

## The relationship between the central bank and the government

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### Information sharing and cooperation between the central bank and the government

In many countries the world over, the central bank has been given the mandate to preserve price stability as its single or primary objective, and been granted autonomy from government to make sure that short-term political considerations do not interfere with achieving this objective. Accountability to the legislature and the public at large balance the central bank's autonomy. Transparency – the third element of the modern paradigm of central banking – is important for holding the central bank to account, and for making monetary policy efficient by shaping inflation expectations. In principle, there is a clear division of responsibilities and accountabilities between the central bank on the one hand, and the government and the Minister of Finance on the other hand. Even so, information sharing, cooperation and coordination between the central bank and the government are important in a number of respects. The first and major part of this note focuses on practical aspects of the cooperation between the central bank and the government, and is based on a survey of central banks conducted in early 2006.<sup>1</sup> This is followed by a brief review of aspects of the financial relationship between the central bank and government. Before turning to the survey information, a brief discussion of the underlying issues may be useful.

*Clarity of framework and objectives.* In general, a strong appreciation of the different objectives and operating frameworks of the central bank, the fiscal authorities and development institutions (where applicable) will be conducive to a fruitful dialogue among them, because information and views are shared more easily when all parties understand and respect the others' rights and responsibilities.

<sup>1</sup> Central banks represented on the Central Bank Governance Network (which is part of the Central Bank Governance Forum at the BIS) were invited to participate in this survey. The statistics in this note are based on the 24 responses received to date (11 from industrialised countries, 13 from emerging market economies). The industrialised countries in the survey have a median per capita GDP of USD 31,000 (PPP-adjusted estimates for 2005) and the emerging market economies one of USD 10,400. The information suggests a number of differences between approaches taken in industrialised countries and this group of emerging market economies, but it is difficult to judge the extent to which these differences can be extrapolated to emerging market economies with per capita incomes substantially below USD 5,000 or so.

Clear and focused objectives for each authority and a high degree of transparency in pursuing them help the communications process within the public sector, in addition to shaping private sector expectations and providing a basis for accountability.

*Coordination of monetary and fiscal policy.* If the fiscal authorities know the central bank's policy reaction function and its formal or informal analytical model, they can anticipate the monetary policy response to a given fiscal action and adjust the action accordingly. In principle, coordination between monetary and fiscal policy can thus be achieved without negotiations between the monetary and the fiscal authorities, and the central bank can take advantage of being the first mover (by establishing a credible reaction function), which is important to avoid undermining its price stability objective. To implement this approach, it will still be useful if the central bank and the government can establish a culture of no surprises, to assist each other in staying the course in spite of a myriad of daily challenges.

*Coordination in other areas.* In some areas other than monetary policy, coordination between the central bank and the government may need to be quite close. For example, this is the case for fiscal agent functions of the central bank. In addition, the central bank's financial sector regulatory functions or advisory responsibilities (as well as its own participation in the financial system) allow it to foster the development of the sector, which will require close coordination with the government, for instance on legal reform.

*Development role of the central bank.* The single most important contribution central banks can make – in industrialised and developing economies alike – is to provide an environment of monetary stability, which in turn is conducive to economic growth and development. At the margins of this principle, central banks in some industrialised countries are making an effort to focus their activities ever more on this core responsibility. By contrast, in emerging market economies central banks are often a centre of resources and expertise that is asked to take on a number of development functions. It is worth noting that historically, many central banks have played an important role in developing the financial sector's capability – for example, the Bank of England has for most of its life seen itself as a champion of London as a financial centre, and the Monetary Authority of Singapore continues to see this

as a major part of its role. But it is also worth noting the dangers in an institution shouldering too many tasks at once, and losing clarity of incentives in the process, for itself as well as for other economic agents. Therefore, central banks in developing countries often prefer to limit their development functions to the financial sector, where they are best placed to contribute to infrastructure building and human capital formation.

*Macroeconomic management challenges.* In low-income countries the dependence on selected commodity exports can make them highly susceptible to terms-of-trade shocks, the predominant role of the primary sector can lead to large fluctuations in output, demand and government revenues (in part simply as a result of fluctuations in the weather), and the volatility of aid flows can be a further huge challenge in trying to stabilise output (Bevan 2005). In addition, if market imperfections are such that monetary policy can have permanent effects on real variables, the central bank may be subject to yet more political pressures than in more advanced emerging market economies or industrialised countries.<sup>2</sup> These factors, and a scarcity of reliable statistics and analytical models, may require very close interaction between monetary and fiscal authorities, and in some cases development institutions. This in turn puts a premium on well considered governance arrangements.

*Oil and other resource revenues.* An important aspect of policy coordination in a number of developing countries concerns the management of oil and other resource revenues. For oil-exporting countries, two approaches may be used. One is to budget at a conservative, "normal" oil price. This reduces the danger of large budget deficits if prices decline suddenly, and is now done by, for example, Nigeria. The second is to establish a resource fund to set aside some or all of the resource revenues net of costs. In the industrialised countries this has been done by Norway and (at the provincial level) in Canada; in Africa it has been implemented by Gabon and now Chad for oil revenues, and in Botswana for revenues from diamond mining. Proper governance arrangements for such resource funds are essential but can be difficult to devise and implement.

<sup>2</sup> For example, if foreign exchange reserves are adequate, the central bank may be in a position to achieve an optimal allocation of spending over time in spite of aid flows not being disbursed with optimal timing (Prati et al 2005).

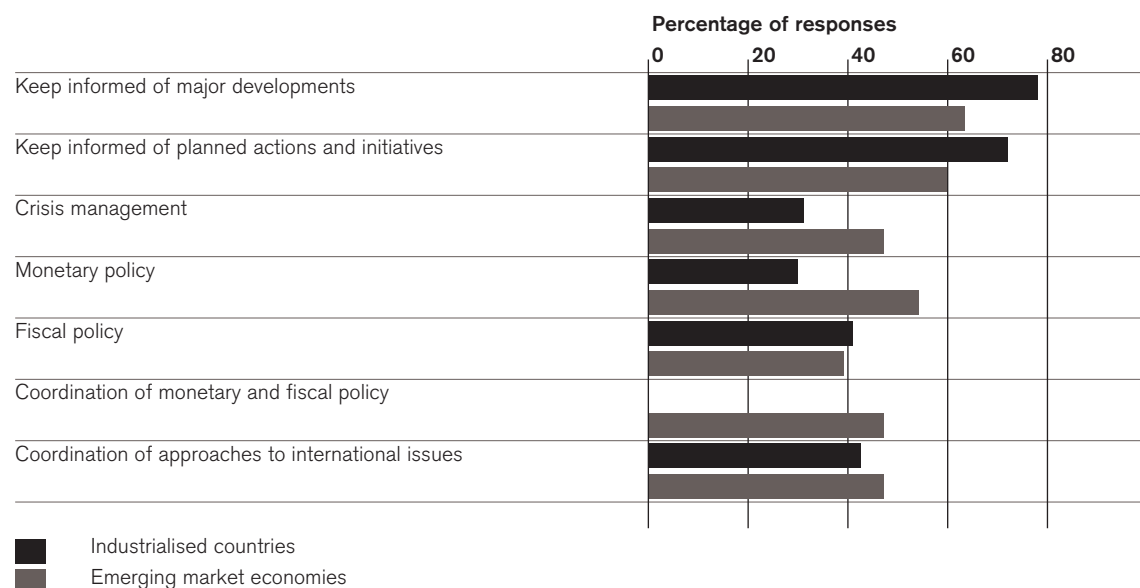
Table 1

**Frequency of meetings between the central bank and the government**

Percentage of respondents (among 24 central banks)

Type of meeting	Percentage of central banks having this type of meeting		Average number of meetings per year	
	IC	EME	IC	EME
A Governor and Minister of Finance	73	31	8	9
B Governor and other high-level government officials	91	62	5	21
C Deputy Governor and high-level government officials	27	15	9	32
D Senior officials and department heads	36	15	7	12
E Government representative on central bank's board	18	62	17	17
F Governor at (economic) cabinet meeting	9	54	10	29
G Financial stability or supervisory committee	18	38	9	14
H Other	36	23	4	3
Number of meeting types and total number of meetings	Percentage of respondents using ...		Total average number of meetings per year	
Single type of meeting used	-	-		
Two meeting types used	9	31	23	47
Three meeting types used	36	31		
Four meeting types used	55	38		

Figure 1

**Purpose of high-level meetings between the central bank and the government****Meetings of senior central bank and government officials**

Turning to the practical aspects of cooperation between the central bank and the government, virtually all central banks participating in the survey conducted for this note have processes in place to exchange information and cooperate with the government. However, there are considerable differences in how this is done. Table 1 provides information on eight different types of meetings between senior officials from the central bank and the government that are used in a significant number of countries. The following points may be noted:

- Meetings between the Governor and the Minister of Finance or other high-level government officials are a practice in a larger share of industrialised countries than emerging market economies. By contrast, in the latter having a government representative participate in meetings of the central bank's board or the Governor participating at meetings of the cabinet, or of an "economic cabinet" consisting of key ministers, is far more frequent than in industrialised countries.
- For almost all types of meetings, the average number of meetings held per year is substantially higher in emerging market economies than in industrialised countries. For all senior-level meetings together, the average total is 47 meetings per year (or about one meeting per week) in emerging market economies, and half of that (two meetings per month) in industrialised countries.
- By contrast, the number of different types of meetings tends to be higher in industrialised countries than in emerging market economies.<sup>3</sup>

The differences in the number of meeting types and in the frequency of meetings suggest that in industrialised countries, the relationship between the central bank and the government tends to be one of keeping one another informed in a variety of settings, while in emerging market economies it may more often be geared towards actual cooperation, the sharing of quite detailed information and analysis, and interacting on the larger number of subjects the central bank

<sup>3</sup> The survey questionnaire asked for information on up to four of the most important senior-level meeting types.

tends to be involved with there. Other survey evidence supports this impression, as will be shown later.<sup>4</sup>

Figure 1 summarises the purpose of the various high-level meetings between the central bank and the government. Most notably, for about half of the participating central banks from emerging market economies the coordination of monetary and fiscal policy is a key purpose of their high-level meeting(s) with the government, while none of the central banks of industrialised countries indicate that this is the purpose of any of their meetings with government. Similarly, discussing monetary policy is a purpose of the meetings considerably more often in emerging market economies than in industrialised countries. While it would be wrong to take this as a sign of a lack of monetary policy autonomy in some of the central banks of emerging market economies in the survey, it raises interesting questions about potential differences in the way central banks understand or perceive their role within government, or about whether they do in fact play a different role.<sup>5</sup>

The survey information presented above covered all senior-level meetings between the central bank and the government, irrespective of the personal involvement of the Governor. To illustrate that the degree of involvement by the Governor also varies considerably across countries, Annex Table A1 provides detailed information on all senior-level meetings where the Governor takes part in person.<sup>6</sup> For example, the Governor of the Reserve Bank of Australia generally meets with the Minister of Finance after the meeting of the Reserve Bank Board, while the Governor of the Central Bank of Norway and the Norwegian Minister of Finance meet on the day before interest rate meetings of the Bank's Executive Board. In the Czech Republic, the Minister of Finance has the right to participate in the weekly meeting of the board of the central bank, and the Governor (or Deputy Governor) has the

<sup>4</sup> The aggregate information in Table 1 hides a wealth of potentially useful information on the concrete mix of meeting types used by individual central banks, as well as on specific aspects such as timing, detailed attendance, the preparation of the agenda and meeting documents, and public communications about the meetings. This information is available to central banks, subject to preferences on information sharing expressed by participating institutions. Please contact [cbgovernance@bis.org](mailto:cbgovernance@bis.org) for details.

<sup>5</sup> Concerning the latter, it is widely acknowledged that central banks in emerging market economies often have development functions that do not arise elsewhere, but this does not directly explain why the coordination of monetary and fiscal policy would often be considered an important reason for the interaction between the central bank and government.

<sup>6</sup> Annex Table A1 thus covers a subset of the data included in Table 1. Moreover, Table A1 does not show information for central banks preferring to remain anonymous in this survey, and it does not cover meetings of the principal board of the central bank where a government representative is present, on the logic that these are typically not held primarily to exchange information with the government.

right to participate in a weekly meeting of the government.<sup>7</sup> In the United States, a Federal Reserve/Treasury luncheon is hosted at the Federal Reserve Board by one of the Governors on a rotating basis once every three weeks or so. In addition, some general points may be taken from Table A1:

- There is a very wide range of practices – some Governors have less than a handful of meetings with senior members of government each year, while others meet with the head of government or the Minister of Finance on a weekly basis.
- The purposes of meetings involving the Governor tend to be more wide-ranging in emerging market economies than in industrialised countries. In part, this probably reflects the often broader range of mandates of central banks in emerging than in industrialised economies.
- In industrialised countries, if a meeting with senior government officials involves the Governor it is very likely that the Governor's attendance at the meeting is essential (and that the meeting would not be held without the Governor). In emerging market economies, the most frequent case is that the Governor will usually attend but substitution is possible. In part, this probably reflects the larger number of meetings in the latter, but it may also be the case that a larger number of the meetings in industrialised countries are held for the express purpose of hearing the Governor in person, as opposed to sharing information with the central bank.

### Informal contacts

In addition to regular or ad hoc meetings between senior central bankers and government officials, yet more informal ways of consulting involve contacts over the phone and by e-mail. Table 2 shows the nature and frequency of such contacts between the Governor and the head of state, the head of government, the Minister of Finance and the Deputy Minister of Finance. In the vast majority of both industrialised and emerging market economies, the Governor and the Minister of Finance keep in touch over the phone (e-mail is considerably less

<sup>7</sup> In practice, the Minister of Finance participates in the meeting of the central bank board very rarely while the central bank representative takes part in almost all weekly meetings of the government.

Table 2

**Informal contacts between the Governor and senior government officials**

Percentage of responses (from 23 central banks)

Contacts between governor and ...	Head of state		Head of government		Minister of Finance		Deputy Minister of Finance	
	IC	EME	IC	EME	IC	EME	IC <sup>1</sup>	EME
<b>Generally not done</b>	40	54	30	23	10	8	30	15
<b>Frequency (per year):</b>								
Up to five times	100	80	67	33	13	-	13	
Six to 10 times	-	-	17	33	63	38	38	
Eleven to 25 times	-	20	-	-	25	31	13	
More than 25 times	-	-	-	22	-	23	13	
<b>Direction:</b>								
Usually Governor contacts government officials	33	20	17	44	25	-	-	
Usually government official contacts Governor	-	40	50	22	-	15	13	
Both sides initiate contact with similar frequency	-	20	33	22	75	77	63	

<sup>1</sup> Insufficient detailed information was provided for this column.

Table 3

**Public comments on policies of counterpart**

Percentage of responses (among 22 central banks)

Comments by the central bank on ...	Must comment		Chooses to comment							
	IC	EME	Often or always		At times		Rarely		Never	
	IC	EME	IC	EME	IC	EME	IC	EME	IC	EME
Government's budget	10	8	30	33	40	42	10	8	10	0
General aspects of fiscal policy	-	-	50	17	30	50	20	8	-	17
Financial sector policy	-	33	33	17	60	25	10	-	-	8
Structural policy	-	-	40	17	40	42	20	25	-	8
<b>Comments by the government on ...</b>										
Monetary policy decisions	-	-	-	17	70	42	30	17	-	8
General aspects of monetary policy	-	17	-	17	50	33	20	17	20	-

frequent), with both sides initiating the contact with similar frequency. Calls are typically made once or twice per month. The Governor and the head of government are also in touch over the phone in the majority of countries, but less frequently than with the Minister of Finance. Informal contacts between the Governor and the head of state are yet less frequent, and generally not made in about half of the countries surveyed. On the whole, informal contacts between the Governor and senior government officials are made somewhat more often in emerging market economies than in industrialised countries.<sup>8</sup> This corroborates the impression from Table 1 that consultation between the central bank and the government tends to be a more continuous, frequent activity in the former than in the latter. A last piece of evidence pointing in this direction is that about a third of the emerging market central banks in the survey have established a general coordination group at the staff level to deal with all relevant central bank/government issues, and almost half have set up such a coordination group for monetary and fiscal policy coordination. By contrast, such groups are rarely used in the industrialised countries. The only exceptions are coordination groups for financial sector/financial stability issues and for crisis management, which are used in a number of industrialised countries and emerging market economies alike.

**Regional groupings and institutions**

By their very nature, supranational central banks have quite different relations with governments than national central banks. In Africa, there are two such institutions: the Central Bank of West African States (BCEAO) and the Bank of the States of Central Africa (BEAC). The corresponding monetary and economic zones (WAEMU and CEMAC, respectively) have considerable power to resist pressures from individual member countries. In particular, WAEMU has prohibited the direct financing of governments by central banks since 2002. Instead, governments in the area are now forced to issue short-term securities to finance their deficits, which helps develop regional financial markets.<sup>9</sup>

<sup>8</sup> The level of the government counterpart who is contacted by the Governor also tends to be a little higher in emerging market economies than in industrialised countries. This is consistent with the central bank Governor in the surveyed emerging market economies having a somewhat higher average rank in official protocol than is the case in the participating industrialised countries: in the former, the most frequent case is the Governor having the same level as the Minister of Finance, while in the latter the most frequent arrangement is the Governor being at the level of the highest-ranking civil servant at the Ministry of Finance.

<sup>9</sup> Thus far, a similar move by CEMAC has been postponed several times. For details on the two zones, see IMF (2005) and van den Boogaerde and Tsangarides (2005).

An important aspect of regional integration in Africa has been putting in place regional surveillance over fiscal policies. This is the case for the two CFA franc zones but is also a feature of other regional groupings (COMESA, ECOWAS and SADC), where peer pressure is developing. Regional surveillance – including over governance issues – is also at the centre of the New Partnership for African Development (NEPAD) process endorsed by the G7/G8.

The institutional arrangements devised for the euro area may be of interest for other currency areas. The ECB's relationship with the EU Council and Commission (both of which perform executive functions in the European Union) is mainly based on statutory obligations, since the EU Treaty provides for a number of forms of interaction between the ECB and other policymakers of the EU, ranging from consultation to policy dialogue. In addition, the relationship is shaped by the practical consideration that contacts with other policymakers are useful in carrying out the ECB's functions and tasks, within the statutory limits established for the ECB and the European System of Central Banks – most notably their independent status and the primary objective of maintaining price stability.

The statutory legal framework guiding the ECB's relationship with the Council and the Commission has been laid down at the level of the EU and not that of the euro area. Since for the time being the regional scope of the euro area does not yet coincide with that of the EU, there has been a need to “replicate” – on a transitional basis – a similar framework at the level of the euro area. To that end, informal bodies have been set up to facilitate closer contacts between the ECB and the member states of the euro area on issues which are of common concern. In particular, the Eurogroup has been set up to allow for informal discussions regarding the euro area between the ministers of euro area member states, a member of the Commission and the President of the ECB. At the end of 2004, new working methods for the Eurogroup were introduced, including a more stable Presidency. In the same vein, the Economic and Financial Committee and the Economic Policy Committee have also – on a transitional basis – adjusted their working methods and meet in a separate euro area configuration to discuss issues which are of particular relevance for the euro area. The ECB is a member in these fora and participates in

informal discussions that contribute to better communication and the fulfilment of the Eurosystem's tasks.

Another factor behind the evolution of the relationship between the ECB and the EU Council and Commission is the continued fostering of financial integration in the EU and the possible challenges for financial stability deriving from it. In order to ensure sound regulation, rigorous supervision and adequate crisis management tools, various specialised groups have been created within the framework of the so-called Lamfalussy structure. Given the Eurosystem's task of contributing to the smooth conduct of prudential supervision and to financial stability, the ECB is also involved, to varying degrees depending on the financial market segments concerned, in the workings of these groups.

In the survey, the most important high-level contacts between the ECB and the EU Council and Commission are: (1) the President of the Eurogroup and a member of the EU Commission have the statutory right to attend the meetings of the ECB Governing Council; (2) the President of the ECB is invited to attend meetings of the Eurogroup; (3) the ECB has a standing invitation to attend meetings of the Ecofin Council of Ministers and its preparatory committees;<sup>10</sup> and (4) there are a number of regular bilateral meetings between the ECB and the EU Commission.

### Communication aspects

In some countries, the central bank has an obligation to comment publicly on selected aspects of government policy, and in a few cases the government has an obligation to comment on general aspects of monetary policy. However, in the majority of countries both sides have a choice over how frequently they comment on the policies of their respective counterpart (Table 3). It is notable that central banks in industrialised countries have a higher propensity to comment on fiscal and structural policies of the government than in emerging market economies, and central banks as a whole tend to comment more frequently on government policies than governments do on monetary policy matters. In fact, it is quite rare for central banks to consider it a taboo to comment on economic policies of the government, and vice versa for governments to minimise their comments on monetary policy.

<sup>10</sup> In practice, it participates regularly in meetings of the preparatory committees but only occasionally in Ecofin meetings, as most subjects of relevance to the ECB are usually already addressed in the preparatory committees or the Eurogroup.

Table 4

**Central bank lending to government (national or federal level)**

Percentage of central banks surveyed

<b>Lending to government: the central bank ...</b>	<b>Total</b>	<b>Industrialised countries</b>	<b>Emerging market economies</b>
Must lend	10%	9%	9%
May lend	45%	36%	54%
Must not lend	48%	54%	36%

Source: 2004 survey among Central Bank Governance Network on central bank services to government.

Why do central banks comment on policies of the government quite frequently? In emerging market economies, formal rules are mentioned as a major factor most frequently, while in industrialised countries tradition, and to a lesser extent the personal preferences of the Governor, play the most important role (Annex Table A2).<sup>11</sup>

**Satisfaction with arrangements**

Concerning the sharing of information with the government, three quarters of the central banks in the survey are very satisfied, and the remainder (more often from emerging market economies than industrialised countries) are moderately satisfied. Regarding the relationship as a whole, almost 80% of the central banks in emerging market economies are highly satisfied but 40% of the respondents from industrialised countries are only somewhat satisfied. Reasons for the more muted satisfaction in industrialised countries vary. For example, one central bank was concerned about the relationship not being formalised enough and therefore being overly dependent on exogenous events and the personal preferences of key officials, and another about disputes between the central bank and the government too often being carried out in the public eye.

**Aspects of the financial autonomy of central banks**

This note began with the modern triangle of central banking (an autonomous central bank pursuing price stability in a transparent manner and being held to account for its performance) and then discussed practical aspects of the interaction between the central bank and government in this type of arrangement. The remainder of the note summarises aspects of the financial relationship between the central bank and government that have a bearing on the policy autonomy of the central bank.

Three aspects of the financial autonomy of central banks may be distinguished: (1) the ability to set the terms and conditions on the items in the central bank's balance sheet – this is essential for the conduct of monetary policy; (2) having the means to bear any losses that arise from central bank operations and having appropriate rules to

<sup>11</sup> It appears that formal rules may not always require the central bank to comment publicly on government policies but are understood to encourage such comments.

allocate profits (including rules that govern the accumulation of capital and reserves); and (3) the ability to cover operating expenses, and in particular to set salaries (typically the single largest component of operating costs) in a manner that allows the central bank to attract and retain the professional talent it requires.

Concerning the first aspect, monetary policy autonomy may be at risk if the central bank can be obliged to lend to the government or provide it with implicit or explicit subsidies in other ways, for example by supporting the price of government debt. Where financial markets are well developed, this risk is the principal reason why lending to government is typically prohibited when the central bank law is modernised, for example to comply with the Maastricht criteria in the case of actual or prospective euro area participants (Table 4 provides a snapshot of the frequency of such prohibitions). In emerging market economies, it is also important to address this risk, but there is a second reason why it is desirable to limit access to central bank credit by the government. This is to provide an impetus for the development of local money and bond markets, which will benefit from the government being motivated to develop a local market-based source of credit, and the critical mass the government's borrowing needs may provide.

At the same time, practical experience shows that it can be very difficult to convince governments, particularly in low-income countries, to agree to a reform of the central bank law that includes the wholesale prohibition of lending to government. To address this problem, great efforts have been made to draft central bank laws that limit government access to or facilitate a gradual weaning of the government off central bank credit, but not much is known about how effective such provisions are in practice.

The second aspect of financial autonomy concerns an adequate level of central bank capital in relation to the risks the central bank is expected to absorb, as well as clear and consistent provisions on accounting for valuation changes, on the creation of reserves, and on the transfer of a central bank surplus (or loss) to the government. The *Report by the Study Group on Central Bank Capital* (BIS (2005a)) addresses these issues in detail.

Concerning the third aspect of financial autonomy, the challenge is to devise an approach for funding the expenditure budget of the central bank that encourages the careful stewardship of resources but does not allow the government to control the central bank via the purse strings.<sup>12</sup> In a 2005 survey of related arrangements, in the majority of central banks a supervisory board is empowered to approve (and in some cases to veto or amend) the budget as well as staff salaries. By contrast, the Minister of Finance has a substantial say on the central bank's operating budget in only about 20% of the countries surveyed, and parliaments generally only have the right to be informed of the central bank's budget but need not approve it. The only notable exception is the salary of the Governor, which must be approved by parliament in about 20% of the cases, and can be vetoed or amended by a small number of others.

In many cases, the costs of providing services to government can be covered by pricing them, which also addresses the problem of implicit subsidies and competitive distortions. However, in practice it may be hard to agree on terms with the government, or the central bank law may restrict the pricing of some or all services to government. To illustrate, in a 2004 survey, half of the emerging market economies and a third of the industrialised economy central banks did not price services to the national government at all.

<sup>12</sup> Some aspects of this issue are discussed in a report, *Provision of Information on Central Bank Expenditure Budgets* (BIS (2005b)).



**Meetings between the  
Governor and senior  
government officials**

Industrialised countries	Meeting type <sup>13</sup>		Presence of Governor <sup>14</sup>		Senior government counterpart(s) <sup>15</sup>		Keep informed of developments	Keep informed of plans	Crisis management	Monetary policy	Fiscal policy	Coordination of monetary & fiscal policy	Coordination of approach to internatl issues	Specific other issues	Other	Where / Chair <sup>16</sup>	Number per year / type <sup>17</sup>	Comments	
	A	E	U	E	MF(E)	MF(E)													
Australia	A	E			MF(E)	MF(E)										M/NA	6/R	After RBA board meeting	
Finland	B	E			HG(E), ME(E)	MF(E)										G/HG	12/R	Economic Council	
Iceland	B	E			HG(E), MF(E)	MF(E)										M/M	4/1		
Israel	A	E			MF(E), ME(U)	MF(U)										G or o/NA	12/1		
	B	E			HG(E)	MF(U)										G or o/NA	4/A		
	F	U			HG(E), AM (E)	MF(U)										G/G	15/R	Governor is economic advisor of Government	
New Zealand	B	E			HG(U), MF(E)	MF(U)										G/NA	4/R	Pre-Monetary Policy Statement meeting	
	B	E			MF(E)	MF(U)										G/NA	3/1	Informal ad hoc meetings	
	B	U			MF(E)	MF(U)										M/NA	3/A	Formal ad hoc meetings	
	A	E			MF(E)	MF(U)										M/NA	12/R/A	One-on-one meeting with Secretary of Treasury	
Norway	A	E			MF(U)	MF(U)										G/G	9/R	On day before interest rate meeting of Executive Board	
<b>Emerging market economies</b>																			
Chile	A	E			MF(E)	MF(E)										M/NA	20/R		
Czech Republic	F	U			HG(A), AM (A)	AM(A)										G/G	50/R		
	H	U			Deputy HS (A), AM(A)	AM(A)										G/G	4/R	Government Economic Council	
	B	U			MF(U)	MF(U)										M/ad hoc	20/1		
Hong Kong SAR	E	U			ME(E)	MF(U)										CB/G	6/R/A	Exchange Fund Advisory Committee	
	G	U			ME(E), MF(U)	MF(U)										G/G	/R, A	Council of Financial Regulators	
Hungary	A	U			MF(E)	MF(U)										G/G	/R, A	Financial Stability Committee	
India	B	U			HG(U), MF(U)	MF(U)										M/NA	5/A	Economy Supervisory Meeting	
Mexico	B	U <sup>21</sup>			MF(U) <sup>22</sup>	MF(U)										M/NA	8/A		
Philippines	F	U			HS(E), ME(E), MF(E)	MF(E)										M/G	52/R	Exchange Commission	
Turkey	B	U			MF(D), HG&ME(D)	MF(D)										M/NA	/A		
	F	E			MF(U), HG&ME(D)	MF(D)										G/G	2/R		

<sup>13</sup> Please see Table 1 for definitions

<sup>14</sup> E = essential; U = usually; D = on demand

<sup>15</sup> HS = Head of State

HG = Head of government

AM = All ministers

ME = Ministers with economic portfolio

MF = Minister of Finance

<sup>16</sup> CB = Governor or central bank

G = senior government participant or government office

M = mixed; NA = not applicable (very small meeting)

<sup>17</sup> R = regularly scheduled

I = irregular schedule

A = ad hoc

<sup>18</sup> Financial and FX policy

<sup>19</sup> Hong Kong SAR operates a Currency Board system and the monetary policy objective is set by the government

<sup>20</sup> Hong Kong's monetary policy is exchange rate stability under the linked exchange rate system

<sup>21</sup> No substitution

<sup>22</sup> No substitution

<sup>23</sup> Exchange rate policy

<sup>24</sup> Chaired by MF if present; otherwise by Governor (if present)

<sup>25</sup> No meeting in past 12 months

**Major factors behind practices for public comments**

Percentage of responses

	Major factor		Contributing factor		Not important or not applicable	
	IC	EME	IC	EME	IC	EME
Formal rules (eg central bank law, MoU)	20	75	30	-	40	8
Tradition	50	17	30	75	10	-
Personal preference of Governor	10	8	50	25	20	42
Personal preference of member of government	-	8	40	8	30	42
Other	10	17	-	-	-	-

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