

# STRATEGIC OBJECTIVES FOR PERFORMING THE MAIN FUNCTIONS OF EESTI PANK

Eesti Pank follows these strategic objectives in order to carry out its main tasks.

## I Monetary policy

1. Maintaining the currency board arrangement until Estonia joins the euro area.
2. Monitoring Estonia's economy with the key focus on the risks related to inflation inertia and the uncertainty surrounding the external environment. Meanwhile, cooperation with the government on economic policy is aimed at finding ways to prevent setbacks arising from the abovementioned risks.
3. Integrating Estonia's monetary policy environment and market operations with those of the Economic and Monetary Union, taking into account the specifics of Estonia.
4. Developing economic forecasting methods that aim to achieve content-related and procedural uniformity with the economic forecasting arrangement of the European System of Central Banks.
5. Ensuring the consistency and quality of the compilation of financial sector and balance of payment statistics in compliance with European Union standards, as well as better and diverse use of these statistics.

## II. Financial stability

6. Ensuring financial stability by assessing the credit and liquidity risk of the financial sector and bringing the risk scenarios of the economic forecast more in line with the financial stability stress tests. Consultations are carried out with market participants as well as domestic and international cooperation partners to obtain high-quality and reliable estimates.
7. Safeguarding financial stability by developing the financial sector's safety net with special focus on the sector's infrastructure. Strengthening national crisis management capacity in cooperation with the Ministry of Finance

and the Financial Supervision Authority and cross-border crisis management capacity in cooperation with Scandinavian and other Baltic central banks.

8. Acting as the overseer of settlement systems and publishing respective assessments regularly.
9. Contributing to better integration of European financial markets, including in the field of securities settlement, by participating in the work of European Union institutions. Participating in the development of the securities settlement system TARGET2-Securities.

## III Meeting cash demand

10. Promoting the usage of modern payment means in order to reduce the share of cash in currency circulation.
11. Increasing the performance of cash handling, thus avoiding growth in costs of cash handling in the medium term.
12. Celebrating key events in Estonia by issuing numismatic-bonistic products.

## IV. Joining the euro area

13. Reaching the stage in preparation for the launch of the euro where it can be completed within 12 months before the day the euro is launched. Estimating twice a year Estonia's readiness for the launch of the euro.
14. Amending the management of foreign exchange reserves with the goal of ensuring the optimum investment of assets when Estonia becomes a full member of the Economic and Monetary Union.
15. Ensuring the technological readiness of cash management for the changeover to the euro.
16. Ensuring readiness for competent participation in the decision-making and cooperation mechanisms of the single European monetary policy.
17. Informing public, private, and third sector organisations and the general public of the

developments in the implementation of the single European monetary policy and its effects on Estonia's economy, and of central bank's responsibilities upon Estonia's accession to the euro area.

## **V. Organisation and cooperation**

18. Providing central bank services cost-effectively at the national level and as a member of the European System of Central Banks (ESCB).
19. Promoting research-related scientific cooperation by strengthening collaboration with the other EU central banks through cooperative projects; continuing the visiting researchers' programme, and promoting joint research work in Estonia, including via the Estonian Economic Association.
20. Developing the professional skills and knowledge of the staff through in-service training programmes and personal development plans.
21. Developing the management system of the central bank by anchoring the bank's organisational values, preparing a comprehensive description of the organisation, specifying the bank's products and services, and determining their cost on the basis of ESCB's methods.
22. Conducting regular self-assessments of the bank's internal audit and risk management processes.
23. Enhancing the business continuity of the bank's critical processes.
24. Establishing an interactive visitor centre by using the resources of the museum and library of Eesti Pank, which will be introducing the role and tasks of Eesti Pank as a member of the ESCB as well as the history of the Estonian economy and currency.
25. Improving the physical and IT working environment and the teleworking opportunities.