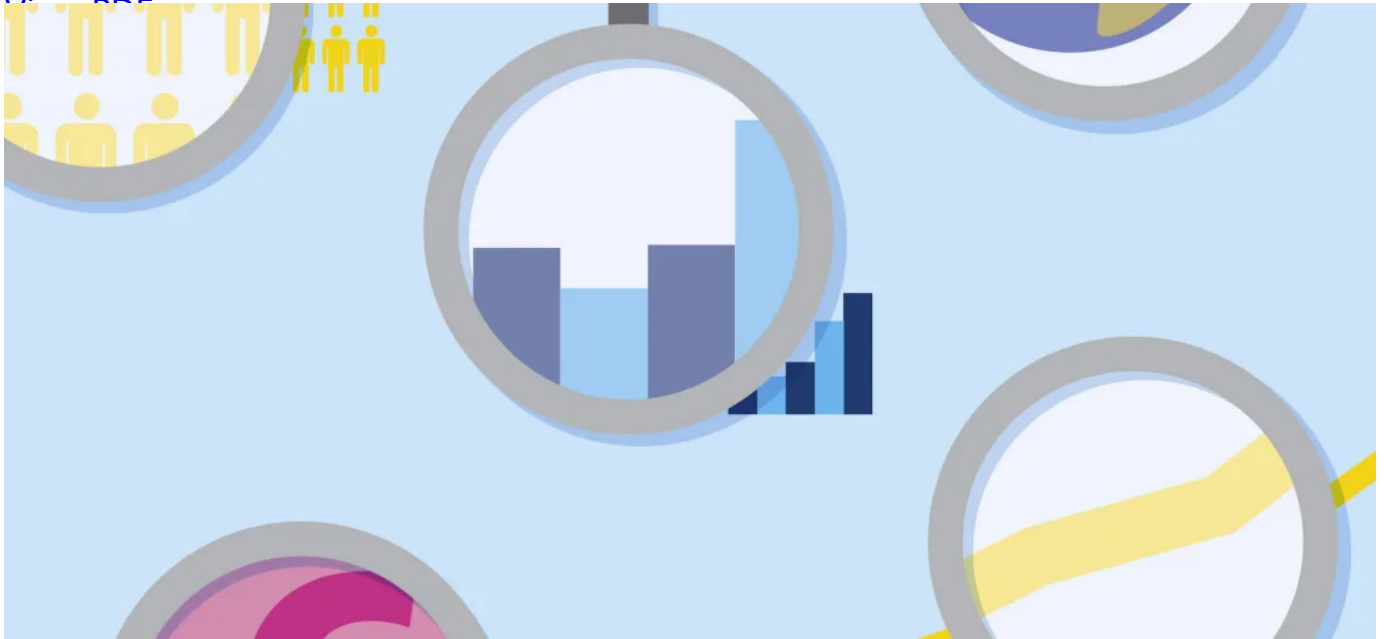


ESM publishes Evaluation Report on Analytical Capability



The European Stability Mechanism (ESM) published today an [Evaluation Report on its analytical capability](#). The report assesses the institution's ability to deliver timely and robust analytics in support of its mandate to safeguard financial stability in the euro area.

The analysis was conducted by a dedicated team, which operated under the framework of the ESM's independent evaluation function, established to assess the effectiveness, efficiency, and impact of the institution's programmes, policies, and operations. The authors enjoyed a high level of independence, with quality assurance provided by an external advisory panel, comprising evaluation experts from international financial institutions. The ESM Management provided detailed responses to the recommendations outlined in the document; the report was also presented to and discussed by the ESM Board of Directors.

The report covers the period from 2019 to 2023, with the overarching objective to assess the ESM's institutional capability to produce timely and relevant analytics and use the output for the benefit of its mandate, in both normal times and crises. In particular, the report examines the robustness of the ESM's analytical system, its effective use in crisis preparedness, and the sustainability of these capabilities. It further investigates the integration of macroeconomic, financial, and market analysis, alongside staffing, tools, and external collaboration.

Key conclusions highlight that, while the ESM has made significant strides in enhancing its analytical and operational capabilities, further efforts are needed to achieve its broader mandate. The institution should improve prioritisation, contingency planning, and internal coordination, while also addressing structural challenges as well as organisational culture.

The report recommends that the ESM refines its analytical system by consolidating tools, clarifying definitions, improving documentation, and promoting cross-departmental collaboration. Strengthening its anticipatory role requires further emphasis on preventive analysis, supported by scenario planning and broader dissemination of its work to diverse audiences.

To further enhance its effectiveness, the report suggests boosting external engagement through staff-level networking, joint research, and strategic partnerships to expand analytical capacity and influence. Finally, to ensure adaptability and resilience in fulfilling the ESM's evolving mandate, the report proposes to embed a culture of continuous learning and quality assurance in ESM activities.

The ESM Managing Director and the whole management team welcomed the report and its conclusions. Accordingly, they committed to following up the report's recommendations, including with the preparation of a medium-term implementation plan.

"The Evaluation Report underscores the ESM's commitment to strengthening its analytical capabilities to anticipate and manage crises effectively. I am pleased to note that the report acknowledges the ESM's ability to integrate market intelligence with financial and macroeconomic monitoring and modelling as a key strength," said ESM Managing Director Pierre Gramegna.

He added: “At the same time the report highlights certain gaps which should be addressed. By implementing the report’s recommendations to further refine the ESM’s analytical capabilities and tools, we aim at strengthening the ESM’s policy advice and ensuring readiness to address new risks and challenges.”

The Evaluation Report on Analytical Capability is the third report of its kind published by the ESM, following “EFSF/ESM Financial Assistance” published in 2017, and “Lessons from Financial Assistance to Greece” published in 2020.

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