

MISSION, MAIN OBJECTIVES, AND STRATEGIC DEVELOPMENT PLAN OF EESTI PANK FOR 2004-2006

MISSION OF EESTI PANK

The mission of Eesti Pank as the central bank of Estonia is to strengthen both domestic and international confidence in the stability and integrity of the Estonian currency and the Estonian monetary system.

MAIN OBJECTIVES OF EESTI PANK

1. To ensure the value and integrity of the Estonian kroon in fulfilling the functions of the currency.
2. To promote the efficiency and stability, and support the development of the Estonian financial system.
3. To meet the cash demand of the public.

STRATEGIC DEVELOPMENT PLAN OF EESTI PANK FOR 2004-2006

In order to accomplish its mission and main objectives, the core activities of Eesti Pank are as follows:

I. Monetary policy

1. Specification and implementation of the strategy of accession to the European Economic and Monetary Union (including the ERM II system).
2. Maintaining the currency board arrangement until Estonia joins the European Economic and Monetary Union.
3. Monitoring Estonian economy with focus on the threats related to economic imbalances, and economic policy cooperation with the government to prevent possible setbacks arising from such threats.
4. Continuation of the reform of the monetary policy operational framework in order to unify Estonia's monetary policy environment with the European Economic and Monetary Union.

5. Development of economic forecasts and movement towards unification with the economic forecasting arrangement of the European System of Central Banks regarding content and procedures.

II. Financial stability

6. Ensuring that financial sector regulation would be up to date and in compliance with international standards and customs.

7. Perfecting the system of financial sector security measures and participation in international cooperation in financial sector crisis management together with the Ministry of Finance and the Financial Supervision Authority.

8. Acting as overseer of settlement systems and publishing regular assessments on the issue.

9. Upholding international competitiveness of the financial sector and promoting domestic competition in banking.

10. Perfecting the inter-bank settlement system and conducting preparations for joining the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET).

III. Meeting cash requirements

11. Reducing the share of cash in circulation by promoting usage of modern payment instruments.

12. Acknowledging key events in Estonia by issuing numismatic-bonistic products.

13. Ensuring the technological readiness of cash management for transition to the euro cash.

14. Designing the Estonian euro coins.

IV. Accession of Eesti Pank to the European System of Central Banks

15. Active participation in the work of the European System of Central Banks and other European Union committees and working groups within the limits of our competencies and proceeding from our comparative advantages.

16. Bringing financial accounting and reporting of Eesti Pank in line with the standards of the European System of Central Banks.

17. Developing methods of compiling financial and balance of payments statistics in compliance with the European Union standards.

18. Creating an information technology infrastructure required for connecting the information system of Eesti Pank to the core network and information system of the European System of Central Banks.

19. Informing the public and cooperation partners of the economic, monetary, and financial policy situations and priorities in Estonia and the European Union in a uniform, clear, and timely manner.

V. Organisation and cooperation

20. Developing the system of external managers and credit risk management in administering the foreign currency reserves to improve the overall management of financial risks.
21. Supporting economic analysis through enhancing academic and theoretical research and expanding respective cooperation.
22. Participation in shaping the points of view of the Nordic-Baltic Constituency of the International Monetary Fund.
23. Development of strategic, financial, and quality management, including risk and process management of Eesti Pank.
24. Promoting consistent self-development of the staff of Eesti Pank in line with the strategic directions and interests of Eesti Pank.
25. Improvement of electronic data presentation and reception at Eesti Pank. Changing the information technology infrastructure in order to adopt electronic documents, and implementation of a document management facility, e-EP.