

Joint Workshop by the IMF Fiscal Affairs Department and Offices in Europe
Reforming Fiscal Governance in the EU: Operational Issues and Options
Paris, April 18, 2014

9:00-9:15 am	Introductory remarks: <i>M. Guerguil (Deputy Director, Fiscal Affairs Department, IMF)</i>
9:15-10:45 am	<p>Fiscal Governance Reforms in the EU—Taking Stock: How does the amended rules-based framework at the EU level fill the gaps revealed by the crisis? What is the rationale for the reforms of national fiscal frameworks mandated by EU law? What are the “reform gaps” at the national level? What is the room for tailoring national frameworks to country-specific circumstances? What is the risk of “rules overhang” (too many rules, possibly inconsistent)? Is the required harmonization of fiscal frameworks adequately tuned to foster compliance with the supranational rules? What coordination mechanism can mitigate the risk of conflicts between independent monitoring and EC surveillance?</p> <p><i>Chair: M. Guerguil</i> <i>Presentations: C. Wyplosz (Professor, Graduate Institute, Geneva)</i> <i>J. Pisani-Ferry (Commissioner General for Strategy and Planning, France)</i> <i>Discussant: T. Wu (Senior Economist, European Department, IMF)</i></p>
10:45-11:00 am	Coffee break
11:00-12:30 pm	<p>The Structural Balance—Concept and Implementation: What are the key features of an adequate conceptual framework for estimating structural budget balances (SBBs)? To what extent can the bias in real-time output gaps be reflected in assessments of compliance with the rule? How can asset price cycles be measured and incorporated in SBBs? What degree of harmonization can be realistically and productively achieved in SBB methodologies among heterogeneous economies? What are the lessons from countries implementing an SBB rule?</p> <p><i>Chair: X. Debrun (Deputy Division Chief, Fiscal Affairs Department, IMF)</i> <i>Presentations: N. Carnot (Advisor, DG ECFIN, European Commission).</i> <i>T. Mattina (Deputy Division Chief, Fiscal Affairs Department, IMF)</i> <i>Discussant: A. Bénétrix (Professor, Trinity College, Dublin)</i></p>
12:30-1:45 pm	Lunch Remarks by <i>C. Mumssen (Director, Offices in Europe, IMF)</i>
1:45-3:15 pm	<p>A Role for Expenditure Rules? Some countries following structural balance rules found it useful to adopt expenditure rules as a way to set operational budget targets consistent with the structural balance objective. What are the main features of expenditure rules worldwide? Have they effectively promoted better fiscal outcomes? Are there side-effects in terms of expenditure composition and efficiency? What are the lessons from country cases (Sweden, Netherlands)? Should EU “expenditure benchmarks” be emulated at the national level?</p> <p><i>Chair: R. Downes (Deputy Head, Public Governance, OECD)</i> <i>Presentation: W. Suyker (Program Leader, Netherlands Bureau for Economic Policy Analysis)</i> <i>Discussant: X. Debrun</i></p>
3:15-3:30 pm	Coffee break
3:30-5:00 pm	<p>Rules-based Fiscal Frameworks and Decentralization: EU countries vary greatly in their fiscal decentralization arrangements. What is the experience with coordinating fiscal policy in rules-based fiscal framework (e.g. Austria, Belgium, and Germany)? More specifically, how can countries implement a structural balance rule for the general government when expenditure devolution to sub-national entities is large? What mechanisms can ensure an adequate sharing of the compliance burden?</p> <p><i>Chair: T. Mattina (Deputy Division Chief, Fiscal Affairs Department, IMF)</i> <i>Presentation: G. Steger (Director General, Austrian Supreme Audit Institution)</i> <i>Discussant: G. Langenus (Senior Advisor, National Bank of Belgium)</i></p>
5:00-5:30 pm	Concluding remarks: <i>M. Guerguil</i>