

CENTRAL BANK ACCOUNTABILITY

Central bank independence is an integral part of any monetary system that aims to ensure price stability. The principles of modern democracies, however, expect any independent institution performing public functions to be accountable for its actions. For Eesti Pank, the autonomous central bank of the Republic of Estonia, accountability entails explaining its status of assets and liabilities, and its economic policy views and decisions to the citizens of Estonia and their democratically elected representatives. The principles of accountability and autonomy of the central bank counterbalance each other.

Regular reporting on economic policy views and publication of economic data

The central bank's reliability for the public and the transparency of its activities are the preconditions for the smooth operation of the monetary system. Eesti Pank must provide both the general public and the experts with regular, profound and high-quality information on economy.

Eesti Pank may and must gather and publish **monetary, financial and balance of payments statistics**. The statistical data are published on the bank's website. For further information on the statistics activities of Eesti Pank see p 47.

The central bank publishes press releases and statements to comment on the latest economic data and developments. In 2010, 25 press releases and statements were issued.

Four times a year, Eesti Pank publishes **quarterly bulletins that focus either on monetary or financial policy issues**. In addition, Eesti Pank publishes a number of different publication series that are available on its website (for the full list see "Publications of Eesti Pank in 2010", p 126). Year 2010 was exceptional in the sense that there was an increased need for distributing euro-related information to Estonian residents, and so Eesti Pank sent brochures about the security features of the euro to 561,000 households all over Estonia.

Until the end of 2010, Eesti Pank had to publish its monthly balance of payments and data on the reserves backing the kroon. After the adoption of the euro, the central bank's balance of payments is published quarterly.

The **Annual Report** of Eesti Pank gives a detailed overview of the bank's activities and the annual accounts for the year. The Supervisory Board of Eesti Pank approves the Annual Report and submits it, together with the auditor's report, to the Riigikogu. Along with the Annual Report of the central bank the Riigikogu receives the Annual Report of the Financial Supervision Authority after the report has been approved by its Supervisory Board. Governor of Eesti Pank makes also a presentation in the Riigikogu on the Annual Report.

Accountability vis-à-vis the Riigikogu

Governor of Eesti Pank presents the Annual Report to the Riigikogu every year. In addition, the central bank and the Riigikogu cooperate in the form of meetings and bank representatives explain and comment on the issues raised by members of the Riigikogu.

The top executives and experts of Eesti Pank meet regularly with the Finance Committee of the Riigikogu to explain the central bank's estimates on economic processes and discuss topical economic issues. The primary topic of interest in 2010 was the preparations for the euro change-over, which was discussed at meetings with the representatives from the European Union Affairs Committee and the Finance Committee of the Riigikogu. The labour market situation was in focus at the meeting with the Social Committee.

Upon request of parliamentary factions the top executives of Eesti Pank introduce the central bank's economic policy standpoints and activities.

In 2010, Eesti Pank replied to one interpellation of a member of the Riigikogu concerning the change-over to the euro, and to one written question.