers.

19. For authorities, all income groups value more analysis of policy responses, greater timeliness, and more coverage of outward spillovers. EMs and LICs in particular see scope for more candid discussions of alternative policies for spillover-producing countries. In addition, many authorities express interest in gaining insights on how other countries are responding to similar spillovers. Among AE authorities, greater coverage of outward spillovers in multilateral surveillance
is seen as a priority. Finally, on the question of which specific types of spillovers should be covered, there is broad support for coverage of spillovers from capital flow measures, economic policy uncertainty, and financial, fiscal, monetary, and structural policies.

**Figure 6a. Mitigating Spillovers by Income Group**

To What Extent Would the Following Improve the Quality and Value-Added of the Fund’s Policy Advice? (Authorities)  
(Percent of respondents)

Source: 2019 CSR Survey of Authorities (Q9).

**Figure 6b. Mitigating Spillovers by Respondent Group**

To What Extent Would the Following Improve the Quality and Value-Added of the Fund’s Policy Advice? (Authorities)  
(Percent of respondents)

Source: 2019 CSR Survey of Authorities (Q9); Executive Directors (Q6); Staff (Q8).
Unified Policy Approach

20. **There is broad support for a more unified approach to policy advice (Figure 7a and b).** Across the board, stakeholders see the need to discuss policy trade-offs and complementarities and placing the discussion of the effectiveness of policy tools in the country context. Most respondents also feel there should be more discussion on the effectiveness and appropriateness of the policy mix.

21. **While authorities across income groups agree overall, there is some differentiation in emphasis.** AEs place more focus on trade-offs and complementarities between policies and, along with EMs, on the effectiveness and appropriateness of the policy mix. A very large share of LICs and EMs see that more analysis of policy effectiveness under different country circumstances would improve Fund advice to a great extent. Strong support for a greater focus on country-specific circumstances are also seen in the context of confronting risks (Figure 5a and 5b).

22. **Authorities indicate three areas where raising the effectiveness of a policy mix is most desirable (Figure 7c):** (i) structural and fiscal policies; (ii) monetary policy and macroprudential measures; and (iii) policies to respond to external shocks.

![Figure 7a. Unified Policy Advice by Income Group](source: 2019 CSR Survey of Authorities (Q13).)

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**Source:** 2019 CSR Survey of Authorities (Q13).
Figure 7b. Unified Policy Advice by Respondent Group
To What Extent Would the Following Improve the Quality and Value-Added of the Fund’s Policy Advice?
(Percent of respondents)

Source: 2019 CSR Survey of Authorities (Q13); Executive Directors (Q12); Staff (Q11).

Figure 7c. Policy Combinations
To What Extent Should More Analysis/Research Be Done Between the Following Combinations of Policies (Authorities)
(Percent of respondents)

Source: 2019 CSR Survey of Authorities (Q14).
Fostering Economic Sustainability

23. **Across authorities and EDs issues related to fostering sustainability resonate (Figure 8a and b).** They support greater attention to distributional or intertemporal impacts of policy recommendations, as well as a broader measure of economic progress. MCs also see value in having a broader measure of economic progress but are relatively less supportive of taking a longer view and paying greater attention to the distributional impact of policies. It should furthermore be noted that a large majority of all respondent groups, across income levels, strongly agree that policies to strengthen sustainable growth are a key policy challenge (see Figures 2a and b).

24. **Authorities, of all income groups to different degrees, favor attention to distributional concerns, alongside the need to look beyond GDP to measure economic progress.** In particular EMs and LICs show strong interest in taking a broader perspective by considering measures of economic progress that go beyond GDP. A large share of LICs indicates that a longer surveillance horizon would improve Fund policy advice to a large extent. In addition, many authorities indicate that policies to address the implications of technological change and demographic challenges (especially AEs and EMs) are high on the agenda.

**Figure 8a. Fostering Sustainability by Income Group**

*To What Extent Would the Following Improve the Quality and Value-Added of the Fund’s Policy Advice? (Authorities)*

*(Percent of respondents)*

Source: 2019 CSR. Survey of Authorities (Q15).
F. Surveillance Modalities

25. The support for possible adjustments to surveillance modalities varies and was overall less than the support for identified priorities. More discussion of cross-cutting issues at the IMF Executive Board has broad support among authorities and EDs, but with limited support from MCs (Figure 9b). The support among authorities is especially strong among EMs (Figure 9a). For LIC authorities, more frequent engagement with IMF mission teams stands out as important, while both LICs and EMs would like more thematic Article IV reports organized around issues that can differ from country to country and from year to year. In line with this, EDs and especially MCs consider greater flexibility for mission teams to select topics as highly important. Finally, no group of respondents see the shortening of staff reports as helping the quality of Fund advice.

26. Following the COVID-19 experience, greater use of VTC/remote communication technology is identified as especially useful. More issue-focused/selectively focused Article IV reports get renewed broad strong support as a useful way to enhance the quality and usefulness of Fund’s surveillance engagement over the medium term. The support for more discussion of cross-cutting issues at the IMF Executive Board is less pronounced but still highlighted by AE authorities and by EDs. More frequent engagement between IMF mission teams and country authorities remained a high priority for LICs and still a clear number one for MCs.

5 Authorities were not asked this question.
Figure 9a. Surveillance Modalities by Income Group
To What Extent Would the Following Improve the Quality of Value-Added of the Fund’s Policy Advice? (Authorities)
(Percent of respondents)

Source: 2019 CSR. Survey of Authorities (Q18).

Figure 9b. Surveillance Modalities by Respondent Group
To What Extent Would the Following Improve the Quality of Value-Added of the Fund’s Policy Advice? (Authorities)
(Percent of respondents)

Source: 2019 CSR. Survey of Authorities (Q18); Executive Directors (Q17); Staff (Q19).
G. Macro-Financial Surveillance

27. **The need to strengthen macro-financial surveillance is affirmed.** There is a clear demand for better integration and follow up of FSAPs, and further strengthening of financial analysis in Article IV staff reports. This conclusion applies across authorities and EDs (Figure 10a and b), while MCs see this as less important. Tapping more into functional departments’ expertise for complex issues is widely supported. A large share of LIC authorities also puts a strong emphasis on further build-up of macro-financial expertise on IMF country teams. This could reflect the fact that these country teams typically do not have expertise in all relevant financial areas, which may be many and varied. Finally, a detail worth mentioning is that AE authorities do not believe “more intensive interaction with regulatory bodies and standard setters” would have a very high pay-off in the context of financial surveillance. Support is much higher among EMs and LIC authorities in this area.

28. **MCs indicate lack of expertise and data as obstacles to analysis and policy advice in multiple areas, including spillovers, risk, and macro-financial issues.** Almost half of MCs believe “greater availability of data related to economic and financial risk” would “to a great extent” improve country-level risk assessments.

![Figure 10a. Macro-Financial Surveillance by Income Group](source)

**Source:** 2019 CSR Survey of Authorities (Q17).
H. Traction

29. **Traction of Fund policy advice is seen as higher in EMs and LICs and generally stronger for fiscal, structural and financial sector policies.** AEs indicate that there is some influence, but generally not to a large extent, and is especially low with respect to monetary, exchange rate, and capital flows policies (Figure 11). This broadly corresponds to the lower priority assigned to policy challenges related to external imbalances, monetary policy flexibility, and capital flows and exchange rate volatility. For LICs, on the other hand, the influence is seen as strong across the board with somewhat less influence regarding capital flows policies. Traction in EMs are in between with relatively less influence indicated for monetary, exchange rate and capital flows policies, which is in line with AE responses, but at a significantly higher level.

30. **During the COVID-19 crisis greater use of VTC/remote communication technology is naturally seen as important to strengthening the impact of Fund analysis and policy advice.** There is also a noticeable wide belief among respondents in the effectiveness of providing cross-country policy experiences and best practices and Insights into global / regional developments as helping traction with member countries on the national policy dialogue and policy formation. Many authorities also indicate candor of policy discussions as important, while LICs and EDs point to specificity in policy advice as especially important. EDs as well as MCs emphasize listening to the authorities’ concerns and alternative views.
Figure 11. Traction by Income Group

In Which Policy Area Did IMF Policy Recommendations Influence National Policy Formulation or Debate? (Authorities)

(By income group, in percent)

Source: 2019 CSR Survey of Authorities (Q20).

1. Since the global COVID-19 crisis has had a profound economic, financial, and social impact a follow-up survey was launched in August 2020. The follow-up survey was sent to all member country authorities (central banks and finance ministries), EDs, and MCs. All three versions of the survey were the same.

- With seven questions, the CSR COVID-19 follow-up survey was much shorter than the original 2019 CSR Survey. All questions were of a multiple-choice format, where respondents could indicate the extent to which they agreed, or the extent to which believed the statements listed were more (less) relevant than pre-COVID-19. Most of the questions contained an “Other” option, which allowed respondents to present write-in alternatives to the answers already listed.

- The surveys were anonymous, though respondents were prompted to provide the country/constituency they represented on a confidential basis.

- In addition to the English, French, Russian, and Spanish versions prepared as part of the roll-out were made available on demand to member country authorities to maximize the survey’s accessibility and enhance the quality of responses.

- The respondents received approximately four weeks to complete the surveys, though late submissions were considered up until two weeks after the deadline. The question identifying the country/constituency of the respondent allowed distinguishing between total and unique responses (i.e. the number of unique countries who submitted a survey); which was not possible for the original survey. The survey to authorities received 110 unique responses (response rate of 58 percent) and over 161 total responses; the survey to EDs received 23 unique responses (response rate of 96 percent) and over 28 total responses; and the survey to MCs received 139 unique responses (response rate of 74 percent) over 143 total responses. These response rates are higher than those of the original 2019 CSR Survey, though the manner in which the response rates were calculated differs somewhat. A question asking the respondent to identify as representing either the Central Bank or the Ministry of Finance was omitted from the survey update.

- Similar to the original 2019 CSR Survey, response rates to the authorities’ survey differ by income group and region. The response rate among AEs was by far the highest, as all 36 AEs included in the IMF membership responded to the survey. The response rates were somewhat lower for EMs and LICs: 52 percent and 42 percent respectively. Similar heterogeneity can be found in the regional breakdown of respondents, where 95 percent of European member

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1 The original 2019 CSR survey was fully anonymous, so the response rate was calculated as total responses/(189*2), allowing one response for a representative from the Central Bank and one for the Ministry of Finance. The 2020 CSR COVID-19 follow-up survey includes a question asking the respondent to identify which country/constituency they represent. With this additional information, the response for this survey is calculated as total unique responses/189. Due to the difference in methodology, comparisons of response rates across the two surveys could be inconclusive.
countries responded the survey, followed by Asia/Pacific (66 percent), the Americas (50 percent), Sub-Saharan Africa (38 percent), and Middle East and Central Africa (35 percent).

- The main survey results are displayed in Figures A1-A5, while all survey questions and detailed results are available online.

<table>
<thead>
<tr>
<th>Table A1. Breakdown of Responses, Authorities and Staff (Percent)</th>
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<tbody>
<tr>
<td><strong>Respondents</strong>*</td>
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<tr>
<td><strong>Group</strong></td>
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<tr>
<td>All</td>
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<tr>
<td><strong>by Development</strong></td>
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<td>Advanced Economies</td>
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<td>Low-Income Countries</td>
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<td>Sub-Saharan Africa/AFR</td>
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<td>Europe/EUR</td>
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<td>Middle East and Central Asia/MCD</td>
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<td>Americas/WHD</td>
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Figure A1. Trends
The 2019 survey asked about the most important trends for the surveillance landscape in the next 5 to 10 years. Considering the unfolding impact of the COVID-19 crisis, to what extent do you consider that the trends below have become more or less critical for your country during the next 5 to 10 years?

Source: CSR COVID-19 Update Survey of authorities (Q2).

Figure A2. Policy Challenges
The 2019 survey asked about the policy challenges with the highest priority. Considering the unfolding impact of the COVID-19 crisis, to what extent do you see that these policy challenges have become more or less critical for your country during the next 5 to 10 years?

Source: CSR COVID-19 Update Survey of authorities (Q3).
Figure A3. Surveillance Priorities

The Midpoint Note of the Comprehensive Surveillance Review identified four overarching surveillance priorities to guide the Fund’s surveillance work for the next 5 years. To what extent have the relevance of these priorities changed as a result of COVID-19?

Source: CSR COVID-19 Update Survey of authorities (Q5).

Figure A4. Surveillance Modalities

Following the COVID-19 experience, which of the following would be the most useful way to enhance the quality and usefulness of Fund’s surveillance engagement over the medium term (pick up to 3)

Source: CSR COVID-19 Update Survey of authorities (Q6).
When considering the Fund’s engagement with your country during the COVID-19 crisis, to what extent were the following factors helpful in strengthening the impact of Fund analysis and policy advice on national policy dialogue and policy formation?

Source: CSR COVID-19 Update Survey of authorities (Q7).