

Statement by the Managing Director on the Independent Evaluation Office Report on Multilateral Surveillance—Revisiting the 2006 Evaluation

I would like to thank the Independent Evaluation Office (IEO) for preparing this concise and timely report, which provides an update of how the Fund's multilateral surveillance has evolved over the last decade. I am pleased with its main conclusion that significant recent reforms in this area have largely addressed the shortcomings identified in the 2006 report, and concur that some issues need our continued attention.

The Fund's multilateral surveillance delivers oversight of the international monetary system through analysis of global economic and financial developments, economic linkages, and policy options to address spillovers in a global context. Its objective is to promote policies that are consistent with the "continuing development of the orderly underlying conditions that are necessary for financial and economic stability."

The main conclusion of the report is reassuring. The significant reforms of IMF multilateral surveillance, propelled by the financial crisis, have largely addressed the main issues raised in the 2006 report. Indeed, new multilateral surveillance products and enhanced rigor of macro-financial spillovers analysis have closed previously identified gaps. Moreover, the Integrated Surveillance Decision (ISD) now provides a more comprehensive basis for conducting IMF surveillance.

The report points to the challenge of maintaining consistent messaging across several multilateral surveillance flagships. We have made progress and will continue our efforts to coordinate messaging, both at staff and management levels, including with regard to risks and vulnerabilities.

Overall, I would like to note that management and staff remain fully committed to enhancing the role of multilateral surveillance in providing valuable inputs to policymaking. We will also work to ensure that multilateral and bilateral surveillance are mutually reinforcing and operationally integrated and consistent. In this context, the findings of this report provide useful insights.