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Fiscal Responses to the International Financial Crisis and their Aftermath in Eastern Europe and Central Asia

This paper examines the impact of the current global crisis on the fiscal systems of the Eastern Europe and Central Asia region. The paper emphasizes that the crisis impacted the fiscal systems of these economies through different channels and examines how the institutions and initial conditions on the eve of the crisis framed the options available to the authorities. To the extent possible and utilizing the latest available information the paper will draw preliminary conclusions regarding the interface between fiscal institutional design, the channels through which the crisis impacted the fiscal accounts and the room available to contain the impact of the crisis. In addition, the essay will attempt to draw some insights as to the adequacy of the fiscal institutions to address the crisis and derive lessons for future fiscal work geared to protect economies against external shocks.