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GRAY/20/2535

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June 29, 2020

**Statement by Mr. Mahlinza, Mr. Nakunyada, and Ms. Nainda on The Central Bank
Transparency Code - Staff Proposal
(Preliminary)
Executive Board Meeting
July 2, 2020**

1. We thank staff for the CBT proposal, which has benefitted from extensive engagement with the Board during the various phases of development, consultations with member central banks, and input from the Advisory Panel.
2. The CBT proposal comes at an opportune time when central bank mandates and responsibilities have expanded significantly since the global financial crisis of 2008. We view central bank transparency as essential in stabilizing market expectations, improving the predictability of policy decisions, and enhancing the effectiveness of monetary and financial policies. In the current COVID-19 environment, central bank transparency has become even more important as central banks have taken an active and, in some cases, expanded role including the adoption of unconventional monetary policies to foster economic stability. As such, the need for greater central bank transparency and accountability cannot be over-emphasized.
3. We consider the pilot reviews planned over the next two years, as an important starting point in rolling out the CBT. That said, we urge staff to stand ready to undertake mid-course correction measures to address any identified shortcomings in the CBT. *Could staff clarify the rationale for the long pilot period, considering the extensive consultations with key stakeholders?*
4. We view the flexibility provided by the CBT as an important feature to enhance its appeal as a diagnostic tool that can be applied to all central banks operating under diverse structural backgrounds and legal frameworks. We also consider the modular approach of the CBT as important to help build traction. At the same time, we welcome the clarity provided on the important balance between transparency and central banks' legitimate need for confidentiality in handling market sensitive information.

5. Finally, we commend staff for their consultative approach in developing the code. Going forward, this should serve as an important benchmark for Board engagements on similar workstreams.