

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

The activities of Eesti Pank are planned for a three-year period. The Executive Board of Eesti Pank defines the strategic tasks for the coming period once a year and submits a strategic development plan to the Supervisory Board of Eesti Pank for approval. The strategic objectives set in the year 2005 are as follows:

## I Monetary policy

1. Achieving readiness to obtain full membership in the European Economic and Monetary Union (and to accede to the euro area) by the second half of 2006.
2. Maintaining the currency board arrangement until granted full membership in the European Economic and Monetary Union.
3. Regarding the monitoring of Estonia's economy, the main focus lies with the threats related to economic imbalances and with economic policy cooperation with the government aimed at finding ways to prevent possible setbacks arising from such threats.
4. Unifying Estonian monetary policy environment and market operations with the Economic and Monetary Union, proceeding from the peculiarities of Estonia.
5. Developing economic forecasts and moving towards unification with the economic forecasting arrangement of the European System of Central Banks regarding content and procedure.

## II Financial stability

6. Supporting the international competitiveness of the financial sector and promoting domestic competition in banking.
7. Acting as a supervisor of settlement systems and publishing regular assessments of the current situation.
8. Perfecting the system of financial sector security measures in cooperation with the Ministry of

Finance and the Financial Supervision Authority, and participating in the crisis management of the international financial sector.

9. Ensuring that financial sector regulation is up to date and in compliance with international standards and practices.

## III Meeting the cash demand

10. Reducing the percentage of cash in circulation by promoting usage of modern means of payment.
11. Ensuring the technological readiness of cash management for the changeover to the euro.
12. Commemorating key events in Estonia by issuing numismatic-bonistic products.

## IV Obtaining full membership in the Economic and Monetary Union

13. Proceeding from its goals and within the limits of its resources, participating in the work of the European System of Central Banks and other European Union committees and working groups.
14. Bringing Eesti Pank's financial accounting and reporting into conformity with the standards of the European System of Central Banks.
15. Ensuring the consistency and quality of compilation of financial sector and balance of payment statistics in compliance with the European Union standards.
16. Ensuring readiness for competent participation in the decision-making and cooperation mechanisms of the common European monetary policy.
17. Creating an IT infrastructure required for connecting the information system of Eesti Pank to the core network and information system of the European System of Central Banks.
18. 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.

<sup>1</sup> Approved by Decision No 12-1 of 21 December 2004 of the Supervisory Board of Eesti Pank (Strategic Development Plan of Eesti Pank for 2005–2007).



## V Organisation and Cooperation

19. Participating in the work of the Nordic-Baltic Constituency of the International Monetary Fund.
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. Developing the management system of Eesti Pank, including quality and risk management.
22. Streamlining the records management of Eesti Pank via the implementation of a document management facility, the e-EP.