

*Joint Workshop by IMF Fiscal Affairs Department and Offices in Europe*  
*On*  
**Enforceable Fiscal Rules**  
*Paris, May 2, 2012*

9:00-9:15 am	<p><b>Introductory remarks</b></p> <p><i>E. van der Mensbrugghe (Director, Offices in Europe, IMF) and C. Cottarelli (Director, Fiscal Affairs Department, IMF)</i></p>
9:15-10:45 am	<p><b>Introducing structural budget balance rules:</b> In a weak and uncertain growth environment, the implementation of structural budget balance rules will be challenging. How consistent and reliable can output gap measures and standard budgetary elasticities be? What are options for capturing the effect of the cycle on fiscal aggregates? How should one-off and temporary effects be treated? How quickly should the new rules be phased in?</p> <p><i>Chair: C. Cottarelli (Director, Fiscal Affairs Department, IMF)</i>  <i>Presentations: G. Mourre (Revenue Management and Tax Policy Issues, Head of Unit, DG ECFIN) and M. Houdebine (Deputy of Public Policies, Directorate General of Treasury - France)</i></p>
10:45-11:00 am	Coffee break
11:00-12:30 pm	<p><b>Automatic correction mechanisms:</b> A few countries have used debt brakes, others have used sequesters. How have they been designed and what have been their experiences? What are other options and how can they account for cyclical and other temporary factors (e.g., escape clauses)?</p> <p><i>Chair: M. Guerguil (Assistant Director &amp; Division Chief, Fiscal Affairs Department, IMF)</i>  <i>Presentations: C. Kastrop (Deputy Director-General, Federal Ministry of Finance - Germany) F. Zurbrügg (Director, Federal Finance Administration - Switzerland)</i></p>
12:30-1:45 pm	Lunch
1:45-3:15 pm	<p><b>Sanctions and reputational costs:</b> Most countries have enshrined fiscal rules at the highest legal level to limit room for deviations; however, even constitutional rules can be missed. What elements of rules should usefully be enshrined in the constitution, what role can courts play in enforcement? Can fiscal councils or other mechanisms raise the reputational costs of deviations? What sanctions can be most effective?</p> <p><i>Chair: X. Debrun (Deputy Division Chief, Fiscal Affairs Department, IMF)</i>  <i>Presentations: A. Iara (Economic Analyst, Programme Design and Support, DG ECFIN), C. Wyplosz (Professor of Economics, The Graduate Institute, Geneva), and G. Kopits (Senior Scholar, European Studies, Woodrow Wilson International Center)</i></p>
3:15-3:30 pm	Coffee break
3:30-5:00 pm	<p><b>Coordination issues:</b> The increasing devolution of spending and taxing responsibilities to sub-national entities creates coordination issues, including for the compliance with a fiscal rule that must bind the general government. What mechanisms can ensure an adequate sharing of the compliance burden? What have been country experiences?</p> <p><i>Chair: D. Sutherland (Senior Economist, Public Economics Division, OECD).</i>  <i>Presentations:</i>  <i>P. Part (Deputy Director, Economic Policy Division, Federal Ministry of Finance - Austria), G. Langenus (Research Department, National Bank of Belgium - Belgium), and J. Iglesias (Deputy Director for Budgetary Policy, Ministry of Economy and Finance - Spain)</i></p>
5:00-5:30 pm	<p><b>Concluding remarks</b></p> <p><i>M. Guerguil (Assistant Director &amp; Division Chief, Fiscal Affairs Department, IMF) and L. Pench (Director, Fiscal Policy, DG ECFIN)</i></p>