



Central Bank
of Armenia

Central Bank of Armenia
Monetary Policy
Communications
Framework

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I. Principles and Objectives of an Effective Communications Framework

As enshrined in “The Law of the Republic of Armenia on the Central Bank of Armenia,” the primary objectives of the Central Bank of Armenia are to ensure price stability and financial stability. Price stability is described as low and stable inflation, which the CBA defines as corresponding to an annual inflation target of 4% over the medium term. The CBA implements monetary policy to achieve and maintain its price stability objective and uses various tools to implement monetary policy, with the primary tool being the refinancing rate. The decision to adjust the CBA’s monetary policy tools, which takes place eight times per year on fixed action dates, is based on a comprehensive analysis of the current state of the economy and its driving forces, while being mindful of the different types of policy-relevant risks and areas of uncertainty that could threaten the price stability objective.

Clear and effective monetary policy communications help provide economic agents with clarity about the policy stance, its underlying rationale, and future directions. In this context, the main objective of monetary policy communication is to ensure transparency and comprehension among financial markets and the general public regarding how monetary policy decisions are made, with the ultimate goal of eliminating any uncertainty about the central bank’s commitment to its price stability objective. Communications also play an integral role in shaping market expectations and ensuring that inflation expectations remain well-anchored to the medium-term inflation target. Over time, central bank communications have evolved to also prioritize various intermediate objectives, such as generating trust in the central bank’s professionalism in forecasting, analyzing, and designing macroeconomic policies. However, during periods of heightened uncertainty, these intermediate objectives may be insufficient to provide adequate assurance about the central bank’s commitment to its primary objectives, and may inadvertently generate adverse effects, including crowding out private information, providing false assurances about future economic and policy developments, and undermining central bank credibility. Therefore, the CBA places a high degree of emphasis on the core objective of transparently communicating the framework for monetary policy decision-making through an open and honest appraisal of latent risks and uncertainties. This approach aims to eliminate uncertainty regarding the central bank’s commitment and serves as a foundation for institutional accountability.

In fulfillment of its price stability mandate, the Central Bank of Armenia follows a risk management approach to monetary policy, where monetary policy decisions are made according to a “least regrets” approach. This approach seeks to most efficiently achieve the price stability objective and avoid undesirable outcomes for the economy and society at large. In practical terms, this risk management approach entails soberly understanding the sources of both risk and uncertainty that policymakers are facing, quantifying and studying them (including assessing associated costs, if possible), and, thus, doing whatever is necessary with policy to adequately deal with the potential implications of these risks and uncertainties to meet the price stability objective. The risk management approach thus explicitly acknowledges the role of uncertainties in the policymaking process, while emphasizing the highest degree of transparency and the importance of a robust and effective communications strategy. From an institutional and operational point of view, this risk management approach is systematized within a structured policymaking framework known as FPAS Mark II. As a holistic policymaking and institutional framework, FPAS Mark II recognizes the paramount importance of having a comprehensive, targeted monetary policy communications framework that seeks to make monetary policy and the policymaking process understandable, reliable, transparent, and accountable. The greater, systematic emphasis on uncertainties and risks underscores the need to build upon global best practices for monetary policy communications, while also introducing new and improved approaches. The FPAS Mark II framework has been implemented at the CBA since Q1 2024. This document describes the strategic and practical approach to the CBA’s monetary policy communications in the context of the new framework.¹

¹ For a comprehensive overview of the theoretical foundations and practical applications of the FPAS Mark II framework at the CBA, refer to the forthcoming book, [Prudent Risk Management Approach to Monetary Policy: Theory and Practice of FPAS Mark II at the Central Bank of Armenia](#).

Monetary Policy Communication Principles:

Against this background, the framework for monetary policy communication, accountability, and transparency rests on the following key principles—clarity of objectives, decision-making transparency and analytical transparency—and also aims to clarify several important principles that underlie the CBA’s decision making, including scenarios-based forward guidance, policy agility, and credibility.

- **Clarity of Objectives:** The Central Bank has a constitutional mandate to ensure price and financial stability in Armenia, and it achieves both of these mandates through well-defined operational objectives. With respect to the price stability objective, this includes the numerical point target for inflation; the time horizon over which this target should be reached; what policy tools are used to manage inflation; what trade-offs might exist in bringing inflation to target levels; and so on. Clearly articulating the CBA’s monetary policy and financial stability objectives and goals is the most important and foundational component of effective communications. It allows the public to understand the objectives and purpose of monetary policy, and helps clarify and contextualize the decisions made by the central bank, including when it has to make difficult trade-offs. This is the basis for transparency in communications and institutional accountability.
- **Decision-Making Transparency:** At its core, the purpose of monetary policy communications is to clearly convey how the central bank makes a policy decision, and in particular it should include: (1) how the central bank is thinking about current and underlying economic conditions; (2) what it deems to be the most relevant risks and sources of uncertainty; and (3), given this, why the central bank has made a certain decision about how to use its policy instruments, and how this will help the central bank reach its objectives. By conceiving of communications in this manner, the central bank has a duty to structure its communications to answer these questions and provide transparency about how and why the central bank made a certain monetary policy decision.
- **Analytical Transparency:** Communications frameworks also require transparency on the analytics that lie behind the policy discussion that occurs at the policy board and that is shared with the public. This includes timely and frequent publication of both the data used for analysis as well as the models and tools used to analyze them. Here, the use of open-source software may enhance the possibility of higher levels of analytical transparency.
- **Policy Agility:** Central banks face incredible uncertainty when making monetary policy decisions—uncertainty around current economic conditions, near-term trends, underlying drivers of economic developments, the essence and significance of potential risks, and much more. In order to demonstrate and maintain its commitment to meeting its objectives, the central bank has a responsibility to both transparently communicate the key uncertainties and sources of risk that threaten its price stability objective, as well as convey how the policy path might shift in response to them materializing. Thus, when economic conditions change in unforeseen ways, or difficult risks materialize, the central bank is not constrained by its prior communications, and can have greater agility and flexibility to appropriately adjust its policy stance in a way that does not necessarily contradict its prior messaging or threaten its credibility. This agility is made possible by the fact that forward-looking and systematic discussions around uncertainty, risk, and potential policy response have been an integral part of prior communications. Moreover, the central bank is not hampered by its prior insistence on a single, narrow narrative about the economic outlook that failed to adequately convey the uncertainty at hand.
- **Scenarios-Based Qualitative and Quantitative Forward Guidance:** Among the primary objectives of monetary policy communications is to provide forward guidance to financial markets, and good forward guidance must include a combination of qualitative and quantitative elements. The policy strategy would be presented through the publication of scenario-consistent policy paths. Most importantly, these policy paths would be supported by accompanying *narratives* that highlight the connections between the macroeconomic stability risks present in scenarios, as well as their policy imperatives. Revealing the strategy through quantified and narrated examples, rather than via the algebra of policy reaction or loss functions, provides concreteness and helps to better communicate monetary policy decisions, allowing financial markets to better understand the underlying risks and narratives that guide the central bank’s decisions. This is especially relevant for those non-expert

agents that are important to both price setting and endorsing the continuation of existing institutional arrangements.

- **Credibility:** Among the most important principles of monetary policy communications is supporting and strengthening central bank credibility. Clear, structured, and effective policy communications helps undergird greater trust in the central bank and its commitment to the price stability objective, generating a virtuous cycle that enhances the efficiency of monetary policy and minimizes the underlying social costs of policymaking. High and persistent uncertainty can jeopardize these goals, requiring a systematic monetary policy communications approach to address and discuss these uncertainties. Moreover, errors in communications—where the central bank fails to appropriately convey issues around uncertainty and its policy implications—can have material impacts on credibility, highlighting the important relationship between transparent and effective communications and the retention of credibility. By being more suited to a world characterized by significant uncertainty, a communications approach that drops the focus on a “most likely” future in favor of recognition of an uncertain one might, counter-intuitively perhaps, facilitate the retention of credibility. While the public undoubtedly has a preference for certainty and assurance, prescriptively focusing on a “most likely” future can only provide a false sense of certainty and assurance. Moreover, protected public officials who make unrealistic claims of expertise may serve to threaten the valuable institutional structures created to depoliticize policymaking. At the same time, this emphasis on single, baseline paths for key economic variables and the policy rate risks crowding out private information, and may create the false impression that the central bank is guiding markets.

In support of these principles, the Central Bank utilizes a suite of communication tools, which, separately and collectively, serve to communicate the essence of monetary policy to the key target audiences. The following sections describes these target groups and communications vehicles in detail. Section II outlines the key stakeholders for CBA monetary policy communications. Section III describes the key communications vehicles that are used to achieve the communications objectives. Section IV explores specific tools for ensuring the highest standards for transparency and accountability in monetary policy communications.

II. Target Audiences for Monetary Policy Communications

The crises of the past two decades—beginning with the Global Financial Crisis and continuing with the Covid-19 pandemic and rising geopolitical tensions in the 2020s—have made explicitly clear that the efficacy of central bank communications requires paying greater attention to a wider set of audiences than experts alone, especially the general public. Even in advanced economies with relatively high economic proficiency, most households are largely unaware of the objectives, methods, or key decision-makers of monetary policy. Moreover, household expectations of inflation and general macroeconomic conditions are frequently inconsistent with the messaging or policy actions of the central bank.² Clearly, non-expert households and firms play a pivotal role in expectations channels, and the central bank thus cannot ignore direct communications to the public. At the same time, the central bank cannot entirely depend on the news media to transmit its messaging to the public; Coibion et al (2019) have shown how monetary policy-relevant messages transmitted through the media can be dampened and lose their efficacy. At the same time, there is a risk that key monetary policy communications can be misinterpreted or misconstrued by the media, whether due to a tendency to over-simplify or in service of a specific political or ideological agenda. These factors underscore the need for the central bank to develop specific, tailored strategies for communicating its monetary policy to both expert and non-expert groups.

Additionally, the Central Bank of Armenia holds as a fundamental principle the need to be accountable to the public, whom the Board is appointed to serve. Clear and effective communications are the principal means through which the central bank can achieve transparency in its policymaking, and transparency in its turn is the

² See, for example, Blinder (2009), Blinder (2018), Carvalho and Nechio (2014), Drager et al (2016), and Coibion et al (2019).

most important foundation for the Central Bank and its leadership to be held publicly accountable. Accountability is a cornerstone of good governance, and is a virtuous incentive for the institutional staff and leadership to make the right decisions.

Against this context, the key audiences for monetary policy communications include:

- **General Public:** everyday citizens, including households and business owners, who play an important role in the expectations channel and who directly experience the benefits of price and macroeconomic stability (and the hardships imposed by their absence). Communicating with the general public about a highly complex topic such as monetary policy requires striking a perfect balance between, on the one hand, crafting messages to be easy to understand, and on the other hand, avoiding oversimplification that carelessly oversimplifies the nuance and complexity of monetary policy.
- **Media:** traditional and non-traditional news organizations (print, television, and online) that participate in CBA press conferences and transmit key CBA communications to the public. While media cannot be relied upon as the sole conduit of information to the public, efforts must be made to improve collaboration with the media, including with economic proficiency initiatives, to improve the efficacy of media reporting about monetary policy.
- **Financial Markets:** the traditional target audience for monetary policy communications. Clear and effective communications by the central bank helps market participants form better expectations by nudging their expectations in the appropriate direction and by reducing uncertainty about how policy is likely to behave in the event that any type of risk materializes. Key stakeholders within this group include domestic commercial banks, domestic and foreign asset managers, institutional investors, and so on.
- **Academia/professionals:** researchers who study monetary economics and conduct research and analysis on topical macroeconomic issues are a traditional expert audience. We also emphasize the importance of outreach and communications with academics whose primary purpose is lecturing and teaching, since this can have very positive impacts on long-term economic proficiency in the country.
- **Government/Parliament:** the National Assembly and the government of the Republic of Armenia at large, various ministries including the Ministry of Finance, , are another traditional stakeholder group for monetary policy communications, particularly as it relates to the development of fiscal and other policies that have meaningful interplay with monetary policy.
- **International Community:** these include International Financial Institutions (e.g. International Monetary Fund, theWorld Bank, Asian Development Bank, etc.) with whom the CBA and Government of Armenia regularly interact for long-term capacity development, funding, and development projects. Additional external stakeholders may include foreign governments of key trading partner countries.

The target audiences for monetary policy communications are diverse and wide-ranging. They differ meaningfully in their level of economic proficiency, interest in the minutiae of monetary economics or technical analytics, preferred mode of receiving information, and preferred language, among many other factors. Nevertheless, as an accountable institution that prioritizes transparent communications as a foundational principle for good governance, the central bank has a duty to craft its communications strategy and tactics in such a way so as to overcome these barriers. In other words, monetary policy must be made clear and accessible to all of these target audiences, and the communications tactics (including the type of medium, messaging, and level of complexity) must be thoughtfully tailored to each audience. These communications vehicles and tactics are explored in the remaining sections.

III. Key Communications Vehicles

The primary communications vehicles through which the CBA hopes to execute the communications strategy outlined in section I and reach the target audiences listed in section II are detailed below. These include a mix of written, oral, and online communications vehicles, each of which is tailored to be accessible to and understandable by overlapping elements of the key target audiences. We reiterate that each mode of communication, regardless of its target audience or density, is designed to serve the six principles of effective policy communications described previously. The following table visually represents the segmentation strategy for monetary policy communications.

Figure 1. Segmentation Strategy for Monetary Policy Communications

Stakeholder	MPR	Press Conference	Technical Briefing	Social Media
Government/Parliament				
Financial Markets				
Media				
Academia				
General Public				
Intl. Community				

Note: The darker the shade, the greater the relevance and/or reach of that communications vehicle for each stakeholder.

Importantly, all CBA Monetary Policy written communications will be published simultaneously in Armenian and English, while the press conference and technical briefing will be made available in real time (through live translation on CBA’s YouTube channel and other social media accounts) in both Armenian and English.

1. Monetary Policy Report

The Monetary Policy Report (“MPR”) serves as the chief communications vehicle for the Central Bank of Armenia, and is published on a quarterly basis. The MPR is intended to present, in some detail, the CBA’s implementation of the policymaking framework described in this book. It begins with an assessment of the first two ingredients essential for economic analysis: where is the economy now, and what are the underlying forces driving the economy. The MPR frames this analysis within a discussion of underlying uncertainties and near-term risks stemming from uncertainty about the measurement and interpretation of current data as well as more medium-term, policy-relevant risks that are rooted in plausible interpretations of current and underlying conditions. Against this background the MPR discusses how the CBA is managing these risks through a framework of least regrets. This includes a taxonomy of different types of scenarios that may be relevant in the current policy round, reflecting a summary of the universe of major issues the Board and Staff of the CBA, as well as external stakeholders, are concerned about. Box 1 provides an overview of the purpose and structure of the taxonomy.

Box 1. Structure of the Taxonomy of Scenarios

The purpose of the Taxonomy of Scenarios is to provide a structured assessment of the different types of risks and shocks that can affect the Armenian economy and describe their impact on inflation and economic environment in Armenia, as well as loosely illustrate appropriate monetary policy reactions by CBA. Having a structured framework for classifying these risks allows the reader to more effectively understand the wide range of information, ideas, and opinions that are held by various stakeholders, from the Board and Staff of the CBA to financial markets and the public. This is an important feature of forward guidance under Mark II. The Taxonomy allows the CBA Board to discuss the various types of risks that informed their decision or that drive their thinking about the future, even if those risks are not included in the illustrative scenarios.

Case A-Type Considerations	Case B-Type Considerations
<p>Expansionary Demand:</p> <p>Shocks result in aggregate demand rising more than aggregate supply, increasing underlying inflation. This requires an increase in the policy rate path that is sufficiently aggressive to anchor inflation and inflation expectations.</p> <p>Complications: credibility is fragile</p> <p>Output + Inflation +</p>	<p>Contractionary Demand:</p> <p>Shocks result in aggregate demand rising less than aggregate supply, decreasing underlying inflation. This requires a decrease in the policy rate path that is sufficiently aggressive to anchor inflation and inflation expectations.</p> <p>Complications: ELB, stuck in low inflation trap</p> <p>Output - Inflation -</p>
<p>Contractionary Supply:</p> <p>Nasty stagflationary shocks that require an aggressive upward adjustment in the expected path of the policy rate, resulting in a significant short-run tradeoff between inflation and other real objectives (e.g., unemployment)</p> <p>Complications: Hard to hit the wounded economy</p> <p>Output - Inflation +</p>	<p>Expansionary Supply:</p> <p>Favorable supply shock(s) reduce inflation toward the target and results in higher growth as well as lower interest rates; is a policymaker's dream.</p> <p>Complications: can be risky if this environment is extrapolated into the future</p> <p>Output + Inflation -</p>

Consistent with the overall approach for scenarios-based forward guidance, the MPR presents two or more **illustrative** case scenarios with all the scenario-specific complete macroeconomic narratives, assumptions, and projections of key variables, including the endogenous paths of policy variables, representing what the CBA would do with its policy instruments in order to reach its objectives. This type of forward guidance serves as a better tool for financial markets to anticipate how the central bank is likely to design its policy response to different types of risks in the future.

Illustrative case scenarios include Case A scenario, which represents a path for the policy rate that is above market expectations, while Case B is below. Considering that financial markets in Armenia are not as well-developed as in more advanced economies, we rely on two approaches to understand the market expected future path of the policy rate. First, we take as a starting point information from the spot market for shorter-term bonds (one year and less) and perfect foresight-based inferences about the term structure of the yield curve. Second, we rely on modal projections of the future path of the policy rate regularly provided by financial market participants to the central bank in survey format. These provide a starting point for our discussions in each projection round and are communicated as reference points for the Case A and Case B type of scenarios in the MPR.

Further, since the new framework eliminates the official, CBA-owned baseline forecast, we instead rely on information from financial market participants (including commercial banks, fund managers, institutional investors, and so on)—compiled through quarterly surveys or from publicly available information—to infer

about a macro-consistent “market reference scenario (MRS)”. This MRS, in many ways, serves a similar purpose as a traditional baseline scenario, in the sense that it represents the market’s rough estimation of the “most likely future,” given the information available to market participants at a particular point in time. The MRS can also serve as a substitute for the baseline for those external stakeholders (e.g. IFIs, fiscal authorities, and others) who rely on exogenously-provided projections when making their own planning decisions. At the same time, this approach helps avoid the issues with baseline forecasting, since it is not “owned” by the central bank, does not represent an official baseline forecast from the central bank, and is not intended to represent the views of monetary authorities about the most likely future for policy. The market reference scenario is presented in the MPR to initiate the discussion about the possible risks and scenarios represented with CBA’s illustrative case scenarios in the MPR.

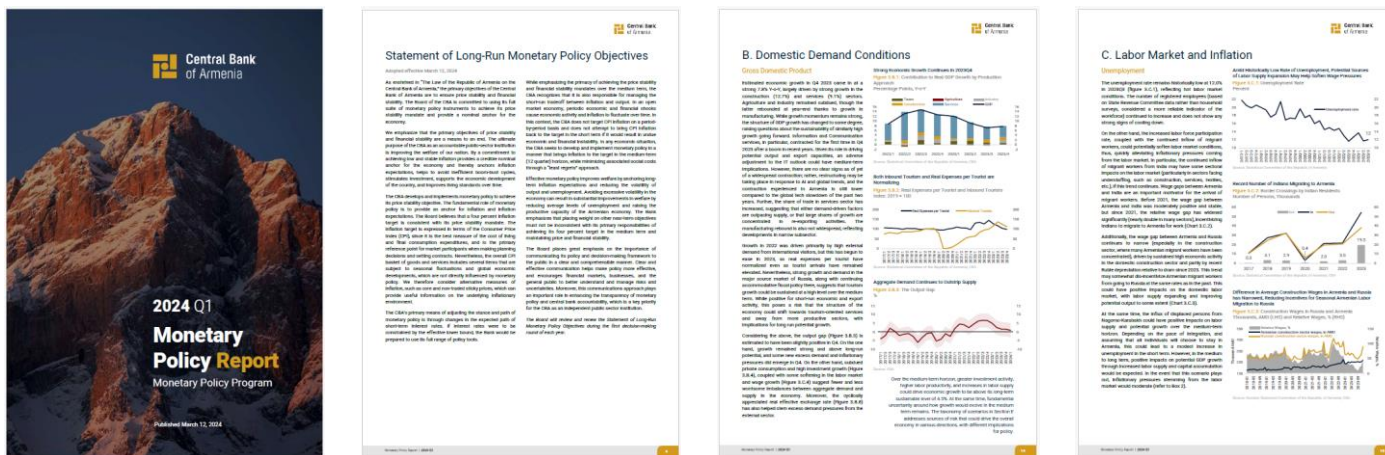
The MPR also contains charts and tables for relevant economic variables. An accompanying Chart Pack is also released with the MPR, providing charts and tables summarizing global and domestic economic developments as well as key projections from the illustrative case scenarios.

Importantly, **the MPR of the CBA is published on the same day as the policy decision is made by the Board of the CBA.** This is intended to provide the public with sufficient detail and narratives that describe the framework and analysis that led to the decision in a near-real-time manner.

As a self-contained communications document that communicates the CBA’s key monetary policy messaging each quarter, the MPR is intended to be a user-friendly document that covers all relevant issues but remains accessible to technical and non-technical audiences alike. For technical, “expert” readers, the MPR provides robust textual and graphical narrative descriptions of the key policy-relevant macroeconomic issues for Armenia. For less technical audiences, the report is formatted such that a read through the brief executive summary and a scan through the charts and headlines (organized on the right side of each page) would suffice for a high-level summary of the current and underlying economic environment, latent risks and uncertainties, and how the Board arrived at and supports its decision.

Importantly, the MPR seeks to strike the right balance between too much and too little structure. While certain broad categories are fixed and consistent across each MPR (e.g. US economy, domestic demand conditions, domestic labor market, and so on), the content (including narrative and charts) that is presented within each section is “free” to change in each quarter to reflect the relevant issues at hand. In this way, the MPR can be a dynamic document that comprehensively addresses the policy-relevant economic developments in each quarter and remains flexible to incorporate special topics that are specific to each quarter.

Figure 2. Sample Monetary Policy Report, Q1 2024



Box 2. Scenario-Consistent Projections

Each MPR includes scenario-specific, macro-consistent projections for a number of variables related to the global economy, domestic economy, and policy. These projections are presented in the Monetary Policy Report (in the form of charts and the macro table), as well as the accompanying MPR Chart Pack.

List of Key Projection Variables includes (among others):

- Global Economy
 - Growth (US, EU, RU)
 - Inflation (US, EU, RU)
 - Commodity Prices (Oil, Copper, Food)
- Domestic Economy
 - Inflation (CPI, Non-Traded Sticky Price Inflation)
 - Inflation Expectations
 - GDP (Production & Expenditure)
 - Potential Output, Output Gap
 - Current Account
 - Fiscal Policy
 - Exchange Rate (NEER, REER)
 - Endogenous Interest Rate Path (CBA Refinancing Rate)

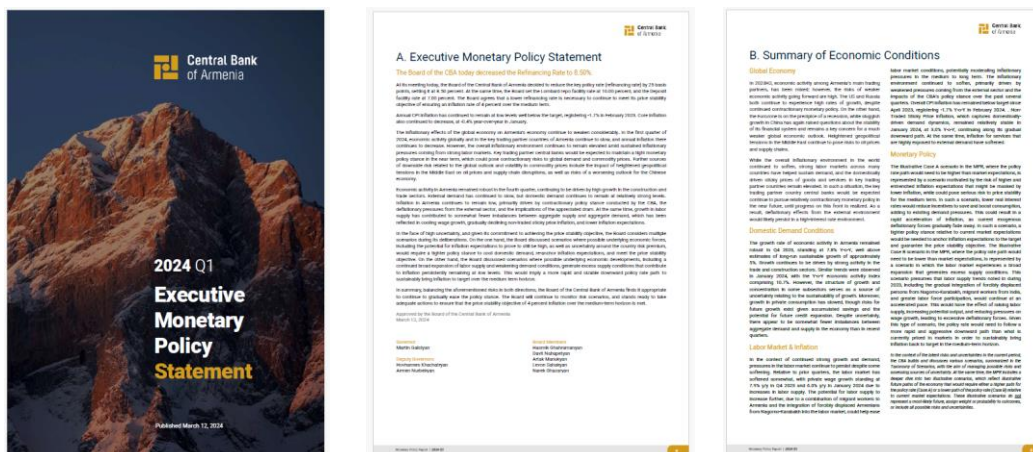
Additionally, the MPR publishes the CBA judgments on unobservable variables, including the neutral interest rate and gap; this may be expanded in the future to include other unobservable variables such as NAIRU.

Over time, as the CBA continues to invest in the framework and its analytical capabilities, projections may be provided for additional variables, including CBA credibility, flexible prices, and so on.

2. Executive Monetary Policy Statement

The press release, communicating to the public the monetary policy decision made by the Board of the CBA, is known as the Executive Monetary Policy Statement (“EMPS”). The EMPS contains two parts: a statement by the Board of the CBA stating the decision made and explaining the institutional rationale for the decision; and a brief assessment of current and underlying economic conditions. The EMPS is issued during each of the eight decision dates per year. On interim decision dates when the MPR is not published (four of the eight decision dates per year), the EMPS serves as the main written communications device, ensuring continuity in communications around the key macroeconomic issues between MPRs.

Figure 3. Sample Executive Monetary Policy Statement, Q1 2024



3. Press Conference

On each decision day, the Governor of the CBA hosts a press conference for members of the media. The press conference is live-streamed on the CBA's various online platforms (e.g. website, YouTube, Facebook, etc.) and can be freely viewed by the public in real time in Armenian and English (with live translation). The purpose of the Press Conference is for the Governor to communicate the Board's monetary policy decision; provide a clear explanation of the Board's thinking around the key macroeconomic risks, uncertainties, and issues (structured around questions of "where is the economy now? what are the underlying forces? and what is the Board doing with its policy instruments to achieve its objective, in line with this reading of the key issues?"); and offer a platform for journalists to ask questions related to the CBA's monetary policy decision, strategy, risk assessments, and so on. During the press conference, the Governor solely presents the institutional view of the Board of the CBA, reading the press release, accompanied with a presentation on the underlying economic analysis. The Head of the Monetary Policy Department also participates in the press conference as support to the Governor on questions related to the technical and analytical materials underlying the policy decision.

The press conference serves as one of the most important means of communicating with the general public. This can occur in several ways. First, thanks to its live-streamed nature (and its availability on the CBA website and online platform afterwards), the press conference allows the Governor to communicate CBA policy and other key policy-relevant issues directly with the public. Second, the press conference allows members of the media to more robustly understand the CBA's policy decision and thinking around the key issues, which supports higher-quality and more extensive reporting around monetary policy decisions.

4. Technical Briefing with Analysts

On a quarterly basis, the day following the Board's monetary policy decision, a technical briefing is held with analysts and other experts. The technical briefing provides a platform for expert audiences (including financial market participants, commercial bankers, institutional investors, academics, and others) to ask technical questions about the CBA's economic analysis, modeling tools, and so on. The Head of the Monetary Policy Department and members of the staff leading the projection round lead this meeting. A non-executive CBA Board member also participates, solely to respond to questions that relate to matters of policy decision. The technical briefing is held on a quarterly basis following the publication of each MPR, rather than following each decision. Because the key cornerstones of the CBA's external-facing analysis, including the MPR, Taxonomy of Scenarios, illustrative case scenarios, and so on, are published on quarterly basis, a quarterly format for these meetings allows for a richer and more substantive discussion around new information and analysis, while the Press Conference and other communications that accompany each decision cover new information on interim decision dates.

This approach allows the central bank to continue to communicate the technical complexities of economic analysis and policy with expert audiences, without sacrificing accessibility to the general public. Because this technical platform is available and open to experts, many of the primary communications tools (e.g. the press conference) can remain more high-level, easily understood, and accessible by the public. Thus, the central bank does not have to choose between accessibility and complexity in its communications; it can speak in both tones, depending on the audience.

5. Media Interviews

Following each decision, one (or more) Board member(s), on a rotational basis, participate in interviews with the media. This would likely take on the form of a televised interview. The purpose of the interview is to elaborate on the key issues presented in the MPR and the press conference. While the content of the interview would in many cases be redundant with the press conference, the purpose of having additional media interviews is to extend the reach of central bank communications, particularly as a far greater share of the

general population watches news (whether on television, online, or on social media) than views the CBA's press conferences.

During media interviews, in all discussions around the policy decision itself, the Board member should present the institutional view. In more abstract discussions about specific risks or issues, the Board member may present their personal view, given that clear disclaimers are made. In general, Board members should seek to devote the vast majority (approximately 80%) of their communications to the institutional view, and allot the remaining share to their personal view, providing clear disclaimers when they do present their individual view.

6. Social Media

Social media can serve as an important means for the CBA to communicate directly with the general public, without the intermediation of media and journalists. At the same time, we recognize that many journalists themselves may consume social media content to support their reporting. Effective social media use (including, for example, Facebook, Instagram, X (formerly Twitter), and LinkedIn) can thus serve two purposes for MP. First, it can help promote economic literacy through the use of educational posts and infographics about the purpose of monetary policy, key elements of the framework, what the inflation target is, how the price stability objective is achieved, and so on. Second, social media can serve as another method for communicating the CBA's monetary policy decisions and what it is thinking about the economy.

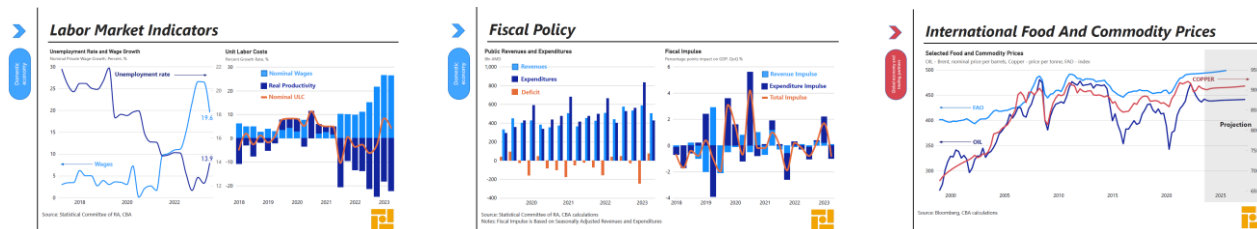
7. Analytical Publications

While not a formal communication vehicle per se, the CBA's analytical publications serve as an important tool for improving transparency around the central bank's datasets, analytics, and modeling tools—in other words, the information the Bank relies on when analyzing the economy. To this end, the CBA plans to publish the following:

- **Monetary Policy Chart Pack (Since March 2024):** Because the MPR follows a more streamlined and narrative-based approach, not all economic variables are presented in the report itself. This is natural—the MPD staff works with hundreds of data series at a time, not all of which are equally relevant for the particular stage of policy or analysis. Rather than making the mistake of “filling the bathtub” in the MPR with the universe of available information,³ the CBA instead publishes this data (in the form of accessible charts and tables) in the MPR Chart Pack. This document is published concurrently with the MPR. Selected pages from a sample MPR Chart Pack are shown in Figure 4. The Chart Pack follows a consistent format, but may be augmented on an ad-hoc basis to cover special topics that were especially relevant in a given round.
 - In addition to the quarterly Monetary Policy Chart Pack, the CBA is exploring the opportunity to publish a high-frequency, **weekly-updated chart pack** that covers global and domestic economic developments. This would represent the first, comprehensive collection of such data in Armenia, making economic analysis by external parties significantly easier and less time consuming.

³ We refer to the term in the context of its usage by Eric Leeper in his seminal “An Inflation Reports Report” (2003). Leeper's paper was an important inspiration for the streamlined and narrative-based approach of the CBA's new MPR.

Figure 4. Selected Pages from Sample MPR Chart Pack



- Model Documentation (Date TBD):** Following the best practices for analytical transparency, the CBA plans to publish the full model documentation used in the quarterly projection process. This approach allows the public (primarily oriented toward expert audiences of analysts, commercial bankers, and academics, but also students of economics and aspiring practitioners) to replicate or modify the central bank’s analysis in their own risk management exercises. The CBA plans to take this approach a step further than what is considered best practice today by using open-source software (Dynare/Julia), in order to increase the accessibility of the model and analytics.

8. Other Channels for Public Communications

Finally, in emphasizing the importance of transparency for ensuring good governance and institutional accountability, we note that public accountability should also be ensured through formal means involving well-defined processes with elected officials and the public. To this end, and in line with the Law on the Central Bank of Armenia, the CBA has formal procedures in place, including an annual presentation of the Monetary Policy Report and Monetary Policy Evaluation Report to the National Assembly (with the possibility of Q&A and dynamic discussions), to support this principle in practice.

The CBA emphasizes that, while structured and consistent monetary policy communications are critical, having platforms for dynamic dialogue with the public, markets, government, and other stakeholders are equally as important. Several of the vehicles noted above, including the Press Conference, Meeting with Analysts, annual presentation to the National Assembly, and others can serve as important platforms for engaging with these stakeholders in a fluid and organic way. The success of these platforms in achieving this dynamic dialogue rests on both the CBA’s institutional commitment to openness and transparency as foundational principles, as well as the external stakeholders’ good-faith commitment to furthering these relationships and supporting the price and financial stability objectives.

9. Internal Communications Procedures

In order to ensure consistency in external messaging, maintain quality control, and support the overall communications objectives, the CBA also establishes a number of procedures for internal communications within the Board and between the Board and Staff. Under FPAS Mark II, these procedures and tools for internal communication have been significantly expanded to be more inclusive and efficient, and ensure a far greater and more productive degree of communication flowing between the Board and the Staff.

Each quarterly policymaking round follows a discrete and well-established process, with clear expectations of both the Board and the Staff. To begin with, on a continuous and fixed basis throughout the year (every Wednesday at 16:00), the staff present and discuss with the Board and other CBA representatives current economic developments, driving forces in the economy, and the sources and implications of key risks and uncertainties. These meetings are structured as a dynamic discussion between and among the Board and the Staff, where the emphasis is on fostering a robust dialogue with narrative-based discussions and Q&A

sessions, rather than a rote data-sharing exercise. This approach to the Weekly Meetings allows for a seamless transition to the quarterly policymaking round. Thus, the Kick-Off meeting for each round begins with a summary of the key sources of risk and uncertainty and their potential implications (much of which had already been covered in prior weekly meetings), as well as a presentation of market participants' macro expectations. Over the course of the two weeks that follow the Kick-Off meeting, Board members work intensively with highly qualified members of the Staff to develop initial assessments of the key macro risks and uncertainties latent during each round. These initial assessments serve as a key input by the Board to the Staff as the latter develops the Taxonomy of Scenarios and selects and builds the illustrative case scenarios; they also serve as a rich source of discussion among the Board throughout the policy round. Finally, during the final policy deliberations that inform the policy decision, the Staff presents the illustrative case scenarios, which, in addition to the Taxonomy, help drive dynamic and effective discussions to support well-informed decision-making by the Board.

To support the efficiency and dynamism of this workflow, the Staff, as well as the Board, are expected to:

- Carry out their responsibilities in an efficient and competent manner and to a high standard of performance.
- Contribute actively and constructively to the Policy meetings, treating others' contributions with respect at all times, and exchange ideas freely to promote excellence in the policy deliberations.
- Develop, enhance and maintain expertise in the subject matter of monetary policy. In this context, all relevant hypotheses and risks should be analyzed and presented according to the highest standards of excellence for research and policy analysis.
- Continually seek to improve the effectiveness of their contribution.
- Respect the time and effort of the staff to effectively analyze and incorporate the views and opinions of the Board into the analytical process.. Respect the time and effort of the Board during meetings and in the decision-making process, making reasonable effort to ensure that their considerations and views are appropriately considered in the analytical process.

IV. Decision-Making Transparency

As an accountable public sector institution, the Central Bank of Armenia places explicit emphasis on maintaining the highest levels of transparency regarding the monetary policy decision-making process. Greater decision-making transparency lies at the foundation of effective policymaking, given the role it plays in minimizing policy uncertainty; helping support and manage better-informed market expectations; ensuring the credibility of the CBA; ensuring the CBA's responsiveness to the people of Armenia and our mandate; and supporting CBA independence. In order to serve these objectives, transparency about the decision-making process should take place in a timely manner, with very little lag between when the decision is made and when decision-related transparency documents are published.

The key communications document supporting decision-making transparency and accountability is known as the "Transparency Report." The Transparency Report is published at 18:00 on the same day as the monetary policy decision is made.

1. Attributed Minutes of Board Deliberations (Since March 2024)

The Central Bank of Armenia publishes minutes of the Board deliberations for each policy decision. These minutes provide a concise summary of the main discussion items by Board members and material presented by the Staff. As an added measure of transparency and accountability, the minutes summarize the key arguments made by members of the Board (attributed to each Board member), allowing the public to understand the scope of deliberations that led to each decision.

2. Attributed Votes (Beginning in June 2024)

The CBA will be publishing a record of votes on monetary policy decisions taken by Board members beginning in June 2024. These votes will be published in each Transparency Report, and will be attributed to individual Board members.

3. Vote Explanations (Beginning in September 2024)

When casting their vote, Board members are required to submit a succinct, one paragraph summary of the rationale supporting their proposed decision. These explanatory notes, known as "Vote Explanations," will be published in tandem with the other documents on decision day. Publishing the rationales will allow the public to have further insight into the often diverse viewpoints held by the Board, and understand the different perspectives that Board members may have about the most pressing issues while highlighting their individual "least regrets" in the decision made. Moreover, given the decision-making model of the CBA Board (majority votes of individual Board members, rather than Governor-decision-maker or Board consensus), the vote explanations serve as an essential tool for enhancing the accountability of individual Board members.

4. Additional Opportunities for Enhancing Decision-Making Transparency

The Board continues to explore ways to further improve its monetary policy transparency. As part of this, the Board is considering the opportunity to publish full transcripts of the key monetary policy decision meeting (with named attributions of individual Board members) with some lag (for example, 12 years).

5. Timeline for External Communications on Decision Day

Given the communications vehicles noted above, the external communications on decision day will proceed according to the following timeline. In addition, social media posts will accompany each announcement or publication.

Figure 5. Timeline for External Communications on Decision Day



6. Annual Calendar for Monetary Policy Decision Dates

The CBA publishes, in November of each year, the fixed dates for monetary policy decisions for a 1-3 year horizon. The calendar also clarifies when the key communications documents corresponding to each decision (Monetary Policy Report, Transparency Report, Technical Meeting with Analysts, and so on) are to be released.

7. Blackout Period Preceding Decision

All CBA Staff involved in monetary policy and Board members, should be held to a “blackout period” of 7 days before the decision day, where they refrain from making official policy-related public appearances or discussing policy with the public, including on social media. The purpose of the blackout period is to prevent sharing of potentially privileged information that could result in information asymmetries that could be exploited.

Appendix A. Key Elements of the Communications Framework

I. Written Communications

#	Issue	Approach																
1a	Decision-Making Transparency: Minutes of Final Deliberations	Board minutes, which are published following each decision, should attribute key discussion points to individual Board members. This represents the highest standard for transparency about policy deliberations. Minutes should be published on the day of each decision, beginning with the March 2024 decision.																
1b	Decision-Making Transparency: Voting Record	The voting record of each Board member for each monetary policy decision should be published on the day of each decision, beginning with the June 2024 decision.																
1c	Decision-Making Transparency: Vote Explanations	Board members should provide succinct attributed final submissions stating their attributed vote and explaining their rationale for the vote. Beginning with the September 2024 decision, the final submissions should be published externally alongside the minutes on the day of each decision.																
1d	Bilingual Communications	All written communications on the decision day should be published bilingually, in Armenian and English.																
1e	Written Package to be Released with Each Decision	<table border="1"> <thead> <tr> <th>Document</th> <th>Owner</th> <th>MPR Cycle</th> <th>Non-MPR Cycle</th> </tr> </thead> <tbody> <tr> <td>Executive Monetary Policy Statement</td> <td>Board & Staff</td> <td>X</td> <td>X</td> </tr> <tr> <td>Monetary Policy Report</td> <td>Staff</td> <td>X</td> <td></td> </tr> <tr> <td>Transparency Report</td> <td>Board</td> <td>X</td> <td>X</td> </tr> </tbody> </table>	Document	Owner	MPR Cycle	Non-MPR Cycle	Executive Monetary Policy Statement	Board & Staff	X	X	Monetary Policy Report	Staff	X		Transparency Report	Board	X	X
		Document	Owner	MPR Cycle	Non-MPR Cycle													
		Executive Monetary Policy Statement	Board & Staff	X	X													
		Monetary Policy Report	Staff	X														
Transparency Report	Board	X	X															
1f	Timeline for Communication during Decision Day	<table border="1"> <thead> <tr> <th></th> <th>MPR Cycle</th> </tr> </thead> <tbody> <tr> <td>11:00</td> <td>Decision made</td> </tr> <tr> <td>12:00</td> <td>Decision Published with Executive Monetary Policy Statement</td> </tr> <tr> <td>12:00</td> <td>MPR Cycle: Monetary Policy Report Published</td> </tr> <tr> <td>14:00</td> <td>Press Conference / Conference Presentation</td> </tr> <tr> <td>18:00</td> <td>Transparency Report Published</td> </tr> </tbody> </table>		MPR Cycle	11:00	Decision made	12:00	Decision Published with Executive Monetary Policy Statement	12:00	MPR Cycle: Monetary Policy Report Published	14:00	Press Conference / Conference Presentation	18:00	Transparency Report Published				
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		14:00	Press Conference / Conference Presentation															
18:00	Transparency Report Published																	

II. Verbal Communications

#	Issue	Approach																				
2a	Key verbal communication tools	The Board approves the following verbal communications vehicles:																				
		<table border="1"> <thead> <tr> <th>Vehicle</th> <th>Participants</th> <th>Timeline</th> <th>MPR Cycle</th> <th>Non-MPR Cycle</th> </tr> </thead> <tbody> <tr> <td>Press Conference</td> <td>Governor, Head of MPD</td> <td>Decision Day</td> <td>X</td> <td>X</td> </tr> <tr> <td>Technical Meeting with Analysts</td> <td>Head of MPD, Staff, One Board Member (Rotation)</td> <td>Day after Decision</td> <td>X</td> <td></td> </tr> <tr> <td>Board Member Media Interview</td> <td>One (or more) Board Member(s) (Rotation)</td> <td>Within one week after Decision</td> <td>X</td> <td>X</td> </tr> </tbody> </table>	Vehicle	Participants	Timeline	MPR Cycle	Non-MPR Cycle	Press Conference	Governor, Head of MPD	Decision Day	X	X	Technical Meeting with Analysts	Head of MPD, Staff, One Board Member (Rotation)	Day after Decision	X		Board Member Media Interview	One (or more) Board Member(s) (Rotation)	Within one week after Decision	X	X
		Vehicle	Participants	Timeline	MPR Cycle	Non-MPR Cycle																
		Press Conference	Governor, Head of MPD	Decision Day	X	X																
Technical Meeting with Analysts	Head of MPD, Staff, One Board Member (Rotation)	Day after Decision	X																			
Board Member Media Interview	One (or more) Board Member(s) (Rotation)	Within one week after Decision	X	X																		
2b	Role of Governor in press conference	The role of the Governor during the press conference is to serve as spokesperson for the Board, reflecting a single institutional view of the CBA, and refraining from describing own individual views.																				
2c	In public appearances, how should Board members balance communicating personal versus institutional views on monetary policy?	Role of the Governor: The Governor should solely present the institutional view in all media appearances, as the public is likely to conflate his personal views with the institutional view, even if it is not necessarily the case.																				
		Role of Deputy Governors and Non-Executive Board Members: The rest of the Board should practice the following approach: In all discussions around the <i>policy decision</i> , the Board member should present the institutional view. In more abstract discussions about specific risks or issues, the Board member may present their personal view, given that clear disclaimers are made. In general, Board members should follow the 80/20 principle, devoting the vast majority of their communications (roughly 80%) to the institutional view, and a small portion (20%) to their personal view, and provide clear disclaimers when they present their individual view. This applies to all policy-related media appearances, including posts on social media.																				
2d	Blackout period	All CBA MPD Staff and Board members, should be held to a “blackout period” of 7 days before the decision day, where they refrain from making official policy-related public appearances or discussing policy with the public, including on social media. The purpose of the blackout period is to prevent sharing of potentially privileged information that could result in information asymmetries that could be exploited.																				

Appendix B: Comparison of CBA & IMF Communications Standards

Introduction: The CBA Communications Policy and Strategy follows international best practices, and in many cases seeks to set new standards for transparent communications. This appendix compares the CBA policy and strategy with what the IMF considers to be best practices (see: “[Central Bank Communications](#)”). The full policy and strategy is described in the preceding sections.

IMF Communications Principles

First, communication should be clear, candid, and transparent. Clarity involves explaining the policy objective, the policy framework, the central bank’s reaction function, as well as the outlook of monetary policy and the risks associated to such outlook, in an understandable manner. Sincere communication is critical to bolster credibility and predictability, and fundamental in terms of the accountability required for central banks. In an inflation targeting regime, transparency is optimized as the policy objective is specified as a numerical value that can be easily monitored by households and firms. Such a numerical value can also help keep inflation expectations anchored.

Second, central bank communication should reach all segments of the population. To achieve legitimacy as the monetary policymaker, the central bank must explain that the objectives of monetary policy are compatible with the objectives of the society as a whole. Therefore, messages must be crafted to target different audiences, ranging from financial markets and opinion-makers to politicians and the public at large. To this end, the style and form of communication must be tiered accordingly to inform all stakeholders about policy decisions, the reasons behind them, and the economic prospects and associated risks, and delivered through various channels.

CBA Communications Policy

First Principle: Clarity of Objectives: The Central Bank has a constitutional mandate to ensure price and financial stability in Armenia, and it achieves both of these mandates through well-defined operational objectives. With respect to the price stability objective, this includes the numerical point target for inflation; the time horizon over which this target should be reached; what policy tools are used to manage inflation; what trade-offs might exist in bringing inflation to target levels; and so on. Clearly articulating the CBA’s monetary policy and financial stability objectives and goals is the most important and foundational component of effective communications. It allows the public to understand the objectives and purpose of monetary policy, and helps clarify and contextualize the decisions made by the central bank, including when it has to make difficult trade-offs. This is the basis for transparency in communications and institutional accountability.

Second Principle: Decision-Making Transparency: At its core, the purpose of monetary policy communications is to clearly convey how the central bank makes a policy decision, and in particular it should include: (1) how the central bank is thinking about current and underlying economic conditions; (2) what it deems to be the most relevant risks and sources of uncertainty; and (3), given this, why the central bank has made a certain decision about how to use its policy instruments, and how this will help the central bank reach its objectives. By conceiving of communications in this manner, the central bank has a duty to structure its communications to answer these questions and provide transparency about how and why the central bank made a certain monetary policy decision.

CBA Communications Segmentation Strategy:

Stakeholder	MPR	Press Conference	Technical Briefing	Social Media
Govt./Parlmt.				
Fin. Mkts.				
Media				
Academia				
Gen. Public				
Intl. Comm.				

Third, communication should take place regularly. This implies that the central bank addresses its audiences in a systematic manner—i.e., on regular dates and, on occasions, at specific hours, and through established and known channels.

CBA Annual Publication Calendar provides, in advance, the dates on which policy decisions and its supporting communications (e.g. press release, MPR, etc.) will take place. This follows a regular and systematic calendar.

Communications Timeline on Decision Day is as follows:

Time	MPR Cycle
11:00	Decision Reached
12:00	Decision Published with Executive Monetary Policy Statement/Press Release
12:00	MPR Cycle: Monetary Policy Report Published
14:00	Press Conference
18:00	Transparency Report Released

Fourth, all economic agents should have equal access to the same information. Making all relevant data and analysis about the formulation of monetary policy and policy decisions equally accessible to all target audiences in a timely manner is a necessary condition for preserving the reputation of the central bank as an institution working without favoring any particular group or individual. Not abiding by this principle could erode public support and put central bank independence at risk because the conduct of monetary policy is expected to be exercised for the benefit of the entire society, rather than for a few specific segments.

Third Principle: Analytical Transparency: Communications frameworks also require transparency on the analytics that lie behind the policy discussion that occurs at the policy board and that is shared with the public. This includes timely and frequent publication of both the data used for analysis as well as the models and tools used to analyze them. Here, the use of open-source software may enhance the possibility of higher levels of analytical transparency.

Finally, communication should be consistent across central bank officials and should be associated with the institution. While there is room to account for different views and opinions that emerged during the monetary policy decision-making process, this should be done via an institutionalized channel and never through unauthorized channels. It is paramount that at the end of the day, the central bank's decision and future actions be communicated in a coherent and uniform manner. Substantially diverging messages will confuse economic agents and undermine efforts to guide inflation expectations. Contradictory messages will, in addition, hinder the build-up of credibility, thus weakening the effectiveness of monetary policy.

1. The Board's communications—both collective and individual—should contribute to the overall effectiveness of the monetary policy decision, the public's understanding of monetary policy, and the accountability of the Board and its members.
2. The Governor (or acting Governor in the event of his or her absence) will be the sole spokesperson for the official announcement of the decision.
3. A technical meeting with analysts will be held following the publication of the decision. This meeting will include a technical presentation of the case scenarios and risk assessment by the Chief Economist followed by a Q&A session among analysts. If a policy-related question comes up, a non-Executive Board member should be present to answer it on a rotational basis. That answer should reflect the discussion the Board had and not represent a personal view. The meeting will be live-streamed on the Bank's website to support broader economic and financial literacy.
4. In any public remarks regarding the Board's policy strategy and decision, members are to draw on the Board's official communications. Board members may express their own views about monetary policy and the economic outlook, but those views should be consistent with their final submissions and no new information should be provided. The majority (approximately 80%) of the Board member's discussion should focus on the institutional view and only a minority of the time (approximately 20%) should be devoted to expressing individual views. Members are to consult with the Board within a reasonable timeframe in advance of any public communication, and ensure such communication is publicly advised in advance and on the record (on the Bank's website) in real-time.
5. Given financial market sensitivities, Board members must respect the blackout period and refrain from any public communications relevant to monetary policy during the seven-day period preceding the decision.

Additional CBA Communications Principles that Underlie the CBA's Decision Making:

Fourth Principle: Policy Agility: Central banks face incredible uncertainty when making monetary policy decisions—uncertainty around current economic conditions, near-term trends, underlying drivers of economic developments, the essence and significance of potential risks, and much more. In order to demonstrate and maintain its commitment to meeting its objectives, the central bank has a responsibility to both transparently communicate the key uncertainties and sources of risk that threaten its price stability objective, as well as convey how the policy path might shift in response to them materializing. Thus, when economic conditions change in unforeseen ways, or difficult risks materialize, the central bank is not constrained by its prior communications, and can have greater agility and flexibility to appropriately adjust its policy stance in a way that does not necessarily contradict its prior messaging or threaten its credibility. This agility is made possible by the fact that forward-looking and systematic discussions around uncertainty, risk, and potential policy response have been an integral part of prior communications. Moreover, the central bank is not hampered by its prior insistence on a single, narrow narrative about the economic outlook that failed to adequately convey the uncertainty at hand.

Fifth Principle: Scenarios-Based Qualitative and Quantitative Forward-Guidance: Among the primary objectives of monetary policy communications is to provide forward guidance to financial markets, and good forward guidance must include a combination of qualitative and quantitative elements. The policy strategy would be presented through the publication of scenario-consistent policy paths. Most importantly, these policy paths would be supported by accompanying narratives that highlight the connections between the macroeconomic stability risks present in scenarios, as well as their policy imperatives. Revealing the strategy through quantified and narrated examples, rather than via the algebra of policy reaction or loss functions, provides concreteness and helps to better communicate monetary policy decisions, allowing financial markets to better understand the underlying risks and narratives that guide the central bank's decisions. This is especially relevant for those non-expert agents that are important to both price setting and endorsing the continuation of existing institutional arrangements.

Sixth Principle: Credibility: Among the most important principles of monetary policy communications is supporting and strengthening central bank credibility. Clear, structured, and effective policy communications helps undergird greater trust in the central bank and its commitment to the price stability objective, generating a virtuous cycle that enhances the efficiency of monetary policy and minimizes the underlying social costs of policymaking. High and persistent uncertainty can jeopardize these goals, requiring a systematic monetary policy communications approach to address and discuss these uncertainties. Moreover, errors in communications—where the central bank fails to appropriately convey issues around

uncertainty and its policy implications—can have material impacts on credibility, highlighting the important relationship between transparent and effective communications and the retention of credibility. By being more suited to a world characterized by significant uncertainty, a communications approach that drops the focus on a “most likely” future in favor of recognition of an uncertain one might, counter-intuitively perhaps, facilitate the retention of credibility. While the public undoubtedly has a preference for certainty and assurance, prescriptively focusing on a “most likely” future can only provide a false sense of certainty and assurance. Moreover, protected public officials who make unrealistic claims of expertise may serve to threaten the valuable institutional structures created to depoliticize policymaking. At the same time, this emphasis on single, baseline paths for key economic variables and the policy rate risks crowding out private information, and may create the false impression that the central bank is guiding markets.



Table 1. Monetary Policy Communications Tools: IMF Recommendations vs. CBA Policy

	IMF Recommendations for an effective MP communication strategy	CBA Policy
Press release	Communicate any policy decisions, new regulations, and comment on relevant data.	✓
Press conference	Following the above, bringing more information in the form of a presentation. Usually followed by a Q&A session.	✓
Website	Main source of information for the public in general, including tiered content for different audiences. Must include more stable content referring to the institutional background, mission, and objectives, as well as frequently updated material related to recent developments, including links to the other communication channels.	✓
Social media	A way to provide quick messages with reference to more complete information on the website.	✓
Interviews with media	Some central bank officials rely heavily on this channel, which must be dealt with care. Need to stick with the institutional messages to avoid generating noise.	✓
Regular op-ed pieces and columns in media	A way for central bank authorities and assigned staff to propagate institutional messages to a wider audience. Meetings with analysts/experts Important channel, with two-way objectives. Used to clarify previous messages and, at the same time, get feedback from market participants. Due to the exclusivity of access, this channel cannot be used to provide new information.	In the future;
Background briefings/seminars for journalists	Important tool for uniformizing and framing the messages provided by the press to society in order to avoid misconceptions.	✓
Public speeches, lectures Channel for communicating with a selected audience.	To promote uniform access to information, content must be made available on the website.	✓
Newsletter	A direct way to provide tailored messages for specific audiences.	Ad-hoc

Table 2. Principles for Monetary Policy Communications Tools: IMF Recommendations vs. CBA Policy

IMF Recommendation	CBA Policy
The central bank must be prepared to use the diverse communication tools available today	The CBA uses a diverse, multi-pronged set of communications vehicles to reach a wide array of relevant stakeholders and target audiences.
All publications should have a clear message and purpose.	Communications vehicles have been selected and designed to meet a specific purpose and target audience.
As a rule, publications should neither be too heavy in presenting economic data nor too light in providing appropriate justification for recent policy decisions as well as forward-looking information.	The CBA's new MPR follows (and, in many cases, sets) global standards for policy communications, in terms of striking a perfect balance between streamlined/accessible language and richness in data/analysis.
The central bank should publish decisions on monetary policy on the same day Monetary Policy Committee (MPC) meetings are concluded, without any unnecessary delay and as soon as possible once decisions have been taken.	The CBA's Executive Monetary Policy Statement (EMPS)/ Press Release, and Transparency Report are all published on the same day as the decision, following a decision calendar.
The primary vehicles for sharing policy decisions and views with target audiences are the Monetary Policy Statement, the press conference, and the MPR.	The CBA's primary vehicles for monetary policy communications are the Monetary Policy Report, Executive Monetary Policy Statement (Press Release), the Press Conference, and the Technical Meeting with Analysts.
To complement the communication schedule mentioned above, a communications blackout period should be observed.	The CBA MP Charter provides for a seven-day blackout period preceding each decision.