



SECO Macroeconomic Planning and Management Project

Key contribution to enhanced macroeconomic stability

The project strengthens up to eight SECO partner countries in the conduct of macroeconomic planning and management, which is a key enabler for sound economic policy. It does so by building routine macroeconomic monitoring, developing analytical skills, supporting realistic macroeconomic planning and engaging in policy dialogue and advice.

Rationale

For a given country, achieving and maintaining macroeconomic stability is essential. It helps preserving national sources of wealth and establishing a suitable environment for private sector growth. Macroeconomic planning can help improve a country's economic stability by strengthening its overall resilience in the face of adverse events. It thus contributes to avoiding excessive fiscal deficits and unsustainable debt levels.

Sound macroeconomic planning is currently supported by a wide area of models. They provide help and guidance in understanding the effects of government policies. Applied economic models formulate policy targets and reconcile them with the requirements necessary for sustained macroeconomic stability. Such models have a strong practical focus and are independent from the current prevailing economic theory.

A well-known applied economic model is called Financial Programming (FP). Developed in the 1950s at the IMF, FP has established a firm track record in sound macroeconomic planning over a period of several decades in numerous developing countries. Transparency and modest technical requirements are two of the model's key features, which made FP suitable for use by a wide range of practitioners in SECO beneficiary countries in the past.

Objectives and activities

The projects' development objective consists for the beneficiaries to independently set consistent macroeconomic policy goals based on sound analysis and on established model routines. This contributes to resilience against economic shocks and overall macroeconomic stability. The project allows targeted countries to take command of the economic analysis behind the forecasting model, negotiate with third parties such as the IMF and establish a good foundation for deeper commitment to prudent macroeconomic policy management.

The project enables beneficiaries to develop and sustain their own macroeconomic forecasting models and systems. It further leads to improvements in the exchange and consistency of data for

Country/region
Global

Executing agency
Ecorys and OG
Research

Project duration
2020-2025

Total budget
CHF 2'500'000

SECO contribution
CHF 2'500'000

the benefit of various stakeholders involved in macroeconomic analysis and forecasting activities. Regular inter-agency exchange of information and cooperation with regard to macroeconomic policy formulation will be also enhanced. A specific advisors' group is set-up for this purpose.

In terms of activities the project designs and/or refines FP models and related fiscal analysis in targeted countries. Government officials in charge of macroeconomic forecasting at the Ministry of Finance, Ministry of Economic Affairs and the Central Bank are improving their skills and will better grasp the power of information sharing. By continuously updating/refining the necessary economic data and establishing a forecasting routine, macroeconomic analysis and advice will improve within the public administration of partner countries. These results will then be used – depending on demand – to perform additional analytical and policy works in the sectors (fiscal, monetary, others.).

Governance structure

The bilateral project is implemented by a consortium composed of Ecorys and OG Research. Yearly steering reviews with the implementer are organized by SECO. They set the strategic direction of the project and oversee/monitor the implementation of the project's activities. SECO further ensures that activities are coordinated and aligned with those of other Swiss stakeholders.

How to get involved ?

The project targets SECO priority countries and is open for a limited number of non-priority countries, as part of SECO's complementary measures. Inquiries can be directed to the contact indicated below.

Further information and contact details

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