

# STRATEGIC OBJECTIVES FOR PERFORMING THE MAIN FUNCTIONS OF EESTI PANK<sup>1</sup>

## I Monetary policy

1. Maintaining the currency board arrangement until Estonia joins the euro area.
2. Monitoring Estonia's economy with the main focus on the current acceleration of credit growth and the threats that may accompany the possible increase in inflationary pressures. Meanwhile, cooperation with the government on economic policy is aimed at finding ways to prevent setbacks arising from the abovementioned threats.
3. Integrating Estonia's monetary policy environment and market operations with those of the Economic and Monetary Union, taking into account the peculiarities of Estonia.
4. 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.
5. 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, while further developing the short-term adjustment mechanism of Estonia's economy.
6. Ensuring the consistency and quality of the compilation of financial sector and balance of payment statistics in compliance with European Union standards. Creating enhanced means of information technology for users who transmit statistical data.

## II Financial stability

7. Safeguarding financial stability by focusing on the development of the financial sector's safety net. Strengthening the national crisis management capacity in cooperation with the Ministry of Finance and the Financial Supervision Authority and the cross-border crisis manage-

ment capacity in cooperation with Finland's and Sweden's central banks.

8. Preparing up-to-date financial sector regulations that would comply with the risk profile of banks' operational environments and international practices.
9. Acting as the overseer of settlement systems and publishing respective assessments regularly.

## III Meeting the cash demand

10. Reducing the percentage of cash in circulation and promoting the usage of more modern means of payment. Joining the future Trans-European Automated Real-Time Gross Settlement Express Transfer system TARGET2.
11. Celebrating key events in Estonia by issuing numismatic-bonistic products.

## IV Joining the euro area

12. 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.
13. Ensuring the technological readiness of cash management for the changeover to the euro.
14. Ensuring readiness for competent participation in the decision-making and cooperation mechanisms of the single European monetary policy.
15. Informing public, private, and third sector organisations and institutions as well as the general public of the developments in the implementation of the single European monetary policy and its effects on Estonia's economy. Updating the structure of the bank's information outputs.

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<sup>1</sup> Decision of the Supervisory Board of Eesti Pank No 11-1 of 12 December 2006 (the strategic development plan of Eesti Pank for 2007–2009).



## V Organisation and cooperation

16. Participating in the work of the Nordic-Baltic Constituency of the International Monetary Fund.
17. 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 in association with the Estonian Economic Association.
18. Developing the professional skills and knowledge of the staff through in-service training programmes and personal development plans.
19. Compiling an integral description of the management system, specifying the products and services of Eesti Pank, developing value-based management, reviewing the compensation system and preparing for improvement or amendment thereof. Budgeting will be supplemented by process-oriented accounting and classification possibilities.
20. Making the risk management process at Eesti Pank fully compatible with the strategic planning process.
21. Creating an interactive visitor centre using the resources of the museum and library of Eesti Pank which will present the role and tasks of Eesti Pank as a member of the European System of Central Banks, as well as the history of the Estonian economy and its money.
22. Implementing a system management model covering all systems with IT components.
23. Improving both the physical and IT working environment as well as creating teleworking opportunities.