

- an insufficiently proactive engagement with various high-level groups of national policymakers.

Content and quality

Selecting issues for analysis. The products of multilateral surveillance—especially the WEO—have been largely successful in selecting for analysis issues that reflect the IMF’s comparative advantage (see Box 2.1). The WEO gives roughly equal weight to issues that deal with the spillovers of policies in individual countries and to analyzing and comparing the experience of different countries. Dedicated analysis of exchange rate issues and related spillover effects, however, does not appear frequently—which is surprising given the IMF’s mandate to oversee the international monetary system and the exchange rate policies of its member countries.

Box 2.1. The Main Outputs of IMF Multilateral Surveillance

IMF multilateral surveillance is disseminated to various audiences through a number of outputs, including:

- semiannual “flagship” publications: the World Economic Outlook and the Global Financial Stability Report;
- semiannual regional outlooks produced and published by four IMF area departments; and
- regular contributions to intergovernmental forums and committees, such as the Group of Seven (G-7), the Group of Twenty (G-20), and the Financial Stability Forum.

In addition, IMF staff prepares several documents for internal use as well as for IMF management and the Executive Board.

Identifying relevant issues and global risks. The WEO has also succeeded in identifying in a timely way relevant issues for analysis, as measured against the issues subsequently picked up on Group of Seven and Group of Twenty agendas. In terms of identifying relevant global macroeconomic and financial risks, both the WEO and the Global Financial Stability Report (GFSR) also compare favorably with similar publications of other international and national bodies. This assessment, however, is based on evidence gathered during the relatively calm period of 2000–05, when no major crisis tested the IMF’s “early warning” mechanisms.

Integrating multilateral and bilateral surveillance. The IEO evaluation confirms the finding of a 1999 external evaluation of surveillance¹⁸ that IMF surveillance has a strong bilateral (or country) orientation. As a result, policy advice and economic forecasts predominantly reflect the views of IMF area departments (the departments—grouped by geographic

¹⁸ The External Review of IMF Surveillance, commissioned by Chairman of the Executive Board’s Evaluation Committee, Tom Bernes, was undertaken by a team of outside experts, including Ricardo Arriazu, a former alternate IMF Executive Director; John Crow, former Governor of the Bank of Canada and the Chairman of the External Review Team; and Niels Thygesen, the Danske Bank Professor of International Economics at the University of Copenhagen. The report is available on the IMF website (www.imf.org).